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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1976

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HEARINGS

BEFORE A

SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

FIRST SESSION

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

SIDNEY R. YATES, Illinois, *Chairman*

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CLARENCE D. LONG, Maryland
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J. DAVID WILLSON and BYRON S. NIELSON, *Staff Assistants*

PART 1

Overview Hearings

Printed for the use of the Committee on Appropriations

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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1976

THURSDAY, FEBRUARY 20, 1975.

DEPARTMENT OF THE INTERIOR

BUDGET OVERVIEW

WITNESSES

ROGERS C. B. MORTON, SECRETARY OF THE INTERIOR
ROYSTON C. HUGHES, ASSISTANT SECRETARY, PROGRAM DEVELOPMENT AND BUDGET
VINCENT E. McKELVEY, DIRECTOR, GEOLOGICAL SURVEY
DARIUS GASKINS, DIRECTOR, OFFICE OF OCS PROGRAM COORDINATION
FRANK A. EDWARDS, ASSISTANT DIRECTOR, MINERALS MANAGEMENT, BUREAU OF LAND MANAGEMENT
FRANCIS M. WILES, DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY
JACK CARLSON, ASSISTANT SECRETARY, ENERGY AND MINERALS
JACK HORTON, ASSISTANT SECRETARY, LAND AND WATER RESOURCES

WELCOME TO THE SECRETARY

Mr. YATES. Mr. Secretary, we are delighted to have you here at the first meeting of the Subcommittee on the Department of the Interior and Related Agencies for fiscal year 1976.

We are here today to discuss operations of the Department, problems you may be experiencing and the priorities contained in your budget. The budget estimates for the portion of the Department of the Interior over which we have jurisdiction provide for new obligational authority and appropriations to liquidate contract authority of $2,472,373,000 which is an increase of $181,937,000 over appropriations enacted to date for fiscal year 1975. The budget contains supplemental estimates of $59,526,000.

COMPARATIVE TABLES, 1975 AND 1976

At this point in the record there will be inserted a comparative statement of all items included in the bill, together with miscellaneous tables concerning the Department of the Interior's funding and personnel. We will also insert the justifications for the many permanent appropriations for the Department of the Interior.

[The information follows:]

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
TITLE I—DEPARTMENT OF THE INTERIOR			
LAND AND WATER RESOURCES			
BUREAU OF LAND MANAGEMENT			
Management of lands and resources	[2] $153,496,000	$186,989,000	+$33,493,000
Transition period		57,380,000	
Construction and maintenance	6,725,000	9,061,000	+2,336,000
Transition period		2,238,000	
Public lands development roads and trails (appropriation to liquidate contract authority)	*(4,070,000)*	*(4,683,000)*	*(+613,000)*
Transition period		*(1,121,000)*	
Oregon and California grant lands (indefinite, appropriation of receipts)	38,200,000	38,200,000	
Transition period		10,200,000	
Range improvements (indefinite, appropriation of receipts)	4,187,000	5,450,000	+1,263,000
Transition period		600,000	
Recreation development and operation of recreation facilities (indefinite, special fund)	242,000	300,000	+58,000
Transition period		100,000	
Total, Bureau of Land Management	202,850,000	240,000,000	+37,150,000
Transition period		70,518,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
OFFICE OF WATER RESEARCH AND TECHNOLOGY			
Salaries and expenses	19, 792, 000	[3] 18, 327, 000	−1, 465, 000
Transition period		4, 516, 000	
Total, Land and Water Resources	222, 642, 000	258, 327, 000	+35, 685, 000
Transition period		75, 034, 000	
FISH AND WILDLIFE AND PARKS			
BUREAU OF OUTDOOR RECREATION			
Salaries and expenses	5, 210, 000	5, 645, 000	+435, 000
Transition period		1, 411, 000	
LAND AND WATER CONSERVATION FUND			
Appropriation of receipts (indefinite)	300, 000, 000	300, 000, 000	
Transition period		75, 000, 000	
UNITED STATES FISH AND WILDLIFE SERVICE			
Resource management	101, 126, 000	112, 433, 000	+11, 307, 000
Transition period		27, 038, 000	
Construction and anadromous fish	14, 047, 000	6, 727, 000	−7, 320, 000
Transition period		1, 060, 000	
Migratory bird conservation account (definite, repayable advance)	1, 000, 000		−1, 000, 000
Transition period			
Total, United States Fish and Wildlife Service	116, 173, 000	119, 160, 000	+2, 987, 000
Transition period		28, 098, 000	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued			
FISH AND WILDLIFE AND PARKS—Continued			
NATIONAL PARK SERVICE			
Operation of the national park system	$209,325,000	$240,121,000	+$30,796,000
Transition period		74,485,000	
Planning and construction	58,112,000	22,800,000	−35,312,000
Transition period		6,000,000	
Road construction (appropriation to liquidate contract authority)	*(26,026,000)*	*(38,820,000)*	*(+12,794,000)*
Transition period		*(9,400,000)*	
Preservation of historic properties	24,375,000	24,516,000	+141,000
Transition period		6,040,000	
Planning, development and operation of recreation facilities (indefinite, special fund)	11,900,000	18,000,000	+6,100,000
Transition period		5,000,000	
John F. Kennedy Center for the Performing Arts	2,420,000	2,575,000	+155,000
Transition period		741,000	
Total, National Park Service	306,132,000	308,012,000	+1,880,000
Transition period		92,266,000	
Total, Fish and Wildlife and Parks	727,515,000	732,817,000	+5,302,000
Transition period		196,775,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
ENERGY AND MINERALS			
GEOLOGICAL SURVEY			
Surveys, investigations, and research	[4] 249, 300, 000	268, 259, 000	+18, 959, 000
Transition period		67, 200, 000	
MINING ENFORCEMENT AND SAFETY ADMINISTRATION			
Salaries and expenses	67, 913, 000	79, 500, 000	+11, 587, 000
Transition period		20, 600, 000	
BUREAU OF MINES			
Mines and minerals	[5] 132, 963, 000	143, 387, 000	+10, 424, 000
Transition period		35, 700, 000	
Total, Energy and Minerals	450, 176, 000	491, 146, 000	+40, 970, 000
Transition period		123, 500, 000	
INDIAN AFFAIRS			
BUREAU OF INDIAN AFFAIRS			
Operation of Indian programs	469, 814, 000	526, 926, 000	+57, 112, 000
Transition period		173, 186, 000	
Construction	61, 804, 000	61, 400, 000	−404, 000
Transition period		13, 550, 000	
Road construction (appropriation to liquidate contract authority)	*(59, 500, 000)*	*(66, 705, 000)*	*(+7, 205, 000)*
Transition period		*(28, 000, 000)*	
Indian loan guaranty and insurance fund	20, 000, 000	20, 000, 000	
Transition period			

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued			
INDIAN AFFAIRS—Continued			
BUREAU OF INDIAN AFFAIRS—continued			
Revolving fund for loans	$38,000,000	$12,000,000	−$26,000,000
Transition period			
Alaska Native fund	70,000,000	70,000,000	
Transition period		40,000,000	
Trust funds (definite)	3,000,000	3,000,000	
Transition period		750,000	
Trust funds (indefinite)	19,500,000	31,200,000	+11,700,000
Transition period		8,298,900	
Total, Bureau of Indian Affairs	682,118,000	724,526,000	+42,408,000
Transition period		235,784,900	
TERRITORIAL AFFAIRS			
OFFICE OF TERRITORIAL AFFAIRS			
Administration of territories	14,450,000	15,000,000	+550,000
Transition period		3,800,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [5] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
Permanent appropriation (special fund)	(625, 000)	(600, 000)	(−25, 000)
Transition period		(185, 000)	
Transferred from other accounts (special fund)	(875, 000)	(975, 000)	(+100, 000)
Transition period		(253, 000)	
Trust Territory of the Pacific Islands	61, 700, 000	81, 000, 000	+19, 300, 000
Transition period		15, 100, 000	
Micronesian claims fund, Trust Territory of the Pacific Islands	1, 400, 000	10, 000, 000	+8, 600, 000
Transition period		8, 600, 000	
Total, Office of Territorial Affairs	77, 550, 000	106, 000, 000	+28, 450, 000
Transition period		27, 500, 000	
SECRETARIAL OFFICES			
OFFICE OF THE SOLICITOR			
Salaries and expenses	[6] 10, 755, 000	12, 014, 000	+1, 259, 000
Transition period		2, 727, 000	
OFFICE OF THE SECRETARY			
Salaries and expenses	19, 454, 000	21, 343, 000	+1, 889, 000
Transition period		4, 850, 000	
Departmental operations	[7] 10, 438, 000	14, 278, 000	+3, 840, 000
Transition period		2, 920, 000	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

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(1)	(2)	(3)	(4)
TITLE I—DEPARTMENT OF THE INTERIOR—Continued			
SECRETARIAL OFFICES—Continued			
OFFICE OF THE SECRETARY—continued			
Salaries and expenses (special foreign currency program)	$192,000	$1,714,000	+$1,522,000
Transition period		100,000	
Total, Office of the Secretary	30,084,000	37,335,000	+7,251,000
Transition period		7,870,000	
Total, Secretarial offices	40,839,000	49,349,000	+8,510,000
Transition period		10,597,000	
Total, new budget (obligational) authority, Department of the Interior	2,200,840,000	2,362,165,000	+161,325,000
Transition period		669,190,900	
Consisting of—			
Appropriations	2,200,840,000	2,362,165,000	+161,325,000
Transition period		669,190,900	
Definite appropriations	(1,826,811,000)	(1,969,015,000)	(+142,204,000)
Transition period		(569,992,000)	
Indefinite appropriations	(374,029,000)	(393,150,000)	(+19,121,000)
Transition period		(99,198,900)	
Memoranda—			
Appropriations to liquidate contract authority	(89,596,000)	(110,208,000)	(+20,612,000)
Transition period		(38,521,000)	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(2, 290, 436, 000)	(2, 472, 373, 000)	(+181, 937, 000)
Transition period		(707, 711, 900)	
TITLE II—RELATED AGENCIES			
DEPARTMENT OF AGRICULTURE			
FOREST SERVICE			
Forest protection and utilization:			
Forest land management	306, 119, 000	338, 297, 000	+32, 178, 000
Transition period		111, 388, 000	
Forest research	75, 402, 000	79, 211, 000	+3, 809, 000
Transition period		21, 550, 000	
State and private forestry cooperation	34, 638, 000	30, 222, 000	−4, 416, 000
Transition period		9, 202, 000	
Total, forest protection and utilization	416, 159, 000	447, 730, 000	+31, 571, 000
Transition period		142, 140, 000	
Construction and land acquisition	30, 908, 000	14, 475, 000	−16, 433, 000
Transition period		11, 074, 000	
Youth conservation corps	10, 240, 000	10, 400, 000	+160, 000
Transition period		8, 054, 000	
Forest roads and trails (appropriation to liquidate contract authority)	*(120, 864, 000)*	*(108, 225, 000)*	*(−12, 639, 000)*
Transition period			

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE II—RELATED AGENCIES—Continued			
DEPARTMENT OF AGRICULTURE—Continued			
FOREST SERVICE—continued			
Acquisition of lands for national forests:			
Special acts (special fund, indefinite)	$161,000	$161,000	
Transition period			
Acquisition of lands to complete land exchanges	39,310	35,000	−$4,310
Transition period			
Acquisition of lands, Klamath Indians	49,000,000		−49,000,000
Transition period			
Cooperative range improvements (special fund, indefinite)	700,000	700,000	
Transition period			
Assistance to States for tree planting	1,344,000	1,359,000	+15,000
Transition period		829,000	
Construction and operation of recreation facilities (indefinite, special fund)	1,260,000	3,674,000	+2,414,000
Transition period		2,212,000	
Total, Forest Service	509,811,310	478,534,000	−31,277,310
Transition period		164,309,000	
ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION			
Operating expenses, fossil fuels	[3] 330,755,000	398,600,000	+67,845,000
Transition period		102,570,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
Plant and capital equipment, fossil fuels	[9] 13, 260, 000	20, 425, 000	+7, 165, 000
Transition period		8, 200, 000	
Special foreign currency program, fossil fuels		6, 650, 000	+6, 650, 000
Transition period			
Total, Energy Research and Development Administration	344, 015, 000	425, 675, 000	+81, 660, 000
Transition period		110, 770, 000	
FEDERAL ENERGY ADMINISTRATION			
Salaries and expenses	[10] 124, 835, 000	112, 435, 000	−12, 400, 000
Transition period		48, 000, 000	
FEDERAL METAL AND NONMETALLIC MINE SAFETY BOARD OF REVIEW			
Salaries and expenses	60, 000	60, 000	
Transition period		15, 000	
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE			
HEALTH SERVICES ADMINISTRATION			
Indian health services	226, 217, 000	269, 541, 000	+43, 324, 000
Transition period		73, 028, 000	
Indian health facilities	57, 431, 000	41, 458, 000	−15, 973, 000
Transition period		11, 084, 000	
Total, Indian Health	283, 648, 000	310, 999, 000	+27, 351, 000
Transition period		84, 112, 000	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item	New budget (obligational) authority appropriated, 1975 (enacted to date)	Estimates of new (obligational) authority, 1976 and the transition period [1]	Budget estimates, 1976, compared with 1975 appropriations
(1)	(2)	(3)	(4)
TITLE II—RELATED AGENCIES—Continued			
DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—Continued			
OFFICE OF EDUCATION			
Indian education	$42,000,000	$42,055,000	+$55,000
Transition period		516,000	
INDIAN CLAIMS COMMISSION			
Salaries and expenses	1,324,000	1,420,000	+96,000
Transition period		355,000	
SMITHSONIAN INSTITUTION			
Salaries and expenses	67,789,000	79,408,000	+11,619,000
Transition period		22,010,000	
Museum programs and related research (special foreign currency program)	2,000,000	2,000,000	
Transition period		750,000	
Science information exchange	1,755,000	1,875,000	+120,000
Transition period		500,000	
Construction and improvements, National Zoological Park	9,420,000	9,550,000	+130,000
Transition period		1,440,000	
Restoration and renovation of buildings	1,490,000	1,467,000	−23,000
Transition period		400,000	
Construction (appropriation to liquidate contract authority)	*(7,000,000)*	*(3,000,000)*	*(−4,000,000)*
Transition period			

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COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
Salaries and expenses, National Gallery of Art	6, 623, 000	7, 598, 000	+975, 000
Transition period		1, 946, 000	
Salaries and expenses, Woodrow Wilson International Center for Scholars	954, 000	975, 000	+21, 000
Transition period		244, 000	
Total, Smithsonian Institution	90, 031, 000	102, 873, 000	+12, 842, 000
Transition period		27, 290, 000	
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES			
SALARIES AND EXPENSES			
Endowment for the arts	67, 250, 000	74, 500, 000	+7, 250, 000
Transition period		[11] 33, 750, 000	
Endowment for the humanities	67, 250, 000	74, 500, 000	+7, 250, 000
Transition period		21, 375, 000	
Administrative expenses	10, 500, 000	11, 000, 000	+500, 000
Transition period		2, 750, 000	
Subtotal, salaries and expenses	145, 000, 000	160, 000, 000	+15, 000, 000
Transition period		57, 875, 000	
MATCHING GRANTS			
Endowment for the arts (indefinite)	7, 500, 000	7, 500, 000	
Transition period		500, 000	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
TITLE II—RELATED AGENCIES—Continued			
MATCHING GRANTS—continued			
Endowment for the humanities (indefinite)	$6,500,000	$7,500,000	+$1,000,000
Transition period		500,000	
Subtotal, matching grants	14,000,000	15,000,000	+1,000,000
Transition period		1,000,000	
Total, National Foundation on the Arts and the Humanities	159,000,000	175,000,000	+16,000,000
Transition period		58,875,000	
COMMISSION OF FINE ARTS			
Salaries and expenses	171,000	200,000	+29,000
Transition period		45,000	
PENNSYLVANIA AVENUE DEVELOPMENT CORPORATION			
Salaries and expenses	824,000	1,256,000	+432,000
Transition period		314,000	
NATIONAL CAPITAL PLANNING COMMISSION			
Salaries and expenses	1,777,000	1,895,000	+118,000
Transition period		424,000	
AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION			
Salaries and expenses	9,686,000	10,000,000	+314,000
Transition period		1,876,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
FRANKLIN DELANO ROOSEVELT MEMORIAL COMMISSION			
Salaries and expenses		6,000	
Transition period			
JOINT FEDERAL-STATE LAND USE PLANNING COMMISSION FOR ALASKA			
Salaries and expenses	693,000	708,000	+15,000
Transition period		120,000	
Total, new budget (obligational) authority, Related Agencies	1,567,875,310	1,663,110,000	+95,234,690
Transition period		497,027,000	
Consisting of—			
Appropriations	1,567,875,310	1,663,110,000	+95,234,690
Transition period		497,027,000	
Definite appropriations	(1,551,754,310)	(1,643,575,000)	(+91,820,690)
Transition period		(493,815,000)	
Indefinite appropriations	(16,121,000)	(19,535,000)	(+3,414,000)
Transition period		(3,212,000)	
Memoranda—			
Appropriations to liquidate contract authority	(127,864,000)	(111,225,000)	(−16,639,000)
Transition period			
Total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(1,695,739,310)	(1,774,335,000)	(+78,595,690)
Transition period		(497,027,000)	

See footnotes at end of table, p. X.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

[NOTE.—All amounts are in the form of "appropriations" unless otherwise indicated.]

Agency and item (1)	New budget (obligational) authority appropriated, 1975 (enacted to date) (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Budget estimates, 1976, compared with 1975 appropriations (4)
RECAPITULATION			
Grand total, new budget (obligational) authority, all titles	$3, 768, 715, 310	$4, 025, 275, 000	+$256, 559, 690
Transition period		1, 166, 217, 900	
Consisting of—			
Appropriations	3, 768, 715, 310	4, 025, 275, 000	+256, 559, 690
Transition period		1, 166, 217, 900	
Definite appropriations	(3, 378, 565, 310)	(3, 612, 590, 000)	(+234, 024, 690)
Transition period		(1, 063, 807, 000)	
Indefinite appropriations	(390, 150, 000)	(412, 685, 000)	(+22, 535, 000)
Transition period		(102, 410, 900)	
Memoranda—			
Appropriations to liquidate contract authority	(217, 460, 000)	(221, 433, 000)	(+3, 973, 000)
Transition period		(38, 521, 000)	
Grand total, new budget (obligational) authority *and* appropriations to liquidate contract authority	(3, 986, 175, 310)	(4, 246, 708, 000)	(+260, 532, 690)
Transition period		(1, 204, 738, 900)	

[1] Public Law 93-344 changed the fiscal year to Oct. 1 to Sept. 30 and establishes the transition period as July 1, 1976 to September 30, 1976.

[2] Includes $12,400,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[3] In fiscal year 1976 the Office of Water Resources Research and Saline Water Conversion were combined to form the Office of Water Research and Technology.

[4] Includes $2,600,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[5] Excludes $87,198,000 in 1975 for activities transferred to "Operating expenses," Energy Research and Development Administration, pursuant to Public Law 93-438.

[6] Excludes $1,285,000 in 1975 for activities transferred to "Salaries and expenses," Federal Energy Administration.

[7] Excludes $85,000 in 1975 for activities transferred to "Salaries and expenses," Federal Energy Administration.

[8] Includes $226,737,000 transferred from the Office of Coal Research, "Salaries and expenses," and $86,298,000 transferred from Bureau of Mines, "Mines and minerals," fiscal year 1975.

[9] Includes $13,000,000 transferred from the Office of Coal Research, "Salaries and expenses," fiscal year 1975.

[10] Includes $69,590,000 transferred from Fuel Allocation, Oil and Gas Programs, "Salaries and expenses"; $26,875,000 from Office of the Secretary, "Energy conservation and analysis"; $19,000,000 from Federal Energy Office, "Salaries and expenses"; $1,285,000 from Office of the Solicitor, "Salaries and expenses"; and $85,000 from Office of the Secretary "Salaries and expenses."

[11] Includes $12,350,000 not contained in fiscal year 1976 budget. Budget amendment pending.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of the Interior—Indefinite: [3]			
	Payments to State and local governments:			
518	Payments to States (proceeds of sales)	$431,000	$1,457,000	+$1,026,000
	Transition period		2,016,000	
518	Payments to States from grazing receipts, public lands	1,495,000	1,588,000	+93,000
	Transition period		1,654,000	
518	Coos Bay Wagon Road grant lands, payments to Coos Bay and Douglas Counties, Oreg., in lieu of taxes	675,000	675,000	
	Transition period			
518	Oregon and California grant lands, payment to counties	57,789,000	76,250,000	+18,461,000
	Transition period		76,250,000	
518	Mineral leasing, payment to States	100,383,000	115,200,000	+14,817,000
	Transition period		71,180,000	
518	Payment to counties, national grasslands, Bureau of Land Management	275,000	338,000	+63,000
	Transition period			
545	Payment to counties under national wildlife refuge Fund	2,500,000	2,600,000	+100,000
	Transition period		980,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
552	Educational expenses, children of employees, Yellowstone National Park	265,000	275,000	+10,000
	Transition period		55,000	
552	Payments to State of Wyoming, in lieu of taxes on lands in Grand Teton National Park, National Park Service	25,000	25,000	
	Transition period			
578	Mineral income revenues, Bureau of Indian Affairs (Alaska)	2,000,000	2,000,000	
	Transition period		1,000,000	
578	Claim and treaty obligations, Bureau of Indian Affairs	280,000	200,000	−80,000
	Transition period		200,000	
578	Acquisition of lands and loans to Indians in Oklahoma, Act of June 26, 1936	10,000		−10,000
	Transition period			
585	Office of Comptroller for Guam	625,000	600,000	−25,000
	Transition period		185,000	
585	Internal Revenue collections for Virgin Islands, Territorial Affairs	18,500,000	19,500,000	+1,000,000
	Transition period		4,875,000	
	Subtotal	185,253,000	220,708,000	+35,455,000
	Transition period		158,395,000	

See footnotes at end of table, p. XIV.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of the Interior—Indefinite: [3]—Continued			
	Receipts applied to operations:			
518	Leasing of grazing lands	$2,000	$2,000	
	Transition period			
518	Expenses, Public Land Administration Act	2,000,000	2,000,000	
	Transition period		500,000	
544	Migratory bird conservation fund	12,000,000	12,000,000	
	Transition period		800,000	
545	Management of national wildlife refuges and enforcement activities	900,000	600,000	−$300,000
	Transition period		150,000	
545	Expenses, incident to sale of refuge products	700,000	1,000,000	+300,000
	Transition period		250,000	
545	Proceeds from sales, water resources development projects	15,000	15,000	
	Transition period			
578	Operations and maintenance revenue, Indian irrigation systems	6,500,000	5,816,000	−684,000
	Transition period		1,500,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
578	Power revenues, Indian irrigation projects	5,500,000	6,850,000	+1,350,000
	Transition period		1,200,000	
589	Litter prevention and cleanup	25,000	25,000	
	Transition period		5,000	
	Subtotal	27,642,000	28,308,000	+666,000
	Transition period		4,505,000	
	Mixed receipts:			
	Federal aid in fish restoration management:			
545	Payments to States	16,776,442	17,187,750	+411,308
	Transition period		4,500,000	
545	Applied to operations	1,412,250	1,412,250	
	Transition period		300,000	
	Federal aid in wildlife restoration:			
545	Payments to States	52,826,672	53,672,000	+845,328
	Transition period		13,000,000	
545	Applied to operations	4,028,000	4,028,000	
	Transition period		900,000	
	Subtotal	75,043,364	76,300,000	+1,256,636
	Transition period		18,700,000	

See footnotes at end of table, p. XIV.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of the Interior—Indefinite: [3]—Continued			
	Contract authority:			
514	Public lands development roads and trails	$10,000,000		−$10,000,000
	Transition period			
539	Land and water conservation, Bureau of Outdoor Recreation	30,000,000	$30,000,000	
	Transition period			
549	Road construction, National Park Service	105,000,000		−105,000,000
	Transition period			
561	Helium fund, Bureau of Mines	47,500,000	47,500,000	
	Transition period			
577	Road construction, Bureau of Indian Affairs	100,000,000		−100,000,000
	Transition period			
	Subtotal	292,500,000	77,500,000	−215,000,000
	Transition period			
	Total, Department of the Interior	580,438,364	402,816,000	−177,622,364
	Transition period		181,600,000	
	American Revolution Bicentennial Administration:			
893	Commemorative activities fund (indefinite)	5,500,000	11,900,000	+6,400,000
	Transition period		2,300,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of Agriculture—Forest Service—Definite:			
211	Forest roads and trails (contract authority)	140,000,000		−140,000,000
	Transition period			
	Payments to States and local governments (indefinite):			
215	Payments to States, national forests fund (25 percent fund)	119,482,282	117,862,000	−1,620,282
	Transition period		129,000,000	
215	Payment to Minnesota (Cook, Lake, and St. Louis Counties)	259,038	259,038	
	Transition period		259,000	
215	Payments to counties, national grasslands	586,000	586,000	
	Transition period		310,000	
215	Payments to school funds, Arizona and New Mexico	190,862	191,000	+138
	Transition period		191,000	
	Subtotal	260,518,182	118,898,038	−141,620,144
	Transition period		129,760,000	

See footnotes at end of table, p. XIV.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of Agriculture—Forest Service—Definite—Con.			
	Receipts applied to operations:			
215	Expenses, brush disposal (indefinite)	$30,000,000	$33,000,000	+$3,000,000
	Transition period		9,000,000	
215	Roads and trails for States (10 percent fund) (indefinite)	47,003,064	47,975,000	+971,936
	Transition period		51,600,000	
215	Licensee programs (Smokey Bear—Woodsy Owl) (indefinite)	265,000	250,000	−15,000
	Transition period		75,000	
215	Restoration of forest lands and improvements (indefinite)	50,000	50,000	
	Transition period		15,000	
	Subtotal	77,318,064	81,275,000	+3,956,936
	Transition period		60,690,000	
	Total, Department of Agriculture—Forest Service	337,836,246	200,173,038	−137,663,208
	Transition period		190,450,000	
	Total, permanent new budget (obligational) authority, Federal funds	923,774,610	614,889,038	−308,885,572
	Transition period		374,350,000	

[1] Some amounts are estimated and therefore subject to change.
[2] Public Law 93-344 changed the fiscal year to Oct. 1 to Sept. 30 and establishes the transition period as July 1, 1976 to September 30, 1976.
[3] Exclusive of Bonneville Power Administration, Bureau of Reclamation, Southeastern Power Administration, Southwestern Power Administration, and Alaska Power Administration (which will be considered in connection with the Public Works appropriation bill).

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [1]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of the Interior—Indefinite: [2]			
519	Deposits by individuals for surveying public lands	$159,000	$159,000	
	Transition period		50,000	
519	Administration and protection of grazing districts	490,000	490,000	
	Transition period		150,000	
519	Trustee funds, Alaska townsites, Bureau of Land Management	1,000	1,000	
	Transition period			
546	Contributed funds, Fish and Wildlife Service	1,663,000	2,063,000	+$400,000
	Transition period		620,000	
553	Donations, National Park Service	2,897,000	2,997,000	+100,000
	Transition period		749,000	
553	Birthplace of Abraham Lincoln, preservation of, National Park Service	3,000	3,000	
	Transition period		1,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—FEDERAL FUNDS—Continued

Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [2]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
553	Advance from D.C. Government	100,000		−100,000
	Transition period			
559	Contributed funds, Mining Enforcement and Safety Administration	139,000		−139,000
	Transition period			
563	Contributed funds, Bureau of Mines	485,000	485,000	
	Transition period		120,000	
582	Indian moneys, proceeds of labor, agencies, schools, etc	5,200,000	5,200,000	
	Transition period		1,600,000	
582	Funds contributed for Indian projects	400,000	400,000	
	Transition period		100,000	
582	Bequest of George C. Edgeter, relief of indigent Indians	2,200	2,200	
	Transition period		1,100	
582	Miscellaneous trust funds of Indian tribes [3]	113,497,800	82,397,800	−31,100,000
	Transition period		29,950,000	

See footnotes at end of table, p. XVI.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS—Continued

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item	New budget (obligational) [1] authority, 1975	Estimates of new (obligational) authority, 1976 and the transition period [1]	Increase (+) or decrease (−)
	(1)	(2)	(3)	(4)
	Department of the Interior—Indefinite: [2]—Continued			
538	Cooperation with foreign agencies, Office of Water Research and Technology	−$7,000		+$7,000
	Transition period			
538	*Office of Water Research and Technology (appropriation to liquidate contract authority)*	*(7,000)*		*(−7,000)*
	Transition period			
	Total, Department of the Interior	125,030,000	94,198,000	−30,832,000
	Transition period		33,341,100	
218	Department of Agriculture—Forest Service, cooperative work (indefinite)	68,600,000	72,900,000	+4,300,000
	Transition period		16,000,000	
	Other agencies—Indefinite:			
761	Contributed funds, Energy Research and Development Administration	315,000	315,000	
	Transition period		80,000	
761	Cosponsor funds, Energy Research and Development Administration	13,000,000	10,000,000	−3,000,000
	Transition period		2,500,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR 1975 AND THE BUDGET ESTIMATES FOR 1976 AND THE TRANSITION PERIOD—Continued

PERMANENT NEW BUDGET (OBLIGATIONAL) AUTHORITY—TRUST FUNDS—Continued

[Becomes available automatically under earlier, or "permanent" law without further, or annual action by the Congress. Thus, these amounts are not included in the accompanying bill]

Budget Appendix Page No.	Agency and item (1)	New budget (obligational) [1] authority, 1975 (2)	Estimates of new (obligational) authority, 1976 and the transition period [1] (3)	Increase (+) or decrease (−) (4)
912	National Foundation on the Arts and the Humanities:			
	Gifts and donations	16, 753, 000	15, 000, 000	−1, 753, 000
	Transition period		1, 000, 000	
	Smithsonian Institution:			
949	Canal Zone biological area fund	45, 000	50, 000	+5, 000
	Transition period		15, 000	
951	Joint Federal-State Land Use Planning Commission for Alaska: Cooperative funds	537, 000	708, 000	+171, 000
	Transition period		120, 000	
415	Contributions, Indian health facilities	1, 183, 000	1, 250, 000	+67, 000
	Transition period		200, 000	
	Total, other agencies	100, 433, 000	100, 223, 000	−210, 000
	Transition period		19, 915, 000	
	Grand total, permanent new budget (obligational) authority, trust funds	225, 463, 000	194, 421, 000	−31, 042, 000
	Transition period		53, 256, 100	

[1] Public Law 93-344 changed the fiscal year to Oct. 1 to Sept. 30 and establishes the transition period as July 1, 1976 to September 30, 1976.

[2] Exclusive of Bonneville Power Administration, Bureau of Reclamation, Southeastern Power Administration, Southwestern Power Administration, and Alaska Power Administration (which will be considered in connection with the Public Works appropriation bill).

[3] Annual appropriation required.

DEPARTMENT OF THE INTERIOR

Comparison of Fiscal Year 1975 New Budget (Obligational) Authority with Fiscal Year 1976 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1975 Appropriation	Pay Cost Supplemental	Transfers	Amount Available	Fiscal Year 1976 Estimate	Increase or Decrease (-) 1976 Compared with 1975
LAND AND WATER RESOURCES						
Bureau of Land Management						
Management of Lands and Resources:						
Resource management, conservation and protection ..	$118,936,000	$2,033,000	$12,260,000 1/	$133,229,000	$162,938,000	$29,709,000
Cadastral surveys	12,449,000	243,000	--	12,692,000	14,732,000	2,040,000
Firefighting and rehabilitation	5,400,000	--	--	5,400,000	4,750,000	-650,000
General Administration	4,311,000	164,000	--	4,475,000	4,569,000	94,000
Total, Management of Lands and Resources	141,096,000	2,440,000	12,260,000 1/	155,796,000	186,989,000	31,193,000
Construction and Maintenance:						
Construction	1,703,000	--	--	1,703,000	2,938,000	1,235,000
Maintenance	5,022,000	--	--	5,022,000	6,123,000	1,101,000
Total, Construction and Maintenance	6,725,000	--	--	6,725,000	9,061,000	2,336,000
Public Lands Development Roads and Trails:						
(Appropriation to liquidate contract authority) ...	(4,070,000)	--	--	(4,070,000)	(4,683,000)	(613,000)
Oregon and California Grant Lands (Indefinite, Appropriation of Receipts)						
Construction and acquisition	20,950,000	--	--	20,950,000	12,478,000	-8,472,000
Forest development, protection, and management	13,200,000	--	--	13,200,000	20,102,000	6,902,000
Operation and maintenance	4,050,000	--	--	4,050,000	5,620,000	1,570,000
Total, Oregon and California Grant Lands	38,200,000	--	--	38,200,000	38,200,000	--
Range Improvements (Indefinite, Appropriation of Receipts)						
Improvements to public lands	3,923,000	--	--	3,923,000	5,170,000	1,247,000
Farm Tenant Act lands	264,000	--	--	264,000	280,000	16,000

Total, Range Improvements	4,187,000	--	--	4,187,000	5,450,000	1,263,000
Recreation Development and Operation of Recreation Facilities (Indefinite appropriation of receipts)						
Development and operation of recreation facilities	242,000	--	--	242,000	300,000	58,000
Total, Bureau of Land Management	190,450,000	2,440,000	12,260,000	205,150,000	240,000,000	34,850,000
Office of Water Research and Technology						
Salaries and expenses:						
Assistance to States for institutes	5,730,000	--	--	5,730,000	5,730,000	--
Matching grants to institutes	3,000,000	--	--	3,000,000	3,000,000	--
Additional water resources research	3,970,000	--	--	3,970,000	5,074,000	1,104,000
Technology development	3,864,000	--	--	3,864,000	1,390,000	-2,474,000
Scientific information center	940,000	--	--	940,000	980,000	40,000
Administration	2,288,000	--	--	2,288,000	2,153,000	-135,000
Total, Office of Water Research and Technology	19,792,000 2/	--	--	19,792,000	18,327,000	-1,465,000
TOTAL, LAND AND WATER RESOURCES	210,242,000	2,440,000	12,260,000	224,942,000	258,327,000	33,385,000
FISH AND WILDLIFE AND PARKS						
Bureau of Outdoor Recreation						
Salaries and Expenses:						
Planning and research	2,477,000	81,000	--	2,558,000	2,694,000	136,000
Federal coordination	1,352,000	44,000	--	1,396,000	1,461,000	65,000
Technical assistance	1,381,000	45,000	--	1,426,000	1,490,000	64,000
Total, Salaries and Expenses	5,210,000	170,000	--	5,380,000	5,645,000	265,000
Land and Water Conservation:						
Assistance to States	180,000,000	-120,000	--	179,880,000	175,840,000	-4,040,000
Federal programs	113,600,000	-60,000	--	113,540,000	117,920,000	4,380,000
Administrative expenses	6,400,000	180,000	--	6,580,000	6,240,000	-340,000
Total, Appropriation of Receipts (Indefinite)	300,000,000	--	--	300,000,000	300,000,000	--
Total, Bureau of Outdoor Recreation	305,210,000	170,000	--	305,380,000	305,645,000	265,000
Fish and Wildlife Service						
Resources Management						
Habitat preservation	16,591,000	398,000	--	16,989,000	21,362,000	4,373,000
Wildlife resources	45,138,000	1,138,000	--	46,276,000	47,788,000	1,512,000
Fishery resources	23,754,000	698,000	--	24,452,000	25,137,000	685,000
Endangered species	5,480,000	126,000	--	5,606,000	7,374,000	1,768,000
Interpretation and recreation	6,275,000	160,000	--	6,435,000	6,518,000	83,000
Administration	3,888,000	152,000	--	4,040,000	4,254,000	214,000
Total, Resources Management	101,126,000	2,672,000	--	103,798,000	112,433,000	8,635,000

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Comparison of Fiscal Year 1975 New Budget (Obligational) Authority with Fiscal Year 1976 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1975 Appropriation	Pay Cost Supplemental	Transfers	Amount Available	Fiscal Year 1976 Estimate	Increase or Decrease (-) 1976 Compared with 1975
FISH AND WILDLIFE AND PARKS (Cont'd)						
Fish and Wildlife Service (Cont'd)						
Construction and anadromous fish						
Construction and rehabilitation						
New facilities	$10,774,000	--	--	10,774,000	3,214,000	-7,560,00
Rehabilitation of facilities	100,000	--	--	100,000	--	-100.0
Pollution abatement	540,000			540,000	--	-540,00
Anadromous fish	2,633,000	--	--	2,633,000	3,513,000	880,000
Total, Construction and anadromous fish	14,047,000	--	--	14,047,000	6,727,000	-7,320,000
Migratory Bird Conservation Account						
Acquisition of refuges and other areas	1,000,000	--	--	1,000,000	--	-1,000,000
Total, Fish and Wildlife Service	116,173,000	2,672,000	--	118,845,000	119,160,000	315,0
National Park Service						
Operation of the National Park System						
Park management	203,283,000	10,580,000	--	213,863,000	233,753,000	19,890,000
Forest fire suppression and rehabilitation of burned areas	700,000	--	--	700,000	700,000	--
Executive direction	5,342,000	233,000	--	5,575,000	5,668,000	93,000
Total, Operation of the National Park System	209,325,000	10,813,000	--	220,138,000	240,121,000	19,983,000
Planning and Construction						
Buildings, utilities and other facilities	48,641,000	--	--	48,641,000	13,452,000	-35,189,000
Park, recreation, and wilderness planning	5,025,000	--	--	5,025,000	5,405,000	380,000
Cooperative programs	3,927,500	--	--	3,927,500	3,424,000	-503,500
Statutory or contractual aid for other activities	518,500	--	--	518,500	519,000	500
Total, Planning and Construction	58,112,000	--	--	58,112,000	22,800,000	-35,312,000
Road Construction (Liquidation of Contract Authority)						
Roads, trails and parkways	(26,026,000)	--	--	(26,026,000)	(38,820,000)	(12,794,000)

Preservation of Historic Properties						
Historic preservation and special studies	24,375,000	101,000	--	24,476,000	24,516,000	40,000
John F. Kennedy Center for the Performing Arts	2,420,000	80,000	--	2,500,000	2,575,000	75,000
Planning, Development and Operation of Recreation Facilities (Indefinite)						
Recreation facilities	11,900,000	--	--	11,900,000	18,000,000	6,100,000
Total, National Park Service	306,132,000	10,994,000	--	317,126,000	308,012,000	-9,114,000
TOTAL, FISH AND WILDLIFE AND PARKS	727,515,000	13,836,000	--	741,351,000	732,817,000	-8,534,000
ENERGY AND MINERALS						
Geological Survey						
Surveys, Investigations, and Research						
Alaska Pipeline related investigations	347,000	7,000	--	354,000	311,000	-43,000
Topographic surveys and mapping	44,153,000	1,197,000	--	45,350,000	45,799,000	449,000
Geologic and mineral resource surveys and mapping	84,775,000	1,593,000	2,600,000 3/	88,968,000	92,120,000	3,152,000
Water resources investigations	52,718,000	1,160,000	--	53,878,000	56,426,000	2,548,000
Conservation of Lands and minerals	35,474,000	558,000	--	36,032,000	45,178,000	9,146,000
General administration	3,085,000	184,000	--	3,269,000	3,355,000	86,000
Facilities	10,814,000	20,000	--	10,834,000	9,027,000	-1,807,000
Land information and analysis	15,334,000	127,000	--	15,461,000	16,043,000	582,000
Total, Geological Survey	246,700,000	4,846,000	2,600,000 3/	254,146,000	268,259,000	14,113,000
Mining Enforcement and Safety Administration						
Salaries and expenses						
Coal mine health and safety inspections	39,635,000	208,000	--	39,843,000	43,245,000	3,402,000
Metal and nonmetal mine health & safety inspections	10,598,000	307,000	--	10,905,000	13,035,000	2,130,000
Education and training	6,810,000	127,000	--	6,937,000	8,660,000	1,723,000
Technical support	9,370,000	212,000	--	9,582,000	12,135,000	2,553,000
Program administration	1,500,000	46,000	--	1,546,000	2,425,000	879,000
Total, Mining Enforcement & Safety Admin. ...	67,913,000	900,000	--	68,813,000	79,500,000	10,687,000
Bureau of Mines						
Mines and Minerals						
Metallurgy research	19,833,000	275,000	--	20,108,000	26,976,000	6,868,000
Mining research	89,378,000	319,000	--	89,697,000	91,034,000	1,337,000
Data collection and analysis	12,294,000	151,000	--	12,445,000	14,541,000	2,096,000
Engineering evaluation and demonstration	9,962,000	77,000	--	10,039,000	9,463,000	-576,000
Program Administration	1,496,000	22,000	--	1,518,000	1,373,000	-145,000
Total Bureau of Mines	132,963,000 4/	844,000	--	133,807,000	143,387,000	9,580,000
TOTAL, ENERGY AND MINERALS	447,576,000	6,590,000	2,600,000	456,766,000	491,146,000	34,380,000

Comparison of Fiscal Year 1975 New Budget (Obligational) Authority with Fiscal Year 1976 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1975 Appropriation	Pay Cost Supplemental	Transfers	Amount Available	Fiscal Year 1976 Estimate	Increase or Decrease (-) 1976 Compared with 1975
Bureau of Indian Affairs						
Operation of Indian Programs						
Education	$221,695,000	$4,800,000	$ --	$226,495,000	$230,170,000	$3,675,000
Indian services	97,983,000	620,000	--	98,603,000	106,073,000	7,470,000
Tribal resources development	69,110,000	1,250,000	--	70,360,000	86,538,000	16,178,000
Trust responsibilities	18,273,000	388,000	--	18,661,000	20,917,000	2,256,000
General management and facilities operation	62,753,000	2,260,000	--	65,013,000	83,228,000	18,215,000
Total, Operation of Indian Programs	469,814,000	9,318,000	--	479,132,000	526,926,000	47,794,000
Construction						
Buildings and utilities	35,369,000	--	--	35,369,000	31,000,000	-4,369,000
Irrigation systems	26,435,000	--	--	26,435,000	30,400,000	3,965,000
Total, Construction	61,804,000	--	--	61,804,000	61,400,000	-404,000
Road Construction (appropriation to liquidate contract authority)	(59,500,000)	--	--	(59,500,000)	(66,705,000)	(7,205,000)
Alaska Native Fund	70,000,000	--	--	70,000,000	70,000,000	--
Indian Loan Guaranty and Insurance Fund	20,000,000	--	--	20,000,000	20,000,000	--
Revolving Fund for Loans	38,000,000	--	--	38,000,000	12,000,000	-26,000,000
Tribal Funds:						
Definite						
Education and welfare services	101,295	--	--	101,295	101,295	--
Resources management	664,919	--	--	664,919	664,919	--
Construction and land acquisition	265,419	--	--	265,419	265,419	--
General tribal affairs	1,968,367	--	--	1,968,367	1,968,367	--
Total, Definite	3,000,000	--	--	3,000,000	3,000,000	--

Indefinite:						
Advances to Indian tribes	19,500,000	--	--	19,500,000	31,200,000	11,700,000
Total, Bureau of Indian Affairs	682,118,000	9,318,000	--	691,436,000	724,526,000	33,090,000
Office of Territorial Affairs						
Administration of Territories:						
Guam						
Economic development fund	500,000	--	--	500,000	1,000,000	500,000
American Samoa						
Governor's office	295,000	--	--	295,000	392,000	97,000
Chief Justice and High Court	352,000	--	--	352,000	383,000	31,000
Grants	13,303,000	--	--	13,303,000	13,225,000	-78,000
Total, Administration of Territories	14,450,000	--	--	14,450,000	15,000,000	550,000
Trust Territory of the Pacific Islands						
High Commissioner's office	457,600	--	--	457,600	461,100	3,500
Judiciary	429,500	--	--	429,500	431,600	2,100
Grants	58,887,900	--	--	58,887,900	78,882,300	19,994,400
Economic development loan fund	1,000,000	--	--	1,000,000	1,000,000	--
Federal Comptroller's office	225,000	--	--	225,000	225,000	--
Categorical assistance programs	700,000	--	--	700,000	--	-700,000
Total, Trust Territory of the Pacific Islands	61,700,000	--	--	61,700,000	81,000,000	19,300,000
Micronesian War Claims, Trust Territory of the Pacific Islands	1,400,000	--	--	1,400,000	10,000,000	8,600,000
Total, Office of Territorial Affairs	77,550,000	--	--	77,550,000	106,000,000	28,450,000
SECRETARIAL OFFICES						
Office of the Solicitor						
Salaries and Expenses:						
Legal services	10,755,000 5/	327,000	--	11,082,000	12,014,000	932,000
Office of the Secretary						
Salaries and Expenses:						
Departmental direction	8,027,900	163,000	--	8,190,900	9,079,900	889,000
Program direction and coordination	2,684,800	54,000	--	2,738,800	2,623,100	-115,700
Administrative management	6,869,300	168,000	--	7,037,300	7,405,000	367,700
General Services	1,872,000	--	--	1,872,000	2,235,000	363,000
Total, Salaries and Expenses	19,454,000	385,000	--	19,839,000	21,343,000	1,504,000

Comparison of Fiscal Year 1975 New Budget (Obligational) Authority with Fiscal Year 1976 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1975 Appropriation	Pay Cost Supplemental	Transfers	Amount Available	Fiscal Year 1976 Estimate	Increase or Decrease (-) 1976 Compared with 1975
SECRETARIAL OFFICES (Cont'd)						
Office of the Secretary (Cont'd)						
Departmental operations:						
Office of Hearings and Appeals	$5,095,400	$114,400		5,209,800	5,454,000	244,200
Natural Resources Library	1,757,450	41,800	140,000 6/	1,939,250	2,148,000	208,750
Johnny Horizon program office	250,100	3,900	--	254,000	302,000	48,000
International Geothermal Symposium	250,000	--	--	250,000	--	-250,000
Office of Research and Development	1,792,950	5,000	--	1,797,950	2,005,000	207,050
Office of Mineral Policy Development	1,292,100	14,900	--	1,307,000	1,490,000	183,000
Office of Aircraft Services	--	--	--	--	2,400,000	2,400,000
Office of Emergency Preparedness	--	--	--	--	479,000	479,000
Total, Departmental Operations	10,438,000	180,000	140,000 6/	10,758,000	14,278,000	3,520,000
Salaries and Expenses (Special Foreign Currency Program)						
Research	192,000	--	--	192,000	1,714,000	1,522,000
Total, Office of the Secretary	30,084,000	565,000	140,000	30,789,000	37,335,000	6,546,000
TOTAL, SECRETARIAL OFFICES	40,839,000	892,000	140,000	41,871,000	49,349,000	7,478,000
TOTAL, NEW BUDGET (OBLIGATIONAL) AUTHORITY, DEPARTMENT OF THE INTERIOR	2,185,840,000	33,076,000	15,000,000	2,233,916,000	2,362,165,000	128,249,000
Consisting of:						
Appropriations	(2,185,840,000)	(33,076,000)	(15,000,000)	(2,233,916,000)	(2,362,165,000)	(128,249,000)
Definite Appropriations	(1,811,811,000)	(33,076,000)	(15,000,000)	(1,859,887,000)	(1,969,015,000)	(109,128,000)
Indefinite Appropriations	(374,029,000)	--	--	(374,029,000)	(393,150,000)	(19,121,000)
Memoranda						
Appropriations to Liquidate Contract Authority	(89,596,000)	--	--	(89,596,000)	(110,208,000	(20,612,000)

TOTAL, NEW BUDGET (OBLIGATIONAL) AUTHORITY AND APPROPRIATIONS TO LIQUIDATE CONTRACT AUTHORITY	(2,275,436,000)	(33,076,000)	(15,000,000)	(2,323,512,000)	(2,472,373,000)	(148,861,000)

1/ Includes $12,400,000 transferred from "Salaries and Expenses," Office of Coal Research Supplemental Appropriations Act, 1975, Public Law 93-5541 and $140,000 transferred to "Departmental Operations, " Office of the Secretary, for Alaska Resources Library.

2/ Includes $5,907,000 appropriated for "Saline Water Conversion" merged with Salaries and Expenses, Office of Water Research and Technology.

3/ Transferred from "Salaries and Expenses," Office of Coal Research, Supplemental Appropriations Aot, 1975, Public Law 93-554.

4/ Excludes $87,198,000 transferred to "Operating Expenses," Energy Research and Development Administration, pursuant to Public Law 93-438.

5/ Excludes $1,285,000 transferred to "Salaries and Expenses," Federal Energy Administration.

6/ Transferred from "Management of lands and resources," Bureau of Land Management for Alaska Resources Library.

Comparison of Fiscal Year 1975 New Budget (Obligational) Authority with Fiscal Year 1976 Estimates

Bureau or Office and Appropriation Title	Fiscal Year 1975 Appropriation	Pay Cost Supplemental	Transfers	Amount Available	Fiscal Year 1976 Estimate	Increase or Decrease (-) 1976 Compared with 1975
Total, New Budget (Obligational) Authority, Department of the Interior	$2,189,840,000	$33,076,000	$15,000,000	$2,233,916,000	$2,362,165,000	$128,249,000
PERMANENT APPROPRIATIONS						
Payments to States and local governments						
Bureau of Land Management	161,048,000			161,048,000	195,508,000	34,460,000
Fish and Wildlife Service	2,500,000			2,500,000	2,600,000	100,000
National Park Service	290,000			290,000	300,000	10,000
Bureau of Indian Affairs	2,290,000			2,290,000	2,200,000	-90,000
Office of Territorial Affairs	19,125,000			19,125,000	20,100,000	975,000
Subtotal	185,253,000			185,253,000	220,708,000	35,455,000
Receipts applied to operations						
Bureau of Land Management	2,002,000			2,002,000	2,002,000	--
Bureau of Indian Affairs	12,000,000			12,000,000	12,666,000	666,000
Fish and Wildlife Service	13,615,000			13,615,000	13,615,000	--
Office of the Secretary	25,000			25,000	25,000	--
Subtotal	27,642,000			27,642,000	28,308,000	666,000
Mixed receipts						
Fish and Wildlife Service	75,043,364			75,043,364	76,300,000	1,256,636
Total, Permanent Appropriations	287,938,364			287,938,364	325,316,000	37,377,636
CONTRACT AUTHORITY						
Bureau of Land Management	10,000,000			10,000,000	--	-10,000,000
Bureau of Outdoor Recreation	30,000,000			30,000,000	30,000,000	--
National Park Service	105,000,000			105,000,000	--	-105,000,000
Bureau of Indian Affairs	100,000,000			100,000,000	--	-100,000,000
Bureau of Mines	47,500,000			47,500,000	47,500,000	--
Total, Contract Authority	292,500,000			292,500,000	77,500,000	-215,000,000

TRUST FUNDS						
Bureau of Land Management	650,000			650,000	650,000	--
Fish and Wildlife Service	1,663,000			1,663,000	2,063,000	400,000
National Park Service	3,000,000			3,000,000	3,000,000	--
Bureau of Mines	485,000			485,000	485,000	--
Mining Enforcement and Safety Administration	139,000			139,000	--	-139,000
Bureau of Indian Affairs	119,100,000			119,100,000	88,000,000	-31,100,000
Office of Water Research and Technology	-7,000			-7,000	--	7,000
Total, Trust Funds	125,030,000			125,030,000	94,198,000	-30,832,000
PROPOSED FOR SEPARATE TRANSMITTAL						
Existing legislation						
Bureau of Land Management: Management of lands and resources	19,950,000			19,950,000	--	-19,950,000
Bureau of Indian Affairs: Operation of Indian Programs	6,500,000			6,500,000	--	-6,500,000
Total, Proposed for separate transmittal under existing legislation	26,450,000			26,450,000	--	-26,450,000
Proposed legislation						
Office of Territorial Affairs Trust Territory of the Pacific Islands	16,500,000			16,500,000	5,770,000	-10,730,000
Office of the Secretary Mined area protection	3,000,000			3,000,000	20,000,000	+17,000,000
Total, Proposed for separhte transmittal under proposed legislation	19,500,000			19,500,000	25,770,000	6,270,000
GRAND TOTAL, NEW BUDGET (OBLIGATIONAL) AUTHORITY, DEPARTMENT OF THE INTERIOR (Exclusive of Power Agencies)	2,937,258,364	33,076,000	15,000,000	2,985,334,364	2,884,949,000	-100,385,364

DEPARTMENT OF THE INTERIOR

Statement of Appropriations, F. Y. 1967-1976

	Actual								Est. 1975	Est. 1976
	1967	1968	1969	1970	1971	1972	1973	1974		
Bureau of Land Management										
Appropriations - Direct	$ 62,113,000	$ 65,486,000	$ 69,545,000	$ 88,090,000	$ 90,870,000	$ 96,681,000	$ 107,795,000	$ 127,531,000	$ 186,541,000	$ 200,733,000
Permanent ..	71,391,201	72,312,092	79,645,433	87,142,277	86,051,346	90,907,302	97,738,116	108,347,305	163,050,000	197,510,000
Indefinite .	12,969,324	12,822,882	20,177,644	16,662,499	17,311,111	21,469,257	25,037,185	32,714,268	42,629,000	43,950,000
Total	146,473,525	150,620,974	169,368,077	191,894,776	194,232,457	209,057,559	230,570,301	268,582,573	392,220,000	442,193,000
Bureau of Indian Affairs										
Appropriations - Direct	241,595,300	245,333,000	249,643,000	303,747,000	364,916,700	445,527,500	549,805,000	582,985,000	734,936,000	757,031,000
Permanent ..	7,331,479	7,294,942	8,013,058	8,505,028	9,034,516	9,950,370	11,135,422	11,905,825	14,290,000	14,866,000
Total	248,926,779	252,627,942	257,656,058	312,252,028	373,951,216	455,477,870	560,940,422	594,890,825	749,226,000	771,897,000
Bureau of Outdoor Recreation										
Appropriations - Direct	98,996,591	123,476,000	168,815,000	135,148,000	361,570,000	365,449,000	304,222,000	80,891,000	305,380,000	305,645,000
Office of Territorial Affairs										
Appropriations - Direct	29,707,000	45,813,000	44,697,000	63,319,916	77,278,000	86,679,000	82,375,000	73,886,000	94,050,000	111,770,000
Permanent ..	11,073,732	12,367,772	12,867,871	14,643,128	13,575,853	39,216,404	21,602,606	17,898,607	19,125,000	20,100,000
Total	40,780,732	58,180,772	57,564,871	77,963,044	90,853,853	125,895,404	103,977,606	91,784,607	113,175,000	131,870,000
Geological Survey										
Appropriations - Direct	81,609,000	86,919,000	90,917,000	102,887,000	114,603,000	131,050,000	149,386,000	172,324,000	254,146,000	268,259,000
Permanent ..	726	628	665	1,529	1,886	1,626	1,451	1,113	--	--
Total	81,609,726	86,919,628	90,917,665	102,888,529	114,604,886	131,051,626	149,387,451	172,325,113	254,146,000	268,259,000
Bureau of Mines										
Appropriations - Direct	83,686,000	68,388,000	79,249,000	95,827,000	174,308,000	179,022,000	158,178,000	81,689,000	133,807,000	143,387,000
Mining Enforcement and Safety Administration										
Appropriations - Direct	--	--	--	--	--	--	--	58,713,000	68,813,000	79,500,000
Office of Coal Research										
Appropriations - Direct	8,220,000	10,980,000	13,700,000	15,300,000	17,160,000	30,630,000	43,490,000	Transferred to ERDA		
Office of Oil and Gas										
Appropriations - Direct	747,800	763,000	755,900	1,085,000	1,273,000	1,570,000	1,558,000	Transferred to FEA		
Bureau of Commercial Fisheries										
Appropriations - Direct	34,893,300	39,414,650	38,699,000	1/						
Permanent ..	7,078,524	7,775,848	7,722,283	1/						
Indefinite .	2,495,700	2,496,000	2,653,400	1/						
Total	44,467,524	49,686,498	49,074,683	1/						

Statement of Appropriations, F. Y. 1967-1976

	Actual								Est.	Est.
	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Bureau of Sport Fisheries and Wildlife (Fish & Wildlife Service)										
Appropriations - Direct	$ 59,325,927	$ 60,890,400	$ 60,630,000	$ 67,742,768	$ 76,891,000	$ 86,181,000	$ 86,072,500	$ 98,598,500	$ 118,845,000	$ 119,160,000
Permanent ..	41,230,109	47,671,537	50,387,340	55,468,594	57,975,450	63,161,598	71,102,987	79,563,850	91,158,364	92,515,000
Total	100,556,036	108,561,937	111,017,340	123,211,362	134,866,450	149,342,598	157,175,487	178,162,350	210,003,364	211,675,000
National Park Service										
Appropriations - Direct	123,177,000	128,235,800	104,860,000	129,422,000	164,427,000	241,674,000	236,039,000	266,697,000	331,252,000	328,832,000
Permanent ..	106,898	116,095	114,892	143,421	156,774	265,195	276,008	280,904	290,000	300,000
Indefinite .	--	--	--	--	--	--	--	27,300,000	11,900,000	18,000,000
Total	123,283,898	128,351,895	104,974,892	129,565,421	164,583,774	241,939,195	236,315,008	294,277,904	343,442,000	347,132,000
Office of Saline Water										
Appropriations - Direct	29,851,000	20,800,000	25,642,835	25,000,000	28,573,000	27,025,000	(Combined with Office of Water Research & Technology)			
Office of the Solicitor										
Appropriations - Direct	4,821,000	5,244,000	5,683,000	5,984,000	7,626,000	6,967,000	7,360,000	8,375,000	11,082,000	12,014,000
Office of the Secretary										
Appropriations - Direct	5,165,900	7,114,500	8,755,000	10,814,700	12,472,000	15,195,000	47,132,100	24,473,000	33,789,000	57,335,000
Permanent ..	--	--	--	--	--	--	10,540	26,158	25,000	25,000
	5,165,900	7,114,500	8,755,000	10,814,700	12,472,000	15,195,000	47,142,640	24,499,158	33,814,000	57,360,000
Office of Water Resources Research										
Appropriations - Direct	6,910,000	11,130,000	11,181,000	11,281,000	13,242,000	14,290,000	14,304,000	(Combined with Office of Water Res.&Technology)		
Office of Water Research and Technology										
Appropriations - Direct	--	--	--	--	--	--	--	17,396,000	19,792,000	18,327,000
TOTAL, DEPARTMENT OF THE INTERIOR (EXCLUSIVE OF RECLAMATION & POWER MARKETING AGENCIES & FWQA)										
- Direct	870,818,818	919,987,350	972,782,735	1,055,698,384	1,505,209,700	1,727,960,500	1,787,709,600	1,593,548,500	2,292,433,000	2,401,993,000
Permanent ..	138,212,669	147,538,914	158,751,542	165,903,977	166,795,825	203,502,495	201,867,130	218,023,762	287,938,364	325,316,000
Indefinite .	15,465,024	15,318,882	22,831,044	16,662,499	17,311,111	21,469,257	25,037,185	60,014,268	54,529,000	61,950,000
Total	1,024,496,511	1,082,845,146	1,154,365,321	1,238,264,860	1,689,316,636	1,952,932,252	2,016,613,915	1,871,586,530	2,634,900,364	2,789,259,000

Statement of Appropriations, F. Y. 1967-1976

	Actual								Est.	Est.
	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976
Bureau of Reclamation										
Appropriations - Direct	$ 326,010,000	$ 314,047,000	$ 277,002,500	$ 271,441,500	$ 322,618,000	$ 401,039,000	$520,817,000	$ 428,415,000	$ 513,787,000	$ 595,421,000
Permanent ..	3,330,763	3,535,463	3,188,782	3,072,719	3,095,424	3,027,854	2,886,926	2,722,704	3,300,000	3,000,000
Total	329,340,763	317,582,463	280,191,282	274,514,219	325,713,424	404,066,854	523,703,926	431,137,704	517,087,000	598,421,000
Bonneville Power Administration										
Appropriations - Direct	126,010,000	129,000,000	123,500,000	119,733,000	116,820,000	118,825,000	125,520,000	132,614,000	77,922,000	--
Permanent ..	--	--	--	123,893	--	254,616	102,256	2,615,500	--	--
Total	126,010,000	129,000,000	123,500,000	119,856,893	116,820,000	119,079,616	125,622,256	135,229,500	77,922,000 [2]	[2]
Southeastern Power Administration										
Appropriations - Direct	1,000,000	850,000	850,000	685,000	836,000	870,000	900,000	900,000	946,000	1,024,000
Permanent ..	--	--	45,263	142,551	52,698	--	41,422	23,761	--	--
Total	1,000,000	850,000	895,263	827,551	888,698	870,000	941,422	923,761	946,000	1,024,000
Southwestern Power Admistration										
Appropriations - Direct	6,065,000	7,255,000	6,366,000	5,648,587	6,244,000	6,050,000	7,233,000	5,752,000	6,415,000	6,836,000
Indefinite .	3,700,000	3,200,000	3,200,000	2,800,000	--	--	--	--	70,000	--
Total	9,765,000	10,455,000	9,566,000	8,448,587	6,244,000	6,050,000	7,233,000	5,752,000	6,485,000	6,836,000
Alaska Power Administration										
Appropriations - Direct	--	--	1,002,000	1,000,000	1,000,000	957,000	1,228,000	1,269,000	1,300,000	1,500,000
Federal Water Quality Admin.										
Appropriations - Direct	234,718,618 [3]	295,400,000	300,789,000	[4]	--	--	--	--	--	--
Office of the Secretary										
Appropriations - Direct	--	--	--	--	750,000	875,000	1,000,000	Underground Elec.Trans.transferred to ERDA		
TOTAL, RECLAMATION, POWER MARKETING AGENCIES AND FEDERAL WATER QUALITY ADMIN.										
Appropriations - Direct	693,803,618	746,552,000	709,309,500	398,308,087	448,268,000	528,616,000	656,698,000	568,950,000	600,370,000	604,781,000
Permanent ..	3,330,763	3,535,463	3,234,045	3,339,163	3,148,122	3,282,470	3,030,604	5,361,965	3,300,000	3,000,000
Indefinite .	3,700,000	3,200,000	3,200,000	2,800,000	--	--	--	--	70,000	--
Total	700,834,381	753,287,463	715,943,545	404,647,250	451,416,122	531,898,470	659,728,604	574,311,965	603,740,000	607,781,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR										
Appropriations - Direct	1,564,622,636	1,666,539,350	1,682,282,235	1,454,206,471	1,953,477,700	2,256,576,500	2,444,407,600	2,162,498,500 [3]	2,892,803,000 [3]	3,006,774,000 [3]
Permanent ..	141,543,432	151,074,377	161,985,587	169,243,140	169,943,947	206,784,965	204,897,734	223,385,727	291,238,364	328,316,000
Indefinite .	19,165,024	18,518,882	26,031,044	19,462,499	17,311,111	21,469,257	25,037,185	60,014,268	54,599,000	61,950,000
GRAND TOTAL	1,725,330,892	1,836,132,609	1,870,298,866	1,642,912,110	2,140,732,758	2,484,830,722	2,674,342,519	2,445,898,495	3,238,640,364	3,397,040,000

1/ Transferred in accordance with Reorganization Plan No. 4 of 1970.
2/ Method of financing changed to authorize spending from public debt receipts.
3/ Funds appropriated in Department of Health, Education and Welfare Appropriation Acts.
4/ Transferred in accordance with Reorganization Plan No. 3 of 1970.
5/ Totals are exclusive of amounts transferred to Federal Energy Administration and Energy Research Development Administration. Totals include supplementals under existing and proposed legislation.

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DEPARTMENT OF THE INTERIOR

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
LAND AND WATER RESOURCES					
Bureau of Land Management					
Management of Lands and Resources	$ 89,802,975	$ 95,477,738	$$105,824,785	$150,947,000	$176,653,000
Construction and Maintenance	3,659,145	5,574,101	6,110,805	8,165,000	8,935,000
Public Land Development Roads and Trails	3,671,480	3,517,744	3,176,384	4,070,000	4,683,000
Oregon and California Grant Lands	20,521,041	20,599,029	20,058,415	26,639,000	31,436,000
Range Improvements	2,377,051	2,617,985	2,924,609	4,278,000	5,200,000
Recreation Development and Operation of Recreation Facilities	--	--	145,875	210,000	260,000
Subtotal, Items in Appropriation Bill	120,031,692	127,786,597	138,240,873	194,309,000	227,167,000
Miscellaneous Permanent Appropriations	90,328,856	97,546,087	107,762,078	163,050,000	197,510,000
Trust Funds	539,193	502,313	496,237	647,000	640,000
Supplementals - Existing Legislation					
Management of Lands and Resources	--	--	--	19,450,000	500,000
Firefighting	--	--	--	19,450,000	500,000
Subtotal, Forecasted Supplementals	--	--	--	377,456,000	425,817,000
TOTAL, Bureau of Land Management	210,899,741	225,834,997	246,499,188		

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
LAND AND WATER RESOURCES CONTD.					
Office of Saline Water					
Saline Water Conversion	28,808,530	Merged with Office of the Secretary in fiscal year 1973 and 1974 and with the Office of Water Research and Technology in 1974, 1975 and 1976			
Salaries and Expenses					
Operation and Maintenance					
Construction, Operation and Maintenance					
Prototype Desalting Plant	102,094				
Advances and Reimbursements					
Consolidated Working Fund	-44,478				
Subtotal, Items in Appropriation Bill	28,866,146	--	--	--	--
Trust Funds	3,966,100	--	--	---	--
TOTAL, Office of Saline Water	32,832,246	--	--	--	--
Office of Water Resources Research					
Salaries and Expenses, in Appropriation Bill -- TOTAL	13,644,362	13,969,852	Merged with the Office of Saline Water into Office of Water Research and Technology		
Office of Water Research and Technology					
Salaries and Expenses -- Total in Appropriation Bill	--	--	26,610,162	23,492,000	19,070,000
Consolidated Working Fund	--	--	155,564	85,000	--
Trust Fund	--	--	-172,098	10,000	--
TOTAL, Office of Water Research and Technology	--	--	26,593,628	23,587,000	19,070,000
TOTAL, LAND AND WATER RESOURCES	257,376,349	239,804,849	273,092,816	401,043,000	444,887,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
FISH AND WILDLIFE AND PARKS					
Bureau of Outdoor Recreation					
Salaries and Expenses	3,910,699	4,116,307	4,384,632	5,365,000	5,563,000
Land and Water Conservation	189,581,133	205,328,642	248,488,010	256,000,000	292,000,000
Subtotal, Items in Appropriation Bill	193,491,832	209,444,949	252,872,642	261,365,000	297,563,000
Consolidated Working Fund	20,113	-105,308	96,985	--	--
Trust Funds, Contributed Funds	448	563	--	--	--
TOTAL, Bureau of Outdoor Recreation	193,512,393	209,340,204	252,969,627	261,365,000	297,563,000
U. S. Fish and Wildlife Service (Formerly Bureau of Sport Fisheries and Wildlife)					
Resources Management	68,010,120	73,404,477	83,307,402	100,346,000	107,143,000
Construction and Anadromous Fish	7,211,675	7,428,171	9,025,703	11,475,000	9,390,000
Subtotal, Items in Appropriation Bill	75,221,795	80,832,648	92,333,105	111,821,000	116,533,000
Migratory Bird Conservation Account	14,018,700	12,246,281	12,543,857	17,632,000	14,000,000
Miscellaneous Appropriations	53,281,584	56,600,279	55,219,000	67,777,000	71,600,000
Subtotal, Permanents	67,300,284	68,846,560	67,762,857	85,409,000	85,600,000
Trust Funds (Contributed Funds)	1,454,551	1,720,565	1,595,000	1,700,000	1,800,000
Intragovernmental Funds: Consolidated Working Fund	209,762	241,287	233,137	100,000	100,000
TOTAL, U.S. Fish and Wildlife Service	144,186,392	151,641,060	161,924,099	199,030,000	204,033,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
FISH AND WILDLIFE AND PARKS CONTD.					
National Park Service					
Management and Protection	--	--	--	--	--
Maintenance and Rehabilitation of Physical Facilities	--	--	--	--	--
General Administrative Expenses	--	--	--	--	--
Preservation of Historic Properties	6,788,883	7,277,286	9,193,373	15,044,000	16,921,000
Operation of the National Park System	122,781,646	160,878,971	170,889,904	212,120,000	229,594,000
Road Construction (Liquidation of Contract Authority)	25,096,690	16,352,355	16,172,167	26,026,000	38,820,000
Planning and Construction	29,080,359	20,789,000	39,778,440	65,351,000	54,080,000
John F. Kennedy Center for the Performing Arts	--	1,727,195	2,130,797	2,432,000	2,517,000
Planning, Development and Operation of Recreation Facilities	--	--	10,458,335	18,728,000	13,500,000
Subtotal, Items in Appropriation Bill	183,747,578	207,024,807	248,623,016	339,701,000	355,432,000
Permanent Appropriations					
Operation, Management, Maintenance and Demolition of Federally Acquired Properties, Indiana National Park	--	7,900	--	36,000	--
Education Expenses, Children of Employees, Yellowstone National Park	169,626	313,980	229,150	229,000	275,000
Payment of tax losses on land acquired for Grand Teton National Park	21,091	21,282	20,711	25,000	25,000
Subtotal, Miscellaneous Permanent Appropriations	190,717	343,162	249,861	290,000	300,000

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Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
FISH AND WILDLIFE AND PARKS Contd.					
National Park Service Contd.					
Trust Funds:					
National Park Service, Donations	1,862,051	1,614,705	1,439,866	2,898,000	2,998,000
Advances from District of Columbia	330,378	85,231	--	100,000	--
Preservation, birthplace of Abraham Lincoln	9,467	9,673	8,240	2,000	2,000
Jefferson National Expansion Memorial, Contributions	552,412	44,717	--	--	--
Subtotal, Trust Funds	2,754,308	1,754,326	1,448,106	3,000,000	3,000,000
Advancements and Reimbursements	16,390	--	--	--	--
Consolidated Working Fund	--	-197,708	162,489	--	--
TOTAL, National Park Service	186,708,993	208,924,587	250,483,472	342,991,000	358,732,000
TOTAL, FISH AND WILDLIFE AND PARKS	524,407,778	569,905,851	665,377,198	803,386,000	860,328,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
ENERGY AND MINERALS					
Geological Survey					
Surveys investigations and research (appropriations bill)	127,479,603	139,304,667	177,638,972	238,029,000	256,778,000
Miscellaneous permanent appropriation	--	--	--	--	--
Consolidated Working Fund	-304,170	-865,688	723,731	--	--
TOTAL, Geological Survey	127,175,433	138,438,979	178,362,703	238,029,000	265,778,000
Bureau of Mines					
Mines and Minerals	123,359,000	81,802,000	82,712,000	99,971,000	138,337,000
Miscellaneous Appropriations (Solid Waste Disposal and Drainage of Anthracite Mines)	316,000	90,000	87,000	200,000	200,000
Public enterprise Funds: Helium Fund (Borrowing Authority)	42,296,000	-1,181,000	-1,616,000	-86,000	487,000
Subtotal, Items in Appropriation Bill	165,971,000	80,711,000	81,183,000	100,085,000	139,024,000
Trust Funds	1,430,000	649,000	423,000	497,000	485,000
Consolidated Working Fund	158,000	2,474,000	-300,000	150,000	150,000
TOTAL, Bureau of Mines	167,559,000	83,834,000	81,306,000	100,732,000	139,659,000
Mining Enforcement and Safety Administration					
Salaries and expenses	--	53,060,000	58,804,000	73,789,000	79,402,000
Consolidated Working Fund	--	175,000	173,000	(Trust) 139,000	--
TOTAL, Mining Enforcement and Safety Administration	--	53,235,000	58,977,000	74,018,000	79,402,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
ENERGY AND MINERALS Contd.					
Office of Coal Research					
Salaries and Expenses in Appropriation Bill	15,761,392	33,033,640	Transferred to Energy Research and Development Administration		
Trust Funds	2,118,972	3,471,066			
TOTAL, Office of Coal Research	17,880,364	36,504,706			
Fuel Allocation, Oil and Gas Program					
Salaries and Expenses, in Appropriation Bill	1,451,788	1,604,373	Transferred to Federal Energy Administration		
Proposed Supplemental - Existing legislation	--	--			
TOTAL, Fuel Allocation, Oil and Gas Program	1,451,788	1,604,373			
TOTAL, ENERGY AND MINERALS	314,066,585	313,617,058	318,645,703	412,779,000	484,839,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
Bureau of Indian Affairs					
Education and Welfare Services	267,435,058	292,031,229	309,483,968	--	--
Resources Management	78,905,000	76,629,057	87,068,801	--	--
Operation of Indian Programs	--	--	--	501,035,000	520,497,000
Construction	37,917,421	42,273,638	48,916,697	66,262,000	72,000,000
Roads Construction (Liquidation of Contract Authority)	27,260,786	40,630,645	55,604,002	64,000,000	68,001,000
General Administrative Expenses	6,147,510	6,182,918	4,832,739	--	--
Revolving Fund for Loans	-415,060	-733,443	-158,946	20,000,000	30,000,000
Indian Loan Guaranty and Insurance Fund	--	--	--	2,600,000	6,190,000
Subtotal, Items in Appropriation Bill	417,250,715	457,014,044	505,747,261	653,897,000	696,688,000
Claims and Treaty Obligations	12,849,285	50,284,757	70,294,817	72,285,000	72,200,000
Miscellaneous Permanent Appropriations	9,145,922	9,768,351	11,166,687	11,700,000	12,800,000
Alaska Native Claims	--	--	131,208,140	--	--
Tribal Funds (Trust)	144,149,443	192,825,718	129,003,506	154,000,000	151,479,000
Miscellaneous Trust Funds	3,223,127	4,402,271	3,444,074	4,000,000	4,000,000
Subtotal Trust Funds	147,372,570	197,227,989	263,655,720	158,000,000	155,479,000
Supplementals - Existing Legislation					
Operation of Indian Programs--					
Fire Suppression	--	--	--	5,000,000	--
Fuel, Oil and Gas	--	--	--	1,000,000	500,000
Subtotal, Forecasted Supplementals Existing Legislation	--	--	--	6,000,000	500,000
Consolidated Working Fund	437,557	-2,206,249	-4,375,053	--	--
Liquidation of Hoonah Housing Project Revolving Fund	1,399	4,143	2,523	13,000	13,000
TOTAL, Bureau of Indian Affairs	587,057,448	712,093,035	846,491,955	901,895,000	937,680,000

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
Office of Territories					
Administration of Territories	17,976,998	21,968,365	19,969,749	20,500,000	18,076,000
Trust Territory of the Pacific Islands	50,563,809	60,737,902	63,842,228	65,300,000	77,000,000
Micronesian War Claims	--	1,000	37,998	5,000,000	10,000,000
Subtotal, Items in Appropriation Bill	68,540,807	82,707,267	83,849,975	90,800,000	105,076,000
Internal Revenue Collections for the Virgin Islands (Permanent)	19,415,523	22,408,916	17,329,571	17,579,000	18,500,000
Office of Comptroller for Guam (permanent, special fund)	--	--	596,384	625,000	600,000
Proposed Supplemental - Proposed Legislation					
Trust Territory of the Pacific Islands	--	--	--	5,250,000	16,270,000
TOTAL, Office of Territories	87,956,330	105,116,183	101,775,930	114,254,000	140,446,000
Office of the Solicitor					
Salaries and Expenses, in Appropriation Bill -- TOTAL	6,579,632	7,091,132	7,950,000	11,059,000	12,016,000
Office of the Secretary					
Salaries and Expenses	12,458,855	14,754,531	17,682,000	19,652,000	21,163,000
Departmental Operations	3,252,402	4,069,374	5,598,959	10,965,000	13,435,000
Special Foreign Currency Program Salaries and Expenses	228,867	356,308	617,393	400,000	1,400,000
Saline Water Research	--	27,229,691	To Office of Water Research and Technology		
Subtotal, Items in Appropriation Bill	15,940,124	46,409,904	23,898,352	31,017,000	35,998,000
Permanent Appropriation	--	24,895	37,415	25,000	25,000
Trust Funds	--	72,316	--	--	--
Working Capital Fund	-220,818	-267,408	-2,776,965	--	--
Consolidated Working Fund	-171,697	-343,968	-1,096,966	700,000	--

Outlays by Appropriation for Fiscal Years 1972 through 1976

Appropriation	1972	1973	Actual 1974	Estimated 1975	Estimate 1976
Office of the Secretary (Contd.)					
Forecast Supplemental (Proposed Legislation) Mined Area Protection -- TOTAL	--	--	--	2,000,000	12,000,000
TOTAL, Office of the Secretary[1/]	15,547,609	45,895,739	20,061,836	33,742,000	48,023,000
TOTAL, DEPARTMENT OF THE INTERIOR (Excludes Power Agencies)	1,792,991,731	1,993,523,847	2,233,395,438[2/]	2,678,158,000[2/]	2,928,219,000[2/]

[1/] Excludes Underground Electric Power Transmission Research which is included in the Public Works Appropriation to to fiscal year 1973, then transferred to ERDA.

[2/] Adjusted for funds transferred out to Federal Energy Administration and Energy Research and Development Administration.

DEPARTMENT OF THE INTERIOR

Permanent Appropriations, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
LAND AND WATER RESOURCES			
Bureau of Land Management			
Leasing of grazing lands	$ 621	$ 2,000	$ 2,000
Payment to:			
Oklahoma (royalties)	177	--	--
Coos and Douglas Counties, Oregon from receipts Coos Bay Wagon grant lands	675,966	675,000	675,000
Counties, Oregon & Calif. grant lands	47,190,752	57,789,000	76,250,000
States (proceeds of sales)	431,801	431,000	1,457,000
States from grazing receipts, etc., public lands within grazing districts	638,838	731,000	856,000
States from grazing receipts, etc., public lands within grazing districts	622,676	760,000	728,000
States from grazing receipts, etc., public lands within grazing districts miscellaneous	4,185	4,000	4,000
States from receipts under Mineral Leasing Act	56,746,412	100,383,000	115,200,000
Counties, national grasslands	251,573	275,000	338,000
Expenses, Public Land Administration Act	1,784,304	2,000,000	2,000,000
Total, Bureau of Land Management	108,347,305	163,050,000	197,510,000
Bureau of Reclamation			
Colorado River Dam Fund, Boulder Canyon Project:			
Payment of interest on advance from the Treasury	1,971,947	2,400,000	2,100,000
Payment to States of Arizona & Nevada	600,000	600,000	600,000
Operation, Maintenance and replacement of project works, North Platte project (Gering and Ft. Laramie, Goshen and Pathfinder Irrigation Districts)	18,037	10,000	10,000
Payments to Farmers' Irrigation Districts (North Platte project, Nebraska-Wyoming)	8,000	8,000	8,000
Payments to local units, Klamath Reclamation Area	124,720	135,000	135,000
Refunds and returns	--	147,000	147,000
Total, Bureau of Reclamation	2,722,704	3,300,000	3,000,000
Total, Land and Water Resources	111,070,009	166,350,000	200,510,000

Permanent Appropriations, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
FISH AND WILDLIFE AND PARKS			
Fish and Wildlife Service			
Migratory Bird Conservation account	$10,219,685	$12,000,000	$12,000,000
Federal aid in fish restoration and mgmt.	15,539,348	18,188,692	18,600,000
Federal aid in wildlife restoration	49,800,268	56,854,672	57,700,000
National wildlife refuge fund	4,037,941	4,100,000	4,200,000
Proceeds from sales, water resources development projects	4,801	15,000	15,000
Total, Fish and Wildlife Service	79,602,043	91,158,364	92,515,000
National Park Service			
Educational expenses, children of employees Yellowstone National Park	230,969	265,000	275,000
Payment for tax losses on land acquired for Grand Teton National Park	20,105	25,000	25,000
Operation, Management, Maintenance, and Demolition of Federal acquired properties, Independence National Historical Park	29,830	--	--
Total, National Park Service	280,904	290,000	300,000
Total, Fish and Wildlife and Parks	79,882,947	91,448,364	92,815,000
ENERGY AND MAINERALS			
Geological Survey			
Payment from proceeds, sale of water	1,113	--	--
Bonneville Power Administration			
Continuing fund	2,615,500	--	--
Southeastern Power Administration			
Continuing fund	23,761	--	--
Southwestern Power Administration			
Continuing fund	--	70,000	--
Total, Energy and Minerals	2,640,374	70,000	--

Permanent Appropriations, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
Bureau or Indian Affairs			
Mineral income revenues, Alaska	$ --	$ 2,000,000	$ 2,000,000
Claims and treaty obligations	294,500	280,000	200,000
Acquisition of lands and loans to Indians in Oklahoma Act of June 26, 1936	8,926	10,000	--
Operation and maintenance, Indian irrigation systems	6,361,418	6,500,000	5,816,000
Power systems, Indian irrigation projects	5,240,961	5,500,000	6,850,000
Indian Arts and Crafts Fund	20	--	--
Total, Bureau of Indian Affairs	11,905,825	14,290,000	14,866,000
Territorial Affairs			
Internal Revenue collections for Virgin Is.	17,478,607	18,500,000	19,500,000
Office of Comptroller for Guam	420,000	625,000	600,000
Total, Territorial Affairs	17,898,607	19,125,000	20,100,000
Office of the Secretary			
Litter prevention and cleanup	26,158	25,000	25,000
TOTAL, PERMANENT APPROPRIATIONS, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	218,061,955	287,938,364	325,316,000
TOTAL, RECLAMATION & POWER AGENCIES	5,361,965	3,370,000	3,000,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR	223,423,920	291,308,364	328,316,000

Annual Indefinite Appropriations, Fiscal Year 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
LAND AND WATER RESOURCES			
Bureau of Land Management			
Oregon and California grant lands	$29,307,159	$38,200,000	$38,200,000
Range improvements	3,242,109	4,187,000	5,450,000
Recreation development and operation of recreational facilities	165,000	242,000	300,000
Total, Bureau of Land Management	32,714,268	42,629,000	43,950,000
FISH AND WILDLIFE AND PARKS			
National Park Service			
Planning, development and operation of recreational facilities	27,300,000	11,900,000	18,000,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	60,014,268	54,529,000	61,950,000

Trust Funds, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
LAND AND WATER RESOURCES			
Bureau of Land Management			
Contributed funds	$ 474,763	$ 490,000	$ 490,000
Expenses, public survey work	146,763	159,000	159,000
Trustee funds, Alaska Townsites	10,045	1,000	1,000
Total, Bureau of Land Management	631,571	650,000	650,000
Office of Water Research and Technology			
Cooperation with foreign agencies	-39,000	-7,000	--
(Liquidation of contract authority)	(58,663)	(7,000)	--
Bureau of Reclamation			
Reclamation Trust Funds	2,162,050	8,274,000	11,385,000
Total, Land and Water Resources Other Than Reclamation	592,571	643,000	650,000
Total, Land and Water Resources	2,754,621	8,917,000	12,035,000
FISH AND WILDLIFE AND PARKS			
Fish and Wildlife Service			
Contributed funds	1,578,000	1,663,000	2,063,000
National Park Service			
Donations	2,354,687	2,897,000	2,997,000
Preservation, birthplace of Abraham Lincoln	2,540	3,000	3,000
Jefferson National Expansion Memorial contributions	985,000	--	--
Advances from District of Columbia	-591,570	100,000	--
Total, National Park Service	2,750,657	3,000,000	3,000,000
Total, Fish and Wildlife and Parks	4,328,657	4,663,000	5,063,000
ENERGY AND MINERALS			
Bonneville Power Administration			
Trust Fund	20,113,009	6,727,000	--
Bureau of Mines			
Contributed funds	446,000	485,000	485,000

Trust Funds, Fiscal Years 1974, 1975, and 1976

Bureau or Office and Appropriation Title	1974 Actual	1975 Estimate	1976 Estimate
ENERGY AND MINERALS (Cont'd)			
Mining Enforcement and Safety Administration			
Contributed Funds	$ --	$ 139,000	$ --
Total, Energy and Minerals	20,559,009	7,351,000	485,000
Total, Energy and Minerals Other than Bonneville Power Administration	446,000	624,000	485,000
Bureau of Indian Affairs			
Tribal Funds:			
Appropriations:			
Definite	2,984,143	3,000,000	3,000,000
Indefinite	29,810,275	13,897,800	25,597,800
Permanent	129,634,936	119,100,000	88,000,000
Total, Tribal Funds	162,429,354	135,997,800	116,597,800
Indian moneys proceeds of labor, agencies, schools, etc.	5,311,961	5,200,000	5,200,000
Funds contributed for Indian Projects	460,094	400,000	400,000
Bequest of George C. Edgeter, for relief of indigent Indians	2,135	2,200	2,200
Total, Miscellaneous	5,774,190	5,602,200	5,602,200
Total, Bureau of Indian Affairs	168,203,544	141,600,000	122,200,000
TOTAL, DEPARTMENT OF THE INTERIOR OTHER THAN RECLAMATION AND POWER AGENCIES	173,570,772	147,530,000	128,398,000
GRAND TOTAL, DEPARTMENT OF THE INTERIOR	195,845,831[a/]	162,531,000	139,783,000

a/ Excludes $70,000,000 Alaska Native Fund.

DEPARTMENT OF THE INTERIOR
Appropriations Compared with Receipts
(Exclusive of Trust Funds)

(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	2,162,498	2,892,803	3,006,774
Annual Indefinite	60,014	54,529	61,950
Permanent	223,386	291,308	328,316
Total	2,445,898	3,238,640	3,397,040
RECEIPTS			
Admission fees, concessions, and special benefit charges	13,723	18,107	21,483
Receipts from sale of refuges products	4,038	4,100	4,200
Grazing fees	12,578	13,855	15,264
Revenues, Oregon and California and Coos Bay Wagon Road lands	119,072	157,321	157,321
Sales of products	3,390	3,638	3,905
Mineral, oil and gas leasing, etc.	187,874	147,638	151,850
Receipts from mineral leasing, Outer Continental Shelf	6,748,394	2,600,000	8,000,000
Interest on and repayments to other funds	19,176	65,394	24,278
Revenues from Colorado River Dam Fund project	6,152	5,050	6,575
Collections, Reclamation Fund			
Bureau of Reclamation: Sale of power and other utilities	105,079	99,776	101,191
Other receipts	23,837	42,706	52,456
Bonneville Power Administration: Sale of Electric energy	--	6,200	6,800
Bureau of Land Management: Receipts from mineral leasing, public lands	71,039	150,500	153,100
Other receipts	7,022	11,375	11,275
Total, Collections, Reclamation Fund	206,977	310,557	324,822
Sale of power and other utilities	18,895	18,385	18,370
Sale of Bonneville power	126,150	--	--
Sale of Southeastern power	36,833	36,000	41,000
Sale of Southwestern power	39,318	31,987	32,195
Sale of Eklutna, Alaska power	674	1,210	1,423
Sale and transmission of electric energy, Snettisham Project, Alaska	83	1,125	1,739
Sale of Falcon Dam, Texas power	306	263	263
Miscellaneous rentals, fees, and permits	4,022	14,264	18,656
Collections for services to Indians	13,489	15,464	16,313
Recoveries and refunds	2,033	2,126	2,131

DEPARTMENT OF THE INTERIOR
Appropriations Compared with Receipts
(Exclusive of Trust Funds)

Continued
(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Sale of Public lands, buildings, and other property	1,652	2,670	3,205
Receipts, Land and Water Conservation Fund	51	26	31
Unclassified receipts	1,773	1,277	1,294
Total Proprietary Receipts	7,566,655	3,462,657	8,846,328
Collected by Interior not deducted in Printed Budget:			
Governmental receipts	28,531	37,074	39,816
Interest on loans and advances	14,410	14,781	14,390
Collected by other Federal Agencies:			
Receipts, Land and Water Conservation Funds	56,036	76,474	76,269
Receipts, Federal Aid in Fish Restoration and Management	15,539	18,189	18,600
Receipts, Federal Aid in Wildlife Restoration	49,800	56,855	57,700
Internal Revenue Collections for Virgin Islands	17,479	18,500	19,500
Total Receipts	7,748,450	3,672,330	9,072,603
Net Difference			
Appropriations compared with total receipts	-5,302,552	-433,690	-5,675,563

DEPARTMENT OF THE INTERIOR
Appropriations Compared with Receipts
(Exclusive of Trust Funds)

(In thousands of dollars)

Excludes Bureau of Reclamation and Power Marketing Agencies

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	1,593,548	2,292,433	2,401,993
Annual Indefinite	60,014	54,529	61,950
Permanent	218,024	287,938	325,316
Total	1,871,586	2,634,900	2,789,259
RECEIPTS			
Admission fees and concessions	13,722	18,106	21,482
Receipts from sale of refuge products	4,038	4,100	4,200
Grazing fees	12,578	13,855	15,264
Revenue, Oregon and California and Coos Bay Wagon Road Lands	119,072	157,321	157,321
Sale of products	3,372	3,620	3,888
Mineral, oil and gas leasing, etc.	187,874	147,638	151,860
Receipts, mineral leasing, Outer Continental Shelf	6,748,394	2,600,000	8,000,000
Interest on and repayments to other funds	14,197	59,112	18,407
Collections, Reclamation Fund:			
Bureau of Land Management:			
Receipts from mineral leasing public lands	71,039	150,500	153,100
Other Receipts	7,022	11,375	11,275
Total Collections, Reclamation Fund	78,061	161,875	164,375
Miscellaneous rentals, fees, and permits	3,224	13,465	17,857
Collections and services to Indians	13,489	15,464	16,313
Recoveries and refunds	1,980	2,090	2,095
Sale of public lands, buildings, and other property	766	1,868	2,403
Receipts, Land and Water Conservation Fund	51	26	31
Unclassified receipts	649	188	190
Total, Proprietary Receipts	7,201,467	3,198,728	8,575,686
Collected by Interior but not deducted in Printed Budget:			
Governmental Receipts	28,531	37,074	39,816
Collected by other Federal Agencies:			
Receipts, Land and Water Conservation Fund	56,036	76,474	76,269
Receipts, Federal Aid in Fish Restoration and Management	15,539	18,189	18,600

DEPARTMENT OF THE INTERIOR
Appropriations Compared with Receipts
(Exclusive of Trust Funds)

(In thousands of dollars)

Excludes Bureau of Reclamation and Power Marketing Agencies

CONTINUED

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Receipts, Federal Aid in Wildlife Restoration	49,800	56,855	57,700
Internal Revenue Collection for Virgin Islands	17,479	18,500	19,500
Total Receipts	7,368,852	3,405,820	8,787,571
Net Difference			
Appropriations compared with receipts	-5,497,266	-770,920	-5,998,312

DEPARTMENT OF THE INTERIOR
Appropriations Compared with Receipts
Bureau of Reclamation and Power Marketing Agencies
(Exclusive of Trust Funds)

(In thousands of dollars)

Appropriations	1974 Actual	1975 Estimate	1976 Estimate
Annual Definite	568,950	600,370	604,781
Permanent	5,362	3,370	3,000
Total	574,312	603,740	607,781
RECEIPTS			
Admission fees and concessions	1	1	1
Sale of products	18	18	17
Interest on and repayments to other funds	4,979	6,282	5,871
Revenues from Colorado River Fund Project	6,152	5,050	6,575
Collections, Reclamation Fund:			
Bureau of Reclamation:			
Sale of power and other utilities	105,079	99,776	101,191
Other receipts	23,837	42,706	52,456
Bonneville Power Administration:			
Sale of electric energy	--	6,200	6,800
Total Collection, Reclamation Fund	128,916	148,682	160,447
Sale of power and other utilities	18,895	18,385	18,370
Sale of Bonneville power	126,150	--	--
Sale of Southeastern power	36,833	36,000	41,000
Sale of Southwestern power	39,318	31,987	32,195
Sale of Eklutna, Alaska power	674	1,210	1,423
Sale of transmission electric energy, Snettisham Project, Alaska	83	1,125	1,739
Sale of Falcon Dam, Texas power	308	263	263
Miscellaneous rentals, fees and permits	798	799	799
Sale of public lands, buildings and other property	886	802	802
Recoveries and refunds	53	36	36
Unclassified receipts	1,124	1,089	1,104
Total Proprietary Receipts	365,188	251,729	270,642
Collected by Interior, not deducted in Printed Budget:			
Interest on loans and advances	14,410	14,781	14,390
Total Receipts	379,598	266,510	285,032
Net Difference			
Appropriations compared with total receipts	194,714	337,230	322,749

DEPARTMENT OF THE INTERIOR

Analysis of Permanent Positions, Fiscal Years 1974-1976
Other than Reclamation and Power Marketing Agencies

Bureau or Office and Appropriation Title	Permanent Positions in 1976 Budget			
	1974	1975	1976	Increase or Decrease (-)
LAND AND WATER RESOURCES				
Bureau of Land Management				
Management of lands and resources	3,353	4,064	4,044	-20
Construction and maintenance	97	107	107	--
Public lands development roads and trails (Liquidation of contract authority)	72	72	72	--
Oregon and California grant lands	566	609	771	162
Allocation to other agencies	-115	-115	-115	--
Net, Total	451	494	656	162
Recreation development and operation of recreation facilities	6	6	6	--
Range improvements	46	46	46	--
Other funds	218	221	221	--
Allocation to other agencies	-29	-29	-29	--
Net Total	189	192	192	--
Total, Bureau of Land Management	4,214	4,981	5,123	142
Office of Water Research & Technology				
Salaries and expenses	102	79	64	-15
TOTAL, LAND AND WATER RESOURCES	4,316	5,060	5,187	127
FISH AND WILDLIFE AND PARKS				
Bureau of Outdoor Recreation				
Salaries and expenses	219	227	227	--
Land and Water Conservation Fund	839	854	848	-6
Allocations to other bureaus and agencies	-543	-558	-571	-13
Net, Total	296	296	277	-19
Subtotal	515	523	504	-19
Other funds	21	19	19	--
Total, Bureau of Outdoor Recreation	536	542	523	-19
Fish and Wildlife Service				
Resource management	3,335	3,421	3,492	-71
Construction and anadromous fish	88	88	88	--
Migratory bird conservation account	175	164	164	--
Subtotal	3,598	3,673	3,744	71
Other funds	651	815	844	29
Total, Fish and Wildlife Service	4,249	4,488	4,588	100
National Park Service				
Operation of the National Park System	6,766	7,057	7,119	62
Planning and construction	415	438	426	-12
Road construction (Liquidation of contract authority)	183	193	193	--
Allocations to other agencies	-57	-57	-57	--
Net, Total	126	136	136	--
Preservation of historic properties	139	147	147	--
John F. Kennedy Center for the performing Arts	87	87	87	--
Planning, development and operation of recreation facilities	195	195	195	--
Subtotal	7,728	8,060	8,110	50
Other funds	436	436	436	--
Total, National Park Service	8,164	8,496	8,546	50
TOTAL, FISH AND WILDLIFE AND PARKS	12,949	13,526	13,657	131

Analysis of Permanent Positions, Fiscal Years 1974-1976

Bureau or Office and Appropriation Title	Permanent Positions in 1976 Budget			
	1974	1975	1976	Increase or Decrease (-)
ENERGY AND MINERALS				
Geological Survey				
Surveys, investigations and research	5,964	6,736	6,986	250
Other funds	2,393	2,263	2,238	-25
Total, Geological Survey	8,357	8,999	9,224	225
Bureau of Mines				
Mines and minerals	2,429	2,475	2,535	60
Helium fund	263	264	264	--
Subtotal	2,692	2,739	2,799	60
Other funds	115	175	175	--
Total, Bureau of Mines	2,807	2,914	2,974	60
Mining Enforcement and Safety Administration				
Salaries and expenses	2,810	2,940	3,152	212
TOTAL, ENERGY AND MINERALS	13,974	14,853	15,350	497
Bureau of Indian Affairs				
Operation of Indian programs	14,178	13,721	13,721	--
Construction	261	271	303	32
Allocation to another bureau	-104	-114	-146	-32
Net, Total	157	157	157	--
Road construction (Liquidation of contract authority)	486	472	472	--
Allocation to other agencies	-29	-31	-31	--
Net, Total	457	441	441	--
Other funds	602	637	637	--
Total, Bureau of Indian Affairs	15,394	14,956	14,956	--
Office of Territorial Affairs				
Administration of Territories	12	12	15	3
Trust Territory of the Pacific Islands	171	160	148	-12
Subtotal	183	172	163	-9
Other funds	53	62	62	--
Total, Office of Territorial Affairs	236	234	225	-9
SECRETARIAL OFFICES				
Office of the Solicitor				
Salaries and expenses	391	428	453	25
Office of the Secretary				
Salaries and expenses	683	701	706	5
Departmental operations	253	304	354	51
Subtotal	936	1,005	1,060	55
Other funds	302	314	279	-35
Total, Office of the Secretary	1,238	1,319	1,339	20
TOTAL, SECRETARIAL OFFICES	1,629	1,747	1,792	45
GRAND TOTAL	48,498	50,376	51,167	791

Analysis of Permanent Positions, Fiscal Years 1974-1976

Bureau or Office and Appropriation Title	Permanent Positions in 1976 Budget			
	1974	1975	1976	Increase or Decrease (-)
Annual Appropriations:				
Gross positions	44,584	46,338	47,205	867
Allocations to other bureaus and agencies	-877	-904	-949	-45
Net positions	43,707	45,434	46,256	822
Other funds	4,791	4,942	4,911	-31

NOTE: "Other funds" includes permanent appropriations; trust funds; advances and reimbursements; revolving and management funds; and allocations from other bureaus and agencies.

DEPARTMENT OF THE INTERIOR

S U M M A R Y

Appropriations for Research and Development by Activities
Fiscal Years 1974-1975-1976 and Comparison 1975 vs. 1976

(In thousands of dollars)

Bureau and Appropriation	Fiscal Year 1974 Actual	Fiscal Year 1975 Estimated	Fiscal Year 1976 Estimated	Increase + Decrease - 1975 vs. 1976
Bureau of Land Management				
Management of Lands and Resources	595	721	735	+14
Oregon and California Grant Lands	68	73	66	- 7
Subtotal, Bureau of Land Management	663	794	801	+ 7
Office of Water Research and Technology				
Salaries and Expenses:	5,640	5,730	5,730	--
Assistance to States for institutes	3,000	3,000	3,000	--
Matching grants to institutes	3,170	3,970	5,074	+1,104
Additional water resources research	2,027	3,864	1,390	-2,474
Technology development	934	940	980	+40
Scientific information center	2,625	2,288	2,153	-135
Administration				
Subtotal, Office of Water Research and Technology	17,396	19,792	18,327	-1,465
Bureau of Outdoor Recreation				
Salaries and Expenses (Planning and Research)	20	--	--	--
Fish and Wildlife Service				
Resource Management:	3,010	3,060	4,193	+1,133
Habitat preservation	6,103	6,706	7,925	+1,219
Wildlife resources	4,936	5,234	5,590	+356
Fishery resources	2,239	2,885	4,234	+1,349
Endangered species				
Construction and Anadromous Fish:	1,000	3,615	937	-2,678
Construction and rehabilitation	350	350	350	--
Anadromous fish				

(In thousands of dollars)

Bureau and Appropriation	Fiscal Year 1974 Actual	Fiscal Year 1975 Estimated	Fiscal Year 1976 Estimated	Increase + Decrease - 1975 vs. 1976
Fish and Wildlife Service Contd.				
Federal Aid in Fish Restoration and Management	3,025	3,525	3,525	--
Federal Aid in Wildlife Restoration	4,025	5,025	5,525	+500
Contributed Funds - (Trust Funds)	255	280	280	--
Subtotal, Fish & Wildlife Service	24,943	30,680	32,559	+1,879
Geological Survey				
Surveys, Investigations, and Research:				
Alaska pipeline related investigations	890	354	311	-43
Topographic surveys and mapping	1,292	1,400	1,400	--
Geologic and mineral resource surveys and mapping	42,206	78,996	82,115	+3,119
Water resources investigations	16,123	19,444	21,549	+2,105
Conservation of lands and minerals	2,600	3,665	4,800	+1,135
Land information and analysis	7,662	10,333	10,858	+525
Subtotal, Geological Survey	70,773	114,192	121,033	+6,841
Bureau of Mines				
Mines and Minerals:				
Metallurgy	15,922	20,108	26,976	+6,868
Mining	44,027	89,697	91,034	+1,337
Engineering, evaluation & demonstration	5,394	5,761	3,814	-1,947
Subtotal, Bureau of Mines	65,343	115,566	121,824	+6,258
Office of the Secretary				
Salaries and expenses (Special Foreign Currency Program)	670	192	1,714	+1,522
Departmental Operations	--	1,793	1,645	-148
Subtotal, Office of the Secretary	670	1,985	3,359	+1,374
TOTAL, Department of Interior except Reclamation and Power Marketing Bureaus	179,808	283,009	297,903	+14,894

BUREAU OF LAND MANAGEMENT

Miscellaneous Permanent Appropriations

Appropriated, 1975 (estimate)	$163,050,000
Estimate, 1976	197,510,000
Increase	$ 34,460,000

JUSTIFICATION

1. Leasing of Grazing Lands (Receipt Limitation), $2,000. State, county, and privately owned grazing lands that are intermingled with public grazing lands are managed on a leased basis within the limits of receipts from such arrangements (43 U.S.C. 315m).

2. Payments to Coos and Douglas Counties, Oregon, from Receipts, Coos Bay Wagon Road Grant Lands, $675,000. Not to exceed 75 percent of the receipts in any one year from the Coos Bay Wagon Road grant lands in Oregon are for payment annually in lieu of taxes, to Coos and Douglas Counties, as provided in the Act of February 26, 1919 (40 Stat. 1179), and the Act of May 25, 1939 (53 Stat. 753-754). The estimate is the same as FY 1975.

3. Payments to Counties, Oregon and California Grant Lands, $76,250,000. In accordance with Title II of the Act of August 28, 1938 (50 Stat. 874, 43 U.S.C. 1181f), 75 percent of the moneys deposited in the Oregon and California grant land fund is to be paid to the counties in which the revested lands are situated. However, the "Oregon and California Grant Lands" appropriation of the Bureau of Land Management provides that 25% of the receipts collected from sale of timber and other products on the O&C lands are available for construction, operation, maintenance of access roads, reforestation, and other Federal lands in the Oregon and California land-grant counties of Oregon. The amount appropriated will be a reimbursable charge against the Oregon and California land grant fund and be reimbursed to the general fund of the Treasury from amounts otherwise payable to the counties. The estimate is an increase of $18,461,000 resulting from the harvesting of higher priced timber.

4. Payments to States (Proceeds of Sales) (Receipt Limitation), $1,457,000. Under various Acts of Congress including 31 U.S.C. 711, States receive for education, roads and improvements, 5% of the proceeds of sale of public lands and of various materials from the public land after deducting all the expenses incident to sale. The estimate is an increase of $1,026,000 over FY 1975, resulting from increased receipts from geothermal leasing.

5. Payments to States from Grazing Receipts, etc., Public Lands Outside Grazing Districts, $856,000. States are paid 50% of moneys received as grazing fees from public lands outside grazing districts, under the provisions of section 10 of the Act of June 28, 1934, as amended (43 U.S.C. 315i, 315m). The estimate is an increase of $125,000 over FY 1975 attributable to an increase in the amount of forage sold.

6. Payments to States from Grazing Receipts, etc., Public Lands within Grazing Districts, $728,000. Under the provisions of section 10 of the Act of June 28, 1934, (43 U.S.C. 315b, 315i), 6 1/4% of receipts from grazing fees from public lands within grazing districts is paid to States in which the lands are situated. The estimate is a decrease of $32,000 from FY 1975 resulting from a change in the amount of forage sold.

7. Payments to States from Grazing Receipts, etc., Public Lands within Grazing Districts, Miscellaneous, $4,000. The States are paid such amounts from grazing fees on miscellaneous lands within grazing districts when fees are not susceptible to a standardized and uniform distribution on a percentage basis (43 U.S.C. 315). The estimate is the same as FY 1975.

8. Payments to States from Receipts under Mineral Leasing Act, $115,200,000. Alaska is paid 90%, and other States are paid 37 1/2% of receipts from bonuses, royalties, and rentals under the provision of the Mineral Leasing Act (30 U.S.C. 191), and 37 1/2% of receipts from bonuses, royalties, and rentals from leases of potash deposits under the Act of February 7, 1927, (30 U.S.C. 1012). The estimate is an increase of $14,817,000 from FY 1975, primarily attributable to oil and gas leasing activity.

9. Payments to Counties, National Grasslands, $338,000. Counties in which submarginal lands, under the Bankhead-Jones Farm Tenant Act of July 22, 1937 (50 Stat. 525, 7 U.S.C. 1010) transferred to the jurisdiction of the Department by Executive Order 10787, dated November 6, 1958, are located and are paid 25% of net revenues received during each calendar year from the use of such lands; such funds to be used for school or road purposes or both (7 U.S.C. 1012). The estimate is an increase of $63,000 over FY 1975 attributable to an increase in the amount of forage sold.

10. Expenses, Public Land Administration Act, $2,000,000. Public Law 86-649 of July 14, 1960 (43 U.S.C. 1381-1383) permanently appropriated to the Secretary of the Interior moneys received as a result of forfeitures by timber sale contractors for failure to restore areas damaged by cutting operations and other amounts received in settlement of damage to timber lands, and moneys received from road users for road maintenance. The amounts appropriated remain available until expended. Any amounts in excess of the cost of doing the work authorized are transferred to miscellaneous receipts (74 Stat. 507-508). The estimate is the same as FY 1975.

BUREAU OF LAND MANAGEMENT

Miscellaneous Permanent Appropriations

Estimate, Transition Period..... $151,600,000

1. Payments to Counties, Oregon and California Grant Lands, $76,250,000.

2. Payments to States (Proceeds of Sales) (Receipt Limitation), $2,016,000.

3. Payments to States from Grazing Receipts, etc., Public Lands Outside Grazing Districts, $916,000.

4. Payments to States from Grazing Receipts, etc., Public Lands Within Grazing Districts, $734,000.

5. Payments to States from Grazing Receipts, etc., Public Lands Within Grazing Districts, Miscellaneous, $4,000.

6. Payments to States from Receipts under Mineral Leasing Act, $71,180,000.

7. Expenses, Public Land Administration Act, $500,000.

DEPARTMENT OF THE INTERIOR

U.S. FISH AND WILDLIFE SERVICE

MIGRATORY BIRD CONSERVATION ACCOUNT

Statement Relating Appropriation Estimate to Current Appropriations

1975 Appropriation (estimated receipts for FY 1975).....	$12,000,000
1976 Appropriation (estimated receipts for FY 1976).....	$12,000,000

Acquisition of refuges and other areas:

	Amount Available 1974	Amount Available 1975	Estimate 1976	Increase or Decrease (-)
Advance (current definite)	$ 3,500,000	$ 1,000,000	....	$-1,000,000
Duck Stamp Receipts (permanent indefinite)	10,219,685	12,000,000	12,000,000	....
Total	$13,719,685	$13,000,000	$12,000,000	$-1,000,000

The primary purpose of the work funded from this account is to provide for acquisition and preservation of habitat to maintain the national migratory bird resources pursuant to the Migratory Bird Conservation Act of 1929 (16 U.S.C. 715-715s), as amended, and the Migratory Bird Hunting Stamp Act of 1934 (16 U.S.C. 718d), as amended. Basic funding comes from the sale of Migratory Bird Hunting Stamps, known as "Duck Stamps." A valid stamp is required for persons 16 years of age or older who hunt waterfowl; the current price of the stamp is $5. In addition to the receipts from the sale of duck stamps, money advanced from a $105 million loan fund authorized by the Wetlands Loan Act of October 4, 1961 (16 U.S.C. 715k-3-5), as amended, is used to acquire and preserve migratory bird habitat. When this act expires June 30, 1976, the entire appropriated portion of the loan fund ($85,900,000 to date) is to be repaid using 75 percent of the annual hunting stamp receipts.

The current objective of this accelerated program is to acquire, in fee title or easement, 2,500,000 acres of key habitat principally for waterfowl. Of this total, 750,000 acres are to be added to the system of traditional national wildlife refuges. The remaining 1,750,000 acres, while managed as part of the total national wildlife refuge system, are to be designated as Waterfowl Production Areas (WPA's). These WPA's aggregate 600,000 acres of wetland and upland waterfowl habitat to be acquired in fee title, and 1,150,000 acres of wetland habitat on which easement interest will be acquired to prevent draining, filling, burning, or leveling so that waterfowl values will be maintained.

An average of seven million breeding ducks are annually dependent on the remaining complexes of small wetlands in the glaciated prairie region to meet their narrow breeding habitat requirements. The WPA objective reflects the need to preserve a minimum of 75 percent of the wetland types most important to breeding ducks that existed in the U.S. portion of the pothole region at the initiation of the program. It was determined that, with 75 percent of the wetlands preserved, the loss of waterfowl production resulting from inevitable destruction of 25 percent could be offset through intensive management of the 600,000 acres acquired in fee combined with managed Federal refuges and State lands.

According to recent wetland inventory data, the original acreage objective was set too low and will need to be revised upward to effectively protect 75 percent of the wetlands which existed at the beginning of the program. Annual drainage

surveys conducted by the Service demonstrate that nearly all of the wetlands remaining today must be preserved to meet this objective. A direct and permanent loss of duck production will result from any further loss of wetlands in the glaciated prairie pothole region.

Accomplishments:

During the 13 years of the accelerated wetlands protection program (1962-1974), 1,749,500 acres (70 percent of objectives) have been acquired or placed under easement, comprising 405,000 refuge acres (fee), and 1,344,500 acres of waterfowl production areas (fee and easement). At the termination of the current program in 1976, approximately 1,901,500 acres, or 76 percent of the current objectives will have been achieved at a cost of $190 million, of which $85.9 million will be loan advance appropriations and $104 million from duck stamp receipts, leaving $19.1 million of the loan advance unappropriated.

Accomplishments and Objectives - 1962-1976
(Acres)

	Refuges	Waterfowl Production Areas			Grand Total
		Fee	Easements	Total	
1962-1974	405,000	348,000	997,000	1,345,000	1,750,000
1975 Estimate	2,900	17,000	58,000	75,000	77,900
1976 Estimate	3,300	17,500	52,800	70,300	73,600
Total (1962-76)	411,200	382,500	1,107,800	1,490,300	1,901,500
Objectives	750,000	600,000	1,150,000	1,750,000	2,500,000
Difference	338,800	217,500	42,200	259,700	598,500
% Accomplished	55	64	96	85	76

Breeding habitat is generally considered to be the limiting factor in maintaining the waterfowl population levels which occurred during the base period 1956-62. The specific, and rather rigid, breeding and brood rearing habitat requirements of most species of waterfowl must be met to achieve successful reproduction. These requirements are met, for most duck species, in the glaciated prairie pothole region of the northcentral United States and southern Canada where an average 50-60 percent of all North American ducks are produced. A direct relationship exists between numbers of small wetlands and associated nesting cover in the glaciated prairie region and the magnitude of the fall flight of ducks. The conflict between agricultural interests and critical habitat requirements of ducks is also most intensive in the glaciated prairie region of the United States where approximately a third of the production that occurred historically still occurs. Wetland drainage, which eliminated some 350,000 acres of prime waterfowl wetlands during the 1960's, and deteriorated quality of upland nesting cover under intensive farming practices, are considered the principal factors causing the reduced production.

Although the primary responsibility of the Fish and Wildlife Service in relation to the Migratory Bird Conservation Account is to provide for the welfare of all migratory birds, well recognized secondary benefits are derived from preservation of migratory bird habitat, particularly wetlands. Numerous legislative mandates recognize that wetland ecosystems have significant value to society, often national and international in scope. The better known values--which often do not accrue to the owners of wetlands but to society in general--include habitat for many fish and wildlife species, human enjoyment of these resources and reduced rates of water runoff and reduced soil and wind erosion. Also, wetlands contribute to flood control, improve water quality, reduce stream sedimentation, improve subsurface moisture, enhance the natural beauty of the landscape, and promote comprehensive water management planning.

DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE

FEDERAL AID IN SPORT FISH RESTORATION AND MANAGEMENT

Statement Relating Appropriation Estimate to Current Appropriations

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1975 estimate (actual receipts for fiscal year 1974).	$18,188,692
1976 estimate (estimated receipts for fiscal year 1975).	18,600,000

JUSTIFICATION

The Act of August 9, 1950, commonly known as the Dingell-Johnson Act (16 U.S.C. 777a-k) authorizes the Secretary of the Interior to cooperate with the States through their respective fish and game departments in fish restoration and management projects. The Act authorizes appropriation of an amount equal to collections of the 10 percent manufacturers' excise tax on fishing rods, creels, reels, artificial lures, etc. There is authorized to be deducted from amounts so appropriated not to exceed 8 percent for expenses of administration of the Act. The remainder is apportioned to the States on the basis of a formula which takes into account the land area and number of persons holding paid fishing licenses. The Act provides for 1 percent minimum and 5 percent maximum apportionments to the States. The Commonwealth of Puerto Rico will receive 1 percent. Guam, the Virgin Islands and American Samoa will each receive one-third of 1 percent. The States, the Commonwealth of Puerto Rico and the territories of American Samoa, Guam, and the Virgin Islands have two years in which to obligate the apportionments. Any funds not obligated revert to the U.S. Fish and Wildlife Service and are used for the sport fish research program.

The 1976 program is $690,000 above 1975 as follows:

	F.Y. 1975 Estimate	F.Y. 1976 Estimate	Increase or Decrease (-)
1. Payments to States. -- States are reimbursed up to 75 percent of the cost of fish restoration and management projects, including research to aid in management of sport fisheries; development of access sites and facilities for fishermen; and acquisition and improvement of fish habitat. The Commonwealth of Puerto Rico and the territories of American Samoa, Guam, and the Virgin Islands are reimbursed 100 percent of the cost of such projects. Because of recent increase in receipts, the program is higher in 1976	$15,585,750	$16,477,750	$ 892,000
2. Administration. -- Administration of the Act includes apportionment of funds; examination and approval of fish restoration and management plans; processing of project agreement after approval of State plans; inspection of projects; making payments to States and auditing State expenditures; and coordinating research effort of various States. The 1976 program is at the same level as 1975	1,412,250	1,412,250	---

	F.Y. 1975 Estimate	F.Y. 1976 Estimate	Increase or Decrease (-)
3. Sport Fish Research. -- Reverted funds are available for the sport fishery research program of the U.S. Fish and Wildlife Service. The program in 1976 is lower than 1975 . .	$ 412,000	$ 210,000	$ - 202,000
Total Program	$17,410,000	$18,100,000	$ 690,000

DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE

FEDERAL AID IN WILDLIFE RESTORATION

Statement Relating Appropriation Estimate to Current Appropriations

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1975 estimate (actual receipts for fiscal year 1974).	$56,854,672
1976 estimate (estimated receipts for fiscal year 1975).	$57,700,000

JUSTIFICATION

The Act of September 2, 1937, commonly known as the Pittman-Robertson Act (16 U.S.C. 669-669j) authorizes the Secretary of the Interior to cooperate with the States through their respective fish and game departments in wildlife restoration projects. The Act authorizes the setting aside in a special Federal Aid to Wildlife Restoration fund an appropriation of amounts equal to revenues received from the 11 percent manufacturers' excise tax on sporting firearms, shells and cartridges. An amount not to exceed 8 percent is authorized to be deducted for expenses of administration of the Act. The remainder is apportioned to the States on the basis of a formula which takes equally into account the land area and the number of persons holding paid hunting licenses. The Act provides for one-half of 1 percent minimum and 5 percent maximum apportionments to the States. The Commonwealth of Puerto Rico will receive one-half of 1 percent. The States, the Commonwealth of Puerto Rico, and the territories of Guam and the Virgin Islands have 2 years in which to obligate the apportionments. Any funds not obligated revert to the Fish and Wildlife Service and are used for carrying out the purposes of the Migratory Bird Conservation Act.

The Federal Aid in Wildlife Restoration Act amendments of 1970 (P.L. 91-503) authorize the setting aside of the 10 percent manufacturers' excise tax on pistols and revolvers into the Federal Aid in Wildlife Restoration fund beginning with 1971 tax receipts. The Federal Aid in Wildlife Restoration fund Act amendments of 1972 (P.L. 92-558) authorize the setting aside of the 11 percent excise tax on certain archery equipment into the fund beginning with 1975 tax receipts. One-half of these receipts is apportioned to each State based on population and may be used to support hunter safety programs including the construction of target ranges.

The 1976 program is $1,600,000 above 1975 as follows:

	F.Y. 1975 Estimate	F.Y. 1976 Estimate	Increase or Decrease (-)
1. Payments to States. -- States are reimbursed up to 75 percent of the cost of approved wildlife restoration projects, including the acquisition and development of land or water areas; wildlife management research; and maintenance of completed projects. The Commonwealth of Puerto Rico and the territories of Guam and the Virgin Islands are reimbursed 100 percent of the cost of such projects. States may also be reimbursed for up to 75 percent of the cost of hunter safety programs including construction of target ranges. The 1976 program is higher than the 1975			

	F.Y. 1975 Estimate	F.Y. 1976 Estimate	Increase or Decrease (-)
program because of increases in excise tax collections	$48,336,000	$50,172,000	$ 1,836,000
2. Administration. -- Administration of the Act includes apportioning funds; examining and approving States' wildlife restoration plans, specifications and estimates; processing project agreements; inspecting projects; making payments to States and auditing State expenditures; and coordinating research efforts of the various States. The 1976 program is at a slightly higher level than 1975	4,028,000	4,028,000	---
3. Carrying out Migratory Bird Conservation Act. -- Reverted funds are available to the U.S. Fish and Wildlife Service for carrying out the provisions of the Migratory Bird Conservation Act. The 1976 program is lower than 1975	536,000	300,000	- 236,000
Total Program.	$52,900,000	$54,500,000	$ 1,600,000

NATIONAL WILDLIFE REFUGE FUND

Statement Relating Appropriation Estimate to Current Appropriation

FY 1975 appropriation..... $4,100,000

FY 1976 appropriation..... $4,200,000

JUSTIFICATION

The Refuge Revenue Sharing Act (16 U.S.C. 715s), as amended by P.L. 93-509, authorizes the expenditure of revenues from the national wildlife refuge system. Revenues consist of receipts from the sale or other disposition of animals, timber, hay, grass or other products of the soil, minerals, shells, sand or gravel, from other privileges, or from leases for public accommodations or facilities on refuges. The Act authorizes deduction of necessary expenses incurred in connection with the revenue-producing measures and payment to participating counties of the larger of either 25% of net revenues of each refuge or 0.75% of the value of lands acquired in fee. The remainder of the receipts are transferred to the Migratory Bird Conservation Fund for land acquisition, except that funds for refuge management and law enforcement may not be diminished.

The following table shows the program for F.Y. 1974 through F.Y. 1976:

	1974	1975	1976
Prior year unobligated balance	$4,122,750	$4,065,151	$3,641,750
Total receipts	4,038,502	4,100,000	4,200,000
Less expenses for sales	-500,000	-700,000	-1,000,000
Net receipts	$3,538,502	$3,400,000	$3,200,000
Total available current year	$7,661,252	7,465,151	$6,841,750
Less:			
Payment to counties	2,710,261	2,923,401	3,000,000
Program - current year	809,241	900,000	600,000
Total costs	$3,519,502	$3,823,401	$3,600,000
Balance forwarded	$4,141,750	$3,641,750	$3,241,750

The program for 1976 is as follows:

Expenses for sales - $1,000,000. The Refuge Revenue Sharing Act provides for payment of expenses incurred in connection with revenue producing measures prior to distribution of the revenues. Examples of such expenses are salaries of foresters to cruise and mark timber for sales, maintenance of facilities in support of grazing and haying programs, and costs associated with the disposal of surplus animals, hides, furs and other revenue producing products.

While prices of timber products have increased greatly, especially in the past two years, the Service has not benefited to the extent possible. To take more advantage of this price rise, a shortage of trained foresters and a lack of adequate timber access must be overcome. The requested increase of $300,000 would help do this, and would make it possible to make fuller use of the annual growth, with no impact on fish and wildlife resources of these lands; the present program in the Southeast and in the Great Lakes States presently utilizes only

75% of annual growth. The $300,000 increase is expected to generate about $500,000 in timber receipts alone.

Payments to counties - $3,000,000. The Act provides for participation of counties in net revenues. The distribution is 25% of net revenues or 0.75% of the value of the lands acquired in fee in the case of most refuges. These funds are to be used by the counties for public schools and roads. In the case of refuges that consist of reserved public lands, only the 25% of net receipts is available. When a refuge is located in more than one county, the appropriate amounts to each is in proportion to the area of the refuge in a particular county. The Act also provides that every five years a re-examination is made of land values to reflect the current land cost levels. The next adjustment will be in Fiscal Year 1976 with the disbursement of anticipated higher payments occurring in Fiscal Year 1977.

Development and maintenance of wildlife refuges - $400,000. The receipts remaining after payments of expenses and distribution to counties are available to supplement funds provided for management of wildlife refuges in the Resource Management appropriation.

Enforcement activities - $200,000. Net receipts are also available to supplement funds provided in the Resource Management appropriation for enforcement of the Migratory Bird Treaty Act.

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DEPARTMENT OF THE INTERIOR
FISH AND WILDLIFE SERVICE

PROCEEDS FROM SALES, WATER RESOURCE DEVELOPMENT PROJECTS ACCOUNT

Statement Relating Appropriation Estimate to Current Appropriations

1975 appropriation	$15,000
1976 appropriation	$15,000

These receipts will be used to cover the expenses of forestry technicians administering timber harvest activities and for development and maintenance of wildlife habitat not to exceed the amount of receipts deposited as proceeds from sales. The Eufaula National Wildlife Refuge in Alabama, located on a Corps of Engineers project, is currently engaged in the initial Fish and Wildlife Service activity of timber harvesting on a water resources development project. It is anticipated that additional projects eventually will qualify for utilization of this account.

A special fund receipt account was established for deposit of these receipts pursuant to 16 U.S.C. 460d, which states in part ". . . That in any such lease or license to a Federal, State, or local governmental agency which involves lands to be utilized for the development and conservation of fish and wildlife, forests, and other natural resources, the licensee or lessee may be authorized to cut timber and harvest crops as may be necessary to further such beneficial uses and to collect and utilize the proceeds of any sales of timber and crops in the development, conservation, maintenance, and utilization of such lands. . . ."

DEPARTMENT OF THE INTERIOR
U.S. FISH AND WILDLIFE SERVICE

Justification for Transition Period

Federal Aid in Fish Restoration	$4,800,000
Administration	300,000

An estimated $300,000 is requested for expenses associated with the administration of the Federal Aid in Fish Restoration Act. Administration of the Act includes apportionment of grant funds to States; review and approval of grant applications and plans; technical assistance to States on plans and projects involving grant assistance; inspection of projects for compliance; making payments to States and auditing State expenditures; and coordinating grant supported activities with activities conducted by States, the Service, or other public or private agencies.

The estimate was derived by computing the normal program administrative costs for one fiscal quarter based on fiscal year 1976 estimates.

Payments to States $4,500,000

An estimated $4,500,000 is requested for increased budget authority to provide for continuation of the grant program with the States during the transition period. The grant program involves programs and projects conducted by the States for the conservation, restoration, and management of sport fish resources. This includes research, development of access and facilities for fishermen, and acquisition and improvement of fish habitat.

The estimate was derived by projecting a normal need for one quarter based on the fiscal year 1976 estimates.

Federal Aid in Wildlife Restoration	$13,900,000
Administration	900,000

An estimated $900,000 is requested for expenses associated with the administration of the Federal Aid in Wildlife Restoration Act. Administration of the Act includes apportionment of grant funds to States; review and approval of grant applications and plans; technical assistance to States on plans and projects involving grant assistance; inspection of projects for compliance; making payments to States and auditing State expenditures; and coordinating grant supported activities with activities conducted by States, the Service, or other public or private agencies.

The estimate was derived by computing the normal program administrative costs for one fiscal quarter based on fiscal year 1976 estimates.

Payments to States $13,000,000

An estimate of $13,000,000 is requested for increased budget authority to provide for continuation of the grant program with the States during the transition period. The grant program involves programs and projects conducted by the States for the conservation, restoration, and management of wildlife. This includes research, development of access and facilities for hunters, and acquisition and improvement of wildlife habitat.

The above Federal Aid appropriations are derived from designated excise taxes collected during the preceding year. During the year following collection, these tax receipts are automatically appropriated to the Service for the programs. Therefore, the transition period must be accomodated by funds collected during the preceding fiscal year with no possibility of increasing the total amounts available. This will require some adjustment in our normal deductions for administrative purposes to provide for the additional period.

National Wildlife Refuge Fund $1,380,000

The above figure represents an estimate of the revenues which will be collected during the transitional period under the provisions of the Refuge Revenue Sharing Act (16 U.S.C. 715s). These revenues consist of receipts from the sale or other disposition of animals, timber, hay, grass, or other products of the soil; minerals, sand and gravel; and from other privileges.

Expenses incurred in connection with producing the revenues are paid first. Examples are salaries of foresters to cruise and mark timber for sales and maintenance of facilities in support of grazing and haying programs.

The Act provides for payment of net proceeds to counties according to a formula for public schools and roads.

Any receipts remaining are transferred to the Migratory Bird Conservation Account for land acquisition, except that the amount available for management of refuges and enforcement of the Migratory Bird Treaty Act shall not be diminished.

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
MISCELLANEOUS PERMANENT APPROPRIATIONS

Analysis by Appropriation

	Available 1975	Estimate 1976	Increase (+) or Decrease (-)
1. Educational Expenses, Children of Employees, Yellowstone National Park	$265,000	$275,000	$+10,000
2. Payment of Tax Losses on Land Acquired for Grand Teton National Park	25,000	25,000	--
Total	290,000	300,000	+10,000

1. Educational expenses, children of employees, Yellowstone National Park: Fiscal year 1975, $265,000; fiscal year 1976, $275,000; increase $10,000. The increase consists of:

Increase (+) or Decrease (-) Amount	Positions	Total Program	Total Positions	Explanation
(1) $+10,000	--	$275,000	--	To provide for increased costs of school maintenance

Cost Factors Involved in Increase

Other services, including contractual maintenance, $10,000.

Need for increase: An increase of $10,000 is requested to provide for improvements to the school facility and additional costs of providing maintenance to the school plant and facilities.

Program of Work: Public Law 80-604 (62 Stat. 338) approved June 4, 1968, authorizes the use of visitor fees collected at Yellowstone National Park, to provide funds necessary for the education of dependent children of park employees. Assistance is provided for maintaining educational standards at levels consistent with the Park County School District of Montana, for incremental teacher compensation, school supplies, educational aids, payment to school districts for supporting transportation and other services, and for the sound maintenance of the school plant and facilities.

2. Payment for tax losses, on land acquired for Grand Teton National Park: Fiscal year 1975, $25,000; fiscal year 1976, $25,000; no change.

Program of Work: Pursuant to the Act of September 14, 1950 (64 Stat. 851) the Secretary of the Interior is authorized to use visitor fees collected at Grand Teton and Yellowstone National Parks to compensate the State of Wyoming for tax losses on lands acquired for Grand Teton National Park. The amounts paid by the Service vary from year to year, due in part to the change in the tax rate and assessed valuation, the withdrawal of additional lands from the tax rolls for addition to the park, and the gradual reduction (5 percent per year after a 10-year period) in the computed amount due.

It is estimated that $25,000 will be required to compensate the State for 1976 calendar year tax losses.

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

Justification for Transition Period

Miscellaneous Permanent Appropriations $55,000

An amount of $55,000 is requested to carry out the Educational expenses, children of employees, Yellowstone National Park, program during the period July 1 to September 30. This amount is equal to approximately 18 percent of the Fiscal 1976 Budget Estimate. Deviation from a straight-line 25 per cent computation is caused by two factors: 1) the lower level at this time of the year for Yellowstone educational expenses, and 2) no requirement for Grand Teton tax losses payments during this portion of the year.

GEOLOGICAL SURVEY

Permanent Appropriation

Appropriated, 1974	$1,113
Estimate, 1975	--
Estimate, 1976	--

JUSTIFICATION

Payments from Proceeds, Sale of Water, Mineral Leasing Act of 1920, Sec. 40(d), Geological Survey

When lessees or operators drilling for oil and gas on public lands strike water, water wells may be developed by the Department from proceeds from the sale of water from existing wells (30 U.S.C. 221-229). No obligations are anticipated in 1976.

Transition Period
July 1 - September 30, 1976

No obligations are estimated during the transition period.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
MISCELLANEOUS APPROPRIATIONS

Statement Relating 1974, 1975 and 1976 Programs

1974 appropriation	$11,906,000
1975 appropriation - estimate	14,290,000
1976 appropriation - estimate	14,866,000

JUSTIFICATION

1. Mineral Income Revenues, Alaska - $2,000,000.

Revenue is comprised of royalties, rentals and bonuses collected by the State of Alaska and the United States for minerals that are subject to disposition under the Mineral Leasing Act of 1920 as amended, and supplemented in accordance with the provision of Section 9 of the Alaska Native Claims Settlement Act.

2. Claims and treaty obligations - $200,000.

A. Fulfilling treaties with the Senecas of New York - $6,000.

This money is to be paid in equal shares to members of the Seneca Nation as provided by the Act of February 19, 1831 (4 Stat. 442).

B. Fulfilling treaties with Six Nations of New York - $4,500.

The Six Nations comprise the Senecas, Tonawanda Band of Senecas, Tuscarora, Onondago, Oneida and Cayuga Tribes. This money is allocated as follows: $2,700 to the New York Indians for the purchase of dress goods and $1,800 is distributed per capita to the Oneida Indians under the jurisdiction of the Great Lakes Agency, Wisconsin, as provided by the Act of November 11, 1794.

C. Fulfilling treaties with the Pawnees, Oklahoma - $30,000.

This money is distributed per capita to the Pawnees as provided by Article 2 as amended of the treaty of September 24, 1857.

D. Payments to Indians of Sioux Reservation - $159,500.

This is an annual charge against the general fund of the Treasury, the amount being indefinite until applications are made and approved. The legal authority for these payments is found in the Act of March 2, 1889, section 17 (25 Stat. 894); Act of June 10, 1896 (29 Stat. 334); and the Act of June 21, 1906 (34 Stat. 326).

3. Operation and maintenance, Indian irrigation systems - $5,816,000.

Funds are obtained from the collection of assessments against water-users on the various projects and are deposited in the Treasury to the credit of the respective projects. Funds are used for such purposes as annual cleaning of canals and laterals to remove silt, moss and weed growth; repair and replacement of water control structures; operation and maintenance of reservoirs, dams and pumping plants, including the purchase of electrical energy; payment to other government agencies and irrigation districts for operation and maintenance of irrigation systems on Indian lands included and benefited; repair of flood damage; etc. The various projects located on Indian reservations are thus maintained in good operation, permitting the facilities constructed by the Government to be utilized by the Indian and non-Indian landowners within the project who depend upon proper operation and maintenance of the projects for irrigation farming and subsistence. The policy in administration of Indian irrigation projects is to base the assessments rates for the various projects on actual costs.

4. Power systems, Indian irrigation projects - $6,850,000.

Funds are obtained from earned revenue deposited in the Treasury to the credit of the respective projects. Funds are used for the operation and maintenance of two hydrogenerating plants; a diesel power generating plant; transmission lines; distribution systems and pumping plants for the use of the project irrigation systems; the purchase of power for resale and for all necessary expenses for operation of power systems. The project power systems serve their primary purpose of furnishing electrical energy to the projects for irrigation and drainage pumping and also furnish energy to mining and milling properties, public utilities and domestic consumers on the project proper, in nearby towns and villages, and in outlying farming areas. The energy supplied by these projects (San Carlos, Colorado River and Flathead Indian Reservations) in many instances is the only source of electrical energy available to the customers. The approximate 115 million kilowatt-hours which are transmitted over all project transmission and distributary systems annually serve approximately 9,600 domestic and commercial customers.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
MISCELLANEOUS APPROPRIATIONS

Statement Relating Transition Period July 1, 1976 through September 30, 1976 Programs.

Transition Period - estimate.....$ 4,000,000

. . . . . .

Breakout by appropriation:

1. Mineral Income Revenues, Alaska - $1,000,000.
2. Claims and treaty obligations - $200,000.
3. Operation and Maintenance, Indian irrigation systems - $1,600,000.
4. Power systems, Indian irrigation projects - $1,200,000.

DEPARTMENT OF THE INTERIOR
TERRITORIAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Internal Revenue Collections for the Virgin Islands

Appropriated, 1974	$17,478,607
Estimate, 1975	18,500,000
Estimate, 1976	19,500,000
Increase 1976 compared with 1975	1,000,000

JUSTIFICATION

The local revenue collected annually by the Government of the Virgin Islands is matched, to the extent of the collections less refunds and costs of collection by a payment out of the annual revenue taxes collected by the United States on Virgin Islands products transported to the United States 26 U.S.C. 7652 (6)(3) less the amount needed to cover the salaries and expenses of the Comptroller of the Virgin Islands (Public Law 90-496 approved August 23, 1968, 82 Stat, 837). Operations of the Comptroller are included in the Administration of Territories account as a reimbursement. Payment of these funds to the Virgin Islands Government are not made until the following fiscal year.

Displayed below is the current year net collections and subsequent year distribution of funds by fiscal year:

	F.Y. 1973	F.Y. 1974	F.Y. 1975	F.Y. 1976
Current year net collections	$17,230,211	$17,478,607	$18,500,000	$19,500,000
Subsequent year distribution:				
Comptroller's Office	470,000	645,000	875,000	975,000
Virgin Islands Government	18,505,521	16,585,211	16,603,607	17,525,000
Totals	18,975,521	17,230,521	17,478,607	18,500,000

Office of the Comptroller for Guam

Appropriated, 1974	420,000
Appropriated, 1975	625,000
Estimate, 1976	600,000
Decrease 1976 compared with 1975	25,000

Revenues locally collected in Guam derived from Federal income taxes, custom duties, and other services are used to finance the cost of the Government Comptroller in accordance with Public Law 90-497 (approved August 23, 1968). Operations of the Comptroller are included in the Administration of Territories account as a reimbursement.

JUSTIFICATION FOR TRANSITION PERIOD

Internal Revenue Collections for the Virgin Islands

The estimate for collections during the transition period is $4,875,000. Based on this estimate $4,875,000 is the necessary distribution from the F.Y. 1976 estimated collections of $19,500,000 broken down as follows:

Comptroller's Office.....	$ 253,000
Virgin Islands Government.....	$4,622,000

Office of the Comptroller Guam

The estimate for the transition period for operations of the Comptroller's Office is approximately one quarter of the F.Y. 1976 estimate of $600,000 which is $185,000.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

LITTER PREVENTION AND CLEANUP

Appropriation, 1974	$26,000
Appropriation, 1975 estimate	25,000
Appropriation, 1976 estimate	25,000
Transition Quarter	5,000

JUSTIFICATION

Public Law 91-419, approved September 25, 1970, permanently appropriated certain monies to the Secretary of the Interior. Royalty fees for the manufacture, reproduction, or use of the Character "Johnny Horizon" will be used for public service anti-litter programs to maintain the beauty and utility of the Nation's public lands (18 U.S.C. 714).

Transition Quarter, 7/1/76 through 9/30/76, $5,000 represents the estimate of the amount of royalties anticipated to be collected during this period.

OPENING STATEMENT OF THE SECRETARY

Mr. YATES. Mr. Secretary, this is the time for the Secretary's opening statement. I see you are prepared for that. I have read your statement and it is a very good one.

You know, what I have never heard, in the years I have been on this committee, is how the Department of Interior operates. I remember several years ago you conducted a reorganization of the Department. We have some new members and I think some of the old members would want to know, too, about how your Department operates.

How tight a ship do you run? Do you have Cabinet meetings of the Assistant Secretaries? How do you keep track of what goes on in the Department?

Could you tell us?

Secretary MORTON. I certainly can.

First, may I express my appreciation for the privilege of being here and meeting with you.

May I congratulate the new members of this committee. I think they will find it an exciting committee to serve on because the Department of Interior is an exciting place in an exciting time. I would like to identify for the record some of the people we have with us here. We have Assistant Secretary Horton at the far end of the table, Dr. Vincent McKelvey, Director of the Geological Survey, Frank Wiles, whom I know you have known over a long period of time; Roy Hughes, our senior financial adviser and Jack Carlson, who has the area of Minerals and Energy. We also have other Assistant Secretaries today to go into any detail you would like to go into.

Since you have my statement in the record——

Mr. YATES. The Secretary's statement may be placed in the record at this point.

[The statement follows:]

STATEMENT OF ROGERS C. B. MORTON, SECRETARY OF THE DEPARTMENT OF THE INTERIOR BEFORE THE HOUSE SUBCOMMITTEE ON APPROPRIATIONS FOR THE DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES

Mr. Chairman, thank you for this opportunity to discuss the Department of the Interior's fiscal year 1976 budget request. I congratulate you on your assignment as chairman and welcome the new members of the subcommittee to these deliberations. This committee has provided effective guidance and strong support to the many activities of the Department in the past and I hope we will continue to merit that support.

Our fiscal year 1976 appropriation request for the Interior and related agencies appropriations bill totals $2.4 billion which is an increase of $136 million over the comparable level for 1975. Within these amounts, the major increases are for:

Improving the well-being of American Indians, and the peoples of our territories;

Operating our national parks; and

Environmental studies and safeguards related to potential energy development.

LAND AND WATER RESOURCES

The appropriation request for land and water resources activities included in this bill totals $263 million. Of this amount, the appropriation request for the Bureau of Land Management is $245 million, an increase of $35 million over the comparable 1975 amount.

The major share of the increase is for energy lease planning and operations—almost $73 million is slated for this purpose, an increase of $31 million over 1975. This would provide:

$58 million for OCS leasing, including:

$45 million for major baseline and environmental monitoring studies. We will be conducting such studies in 13 major offshore basins, including three major basins on the Atlantic OCS, two in the Gulf of Mexico, one off southern California, and seven off Alaska;

$4 million for special environmental studies to fill data gaps; and

$9 million for general investigations, research, lease planning and operations including development of environmental impact statements;

Nearly $15 million for onshore energy lease operations including oil and gas, coal, oil shale and geothermal leasing; $3.2 million of this amount is for site specific environmental analyses designed to develop the best set of rehabilitation stipulations.

In addition to energy leasing, the 1976 BLM request includes $18.8 million for energy related permit examination and administration including $8.8 million for monitoring construction of the trans-Alaska pipeline.

Together with the lease management efforts of the Geological Survey and overseeing construction of the trans-Alaska pipeline, these programs are the major direct Federal effort to expand domestic energy production. Since the Federal Government has control over such a major share of potential domestic reserves—especially in the case of OCS oil and gas and western oil shale—timely development of these resources is essential to achieving our national energy objectives. These reserves already provide 18 and 20 percent respectively of our oil and gas production and 24 million tons of coal.

The request for our new Office of Water Research and Technology is $18.3 million, a decrease of $1.5 million over the amount appropriated for 1975.

The reduction stems from a reduced level of saline water research as we retrench to more basic and advanced research.

The reduction is partially offset by an increase for water technology assessment and transfer activities.

Grants to State water research institutes will continue at the 1975 level.

The Office of Water Research and Technology results from a merger of the Offices of Water Resources Research and Saline Water which was recommended by the National Water Commission in 1973.

FISH AND WILDLIFE AND PARKS

The appropriation request for the Fish and Wildlife Service, the National Park Service and the Bureau of Outdoor Recreation totals $772 million.

We are again requesting $300 million for the land and water conservation fund which is administered by the Bureau of Outdoor Recreation. The request would provide:

$175.8 million for State matching grants for outdoor recreation planning, land acquisition, and facilities development;

$117.9 million for Federal land acquisition including: $77.4 million for national parks, $30 million for national forests, $8.5 million for wildlife refuges, mostly related to protecting endangered species, and $2 million for national rivers and trails administered by the Bureau of Land Mangaement.

Appropriations requested for the National Park Service total $347 million including:

$250 million for operating the National Park System;

$70 million for planning and construction; and

$20 million for grants to the States and the national trust for preservation of historic properties.

Park construction funding is down $16 million from 1975 due largely to completion of funding for the Bicentennial. Funding for park operations is up $20 million with about $9 million of the increase slated for Bicentennial activites to commemorate the growth and development of our Nation, and the remainder for strengthening park management throughout the system.

For the Fish and Wildlife Service, we are requesting an appropriation of $119 million. Principal increases are:

$3.8 million for energy related ecological investigations under their biological services program; and

$1.7 milion for preservation of endangered species.

These increases are largely offset by reduced amounts for hatchery construction.

As we develop our energy and other natural resources it is important that we not lose sight of the potential effects of these developments on fish and wildlife and their habitat. I am convinced that with proper advance planning and investigations as exemplified by the biological services program we can have both energy and a pleasing natural environment.

ENERGY AND MINERALS

The appropriation request for Energy and Minerals activities included in this bill—covering our geologic, minerals resource and mine safety programs—totals $495 million, an increase of $35 million over the comparable figure for 1975. Principal emphasis, of course, is on energy exploration, research, analysis and lease management with $153 million of the total slated for that purpose.

The request for the Geological Survey is $268 million, an increase of $14 million over 1975. The 1976 program includes—

Over a $9 million increase, for a total of $45.2 million for strengthening OCS and onshore mineral lease management;

A $2.6 million increase for energy resource appraisal and related environmental geology—bringing the total for that purpose up to over $48 million in 1976; and

A $2.5 million increase for improving our minerals resource information system and appraising the mineral resources of potential wilderness areas. Nonenergy minerals information and resource appraisal work in the Geological Survey will total nearly $20 million in 1976.

The request for the Mining Enforcement and Safety Administration which enforces our mine health and safety laws and regulations totals $79.5 million, an increase of about $11 million over 1975. Principal 1976 changes for MESA's program include—

Stepping up mine inspections, particularly for metal and nonmetal mines; and

Increasing safety education and technical support staffing and funding.

The proposed 1976 appropriation for the Bureau of Mines is $144 million which is an increase of about $10 million over the comparable figure for 1975 after adjusting for the transfer of some energy research functions to the Energy Research and Development Administration. Our principal concern in developing the Bureau's 1976 program has been to improve coal mining productivity, health, and safety, and strengthen the Department's capability for resolving potential minerals shortage problems. Consequently we have planned increases for—

Improving mineral problem analysis capabilities;

Stepping up mine safety research; and

Expanding metallurgical research efforts for major minerals where future supplies could be disrupted or subjected to rapid price escalation. This effort includes $2 million for advanced design work based on several competing technologies in order to develop the best process for producing alumina from domestic ores.

Also included in the mines budget is $5.3 million—an increase of $4.2 million—for our stack gas cleanup project using the very promising Bureau of Mines citrate process. The pilot plant is scheduled to begin operations in 1977.

INDIAN AFFAIRS

At these hearings last year, I indicated concern over our lack of progress in involving Indians in determining their own future. A major barrier to progress which I identified last year was a lack of adequate legal authority for tribes to assume managerial responsibility for Federal Indian programs. I believe the new Indian Self-Determination and Education Assistance Act signed January 4, now gives us the legal basis and mandate to accelerate the transfer of many Federal Indian program operations to Indians.

The 1976 Indian Affairs budget, which has been carefully developed with tribal participation at each step in the process, is also focused in this direction. The appropriation request for BIA, apart from the revolving fund for loans, is $745 million—an increase of $53 million over the comparable amount for 1975. Highlights of the BIA budget include—

$15.6 million for the Indian action team program designed to conduct reservation improvement projects and simultaneously provide on-the-job training and tribal contracting and management experience;

$11.2 million specifically earmarked to facilitate Indian contracting efforts;
$70 million for the Alaska Native Claims Settlement Act payment, bringing the total appropriated for this purpose to $272.2 million;
$12 million for the revolving fund for loans, which, together with $38 million appropriated last year, will fully capitalize the $50 million authorized in the Indian Financing Act;
$20 million for the loan guarantee and $10 million for the business development grant programs authorized last year;
$66.7 million—an increase of $7.2 million—for reservation road construction;
$22.8 million for the Navajo irrigation project, which includes funding for completion of the first segment of the system in 1976; and
An increase of $4 million for development of reservation resources including timber, agriculture, recreation, fishery, minerals and water resources.

TERRITORIES

The appropriation request for territorial activities is $106 million which is $28.5 million over the 1975 request. Principal items include—
$91 million for the Trust Territory of the Pacific with the increase tied largely to—
Capital improvements in preparation for resolution of the future political status of Micronesia, and
Settlement of Micronesian War claims.
$15 million for administration of Samoa and for the Gaum economic development fund.
Mr. Chairman, that concludes my prepared remarks. I will be happy to answer any questions you may have.

Secretary MORTON. Since we are going to be dealing with the areas which you particularly have jurisdiction over and not with areas that other committees have a responsibility for, we will deal with those particular parts of the Department that make up the $2.4 billion.

DEPARTMENTAL ORGANIZATION

The Department is run by a secretariat, and interestingly enough we only have about 25 or 30 people who are in senior decisionmaking roles that are not under Civil Service out of some 70,000 members of the Department. But I think the Department, as far as Government agencies are concerned, is a tight ship. The areas of responsibility are well delineated though there are some areas of overlap.

Basically the Department is organized into four major mission areas. First is Indians. The Commissioner of Indian Affairs reports directly to me. The second mission area is the mission areas of parks, recreation and biological and wildlife responsibilities. It is made up of the Bureau of Outdoor Recreation, the National Park Service and the Fish and Wildlife Service. It is under Assistant Secretary Nat Reed.

We have the land and water resources organized into a package because we think the management of our land and water resources are very interrelated and the two bureaus that make up the major part of that effort are the Bureau of Land Management and the Bureau of Reclamation. Both those bureaus report to Jack Horton, Assistant Secretary, Land and Water Resources.

The fourth mission area is the area of minerals and energy. The major bureaus there consist of our mine health and safety responsibilities, which we call MESA, which is a separate organization now as opposed to being a part of the Bureau of Mines; the Bureau of Mines itself and the Geological Survey.

We did formerly have in that same component the Office of Coal Research but this was moved into the Energy Research and Development Administration when the ERDA bill was passed. These components of the Department report to Assistant Secretary Carlson.

The Bonneville Power Administration, Southeastern Power, Southwestern Power, and Alaska Power Administrations are also in that area under Deputy Assistant Secretary King Mallory who reports to Jack Carlson and who specializes in this particular area.

DEPARTMENTAL OVERVIEW

There are two major elements of the secretariat which provide overview of the Department.

One of these areas is represented here by Assistant Secretary Hughes. His responsibility is an analytical responsibility to really evaluate our programs, to be able to advise the Secretary and the Congress and the President as to whether we are getting a good return on our dollar that is invested, to monitor the programs and see if the programs are really doing the job that the Congress intended when they were authorized.

He also has the responsibility of analyzing proposals that are made in the Department, to give them the critical eye of objectivity that I think the Secretary should have as opposed to perhaps a more self-interested position that a person who would be part of a program would have in designing a program.

Parallel to his operation we have an Assistant Secretary who is not here today. Jim Clark is not here. He is the Assistant Secretary for Management. We have had an Assistant Secretary for Administration for a long time but in the reorganization that you referred to we changed this to a level 4 and changed the title so that he ranks equally with the mission assistant secretaries and also with Assistant Secretary Hughes. His job is to constantly examine the tightness of the ship, to constantly examine the administrative techniques and monitor the programs of administration, particularly programs such as the equal opportunity program, for example, and all of the personnel programs that we have that are part of our Government ethic.

In addition to this he runs a consulting service in the Department to help the bureaus and help the management structures at either the field level or central level in improving the methodology of their management. He is, in a sense, a business consultant or management consultant in this respect.

This has turned out to be very successful. He is also concerned about whether we are getting the most out of our human resources, the talent we have in the Department. Are we doing the kind of things that stimulate and motivate career development, all of those kinds of approaches. He is doing a very fine job. I have to give him another accolade.

We have both been through a trying time trying to get the visitor's center off dead center.

Mr. YATES. You are still trying.

Secretary MORTON. Yes; but Jim Clark has been a crusader in this effort. We are trying to convert a bankrupt hole in the ground to be a real asset to the Congress and this capital city during the Bicentennial year. We are hopeful.

DEPARTMENTAL PROFESSIONALISM

In comparing the Department of the Interior with other departments as to the tightness of the ship and the effectiveness of its management, perhaps we have to say to ourselves that we are an old department, we suffer to an extent from the habits of age, the long-time habits of age. On the other hand we, too, over the years have built up a very high standard of professionalism, particularly in areas where technical professionalism plays an important part. I think we have, of course, the Geological Survey of which we are intensely proud, Dr. McKelvey is one of the outstanding geologists in the world and has been so recognized.

He represents, I think, the highest order of public service from a career point of view. I believe it reflects through his bureau. I say this not to downgrade any other area. I would say the same thing about the Bureau of Mines although their mission has been changing. I would say the same thing about Fish and Wildlife Service where we really are in reality the biological arm of the Government.

We embarked on an adventure for Interior when we asked John Kyl to become an Assistant Secretary for Congressional Affairs in order to try and really develop a new kind of communication with the Congress; not just a communication of lobbying which has sort of been a historical role of congressional representatives in Government, of trying to get bills we are interested in passed, that is part of it, but primarily an educational communication whereby the Members of Congress can learn about the activity of the Department in their districts and from a national point of view. I must say as a former colleague, John has been exceptionally good at that. He is very articulate. He served for a long time on the Interior Committee of the House and he knows the Department like the back of his hand not only in Washington but out in the field.

REORGANIZATION OF SOLICITOR'S OFFICE

Another area we have had to upgrade and has been reorganized along the lines that I have described is our legal counsel area.

In a department like the Department of the Interior as you can well imagine, with all the real estate operations that we are in and all the other things where legal concerns come to play, our solicitor, Kent Frizzell, who is the third-ranking person in the Department in order of succession, has done, I think a very good job of reorganizing the legal profession within the Department. It is primarily divided into two areas. One is the area of legal counsel for the clients within the Department, the various bureaus and the various mission areas.

The other is in the hearing and appeals side of the business where we sort of have to conduct an operation that has a judicial role.

The Under Secretary is in effect the alter ego of the Secretary himself. John Whittaker and I have worked very closely together. I report to his many friends on this committee that he is feeling much better. He has had a heart attack. We expect him back on a part-time basis within the next few weeks. He is doing very, very well. He makes sure that the decisionmaking process is not bogged down or delayed. This is his responsibility, primarily, to develop the option papers, to

make sure that all elements in fact are taken into consideration in the decisionmaking process.

I think we have excellent people. We have a great many young people who have come on board who are very exciting in themselves and are excited by the challenges.

When the energy situation began to rear its head as part of our national problem the Department of Interior began to move forward in the front line of interest as far as people are concerned.

I guess today we perhaps have as many young people knocking on our door as any department in the Government. We thought that we might be rather badly damaged when the Federal Energy Administration was split off and our Office of Oil and Gas became the core of that agency and it became a separate agency in government.

There was some feeling, too, that when the Energy Research and Development Administration was put together that this would also have a derogatory effect or depressing effect on the Department.

I don't think this is true. I think that these things have happened, I'm sure, in the best interests of the country and that our mission has not been watered down by the fact that they have been created.

As Chairman of the Energy Resources Council which is my other hat, and this Council was created by the ERDA Act, I have an opportunity to observe at very close hand the relationship of all the agencies together and the relationship to the problem we are trying to solve. We have a close working relationship.

Frank Zarb and I work very closely together. We try to make the interrelationship between agencies as smooth and as constructive as we possibly can.

As we go downstream in time I think we are going to have to look at certain things. We have been expanding over the years. This budget is an expansion. I am concerned about several things. I am concerned about the number of offices in which we do business. Maybe Frank can tell me the number of offices we have scattered across the whole country. It is several hundred.

Mr. HUGHES. It is about 300 physical locations, but I will get a better estimate for the record.

[The information follows:]

Counting schools, fish hatcheries, park, refuge and regional headquarters, project headquarters, etc., the Department of the Interior has upward of 1,000 field offices.

Secretary MORTON. This means any secretary has no practical way of visiting everyone of the operations of the Department. We are not totally congruent with the Federal regions that have been designated. There is a sense of autonomy in the Bureaus which I can understand. There is a "turf" concept that is very understandable in depth. When you think about it, you know, Government does not have another government to compete with so it tries to compete with each other. This is a human nature thing. This is a thing that can become an expensive thing for the taxpayer and we have to constantly watch that.

AIRCRAFT CENTRALIZATION

We have done some centralization. We found we were running the most unsafe airline in the world with some 200 airplanes. We created

a central aviation program with the idea of upgrading the pilot capability, with the idea of upgrading the aircraft efficiency and proficiency and quality, working out better utilization of it. It has been an uphill battle.

On the other hand, young Jim Thurston, who has taken this over—a very senior pilot—has begun to develop the confidence of the Bureaus and I think we are going to have safer and better aircraft and better utilization by the people who need those aircraft in their business.

This has been under the direction of Assistant Secretary Clark who is trying to work out better administrative programs to get a little better result.

LAND AND WATER RESOURCES

I think Secretary Horton can address himself to this but in the years past we always had the Bureau of Reclamation doing their thing as far as water and the Bureau of Land Management in another area of the Department doing their thing as far as land is concerned, yet when you study what each were doing, you find a great deal of interrelationship between land use planning and water development planning and how it should all be put together.

I don't want to leave the impression that we have worked miracles because we have not, but I think we have developed a recognition of problems that exist that can be solved over the years if we all work at it and if we don't try to build Rome in a day. I could go into much greater detail but I hope I have given you an overview of my feeling about the Department.

Mr. YATES. I think you have given us a very good overview. You indicated you had approximately 300 offices scattered throughout the country. How do you get out to the regions?

FEDERAL REGIONAL REPRESENTATIVES

Secretary MORTON. I get out two ways: physically, and I have regional offices which really are the eyes and ears of the Secretary and of the secretariat. Those regional offices do two things: They primarily make sure we, the Department of Interior, are cooperating with other elements of Government. These individuals serve on the Federal Regional Councils, which are made up of primary Government agencies that operate or dominate the Government activity in that particular region. They are located in Denever, Albuquerque, San Francisco, Portland, Oreg., Boston, Atlanta, Chicago, and Anchorage, Alaska.

Through their eyes and ears I am able to pretty well get an early warning and be alerted to things that are happening.

One of the prime responsibilities of these field representatives is to sit down with the Governors of the States and their people in each area we operate to see if we are tracking with the State or see if we, in the minds of the Governors, are competing with them. In many of the areas, particularly in the West, you will find there is sort of a historical battle that has raged all through the years between what is commonly known as the "Feds" and the States. We have been trying to ameliorate that conflict by consulting with the States before we go with programs and major decisions. Jack Horton has just finished

a series of meetings with the Governors and resource people in the area of minerals, water, and energy on these matters. These field offices are really in a sense——

Mr. EVANS. Would you yield for a question?

Would you care to comment on the meeting you recently had with the Rocky Mountain States on the question of coal and other resources?

Secretary MORTON. Before I answer Frank's question, I would like to submit for the record the organizational chart of the Department. Also I would like to make sure that any additional information that you would like to have and would request in connection with our organization—how we are structured, the method of operation, et cetera—be included in the record at this time so you will have it all together.

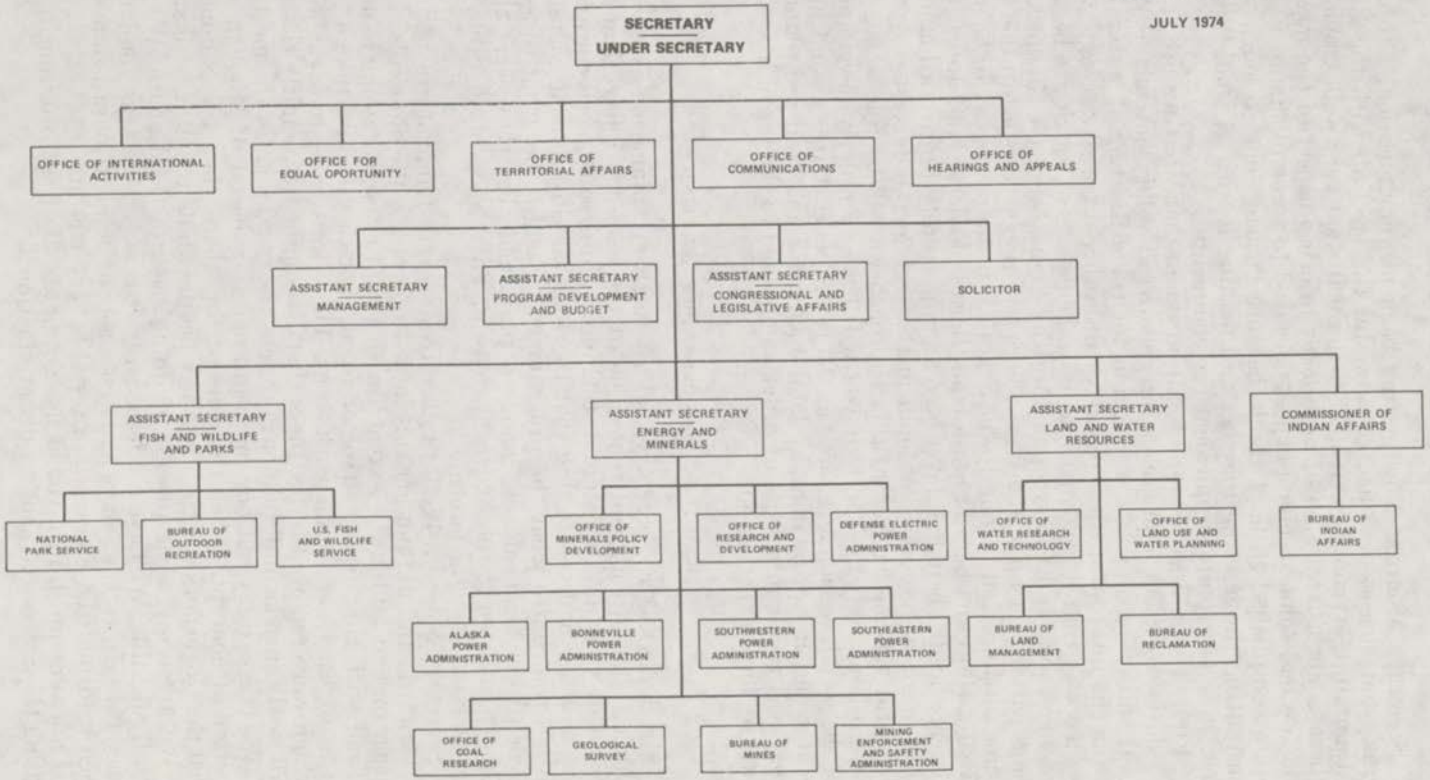
Mr. YATES. That may be done.

[The information follows:]

Department of the Interior

ORGANIZATION

JULY 1974



MEETING WITH ROCKY MOUNTAIN GOVERNORS

Secretary MORTON. Now getting back to your question, I think it was what success was had or how did the meeting with the Rocky Mountain Governors go. Well, I thought it went very well. Obviously there is not a total area of agreement in every aspect of the meeting but we had some specific purposes in mind to accomplish and I think we accomplished them. I think, because he had done so much work in putting the meeting together and making it work, I would like to ask Jack Horton to supplement my comments.

First, I would say before I call on Jack, that what we are trying to do is work out a program for resource development in the West, coal and other minerals, a program for the utilization of water, both from the interest of these resources and other interests States have in such a way that it is compatible with the desires of the States because, as you know, and Congressman McKay knows, we have this peculiar land pattern set up in the West where out of every township there are some sections that belong to the State so the maps appear to be made with a shotgun: here is State land, here is Federal land and here is private land. There has never been an opportunity for overall land use planning and resource development that brings the interests together. Hopefully, some day out of this approach we will be able to begin to set up land exchanges so that you will have an orderly development of the social, economic, as well as the resources that are existent in the States and it can be done by land exchanges and land use planning that will result in a sense of order as opposed to the topsy like situation we have experienced.

REACTION TO GOVERNOR'S MEETING

Mr. EVANS. Mr. Secretary, before further explanation is given I think I should comment that some of the readings I have had as a result of your meeting were disturbing. I think some of the people at the meeting had the feeling that the Federal Government was there to tell the States what the program was going to be, what tune the Federal Government was going to play, and that they were there simply to listen to the Federal program. There was considerable dissatisfaction with the meeting.

Secretary MORTON. Well, I talked to Governor Lamb at great length afterwards and did not get this impression at all. We did explain our program and said in the second breath that we were not going to move ahead with this in any shape or form, that they should take a look at it, digest it, and come back to us. There were some remarks made which were reported in the press that I thought were highly charged political remarks and did not represent the true spirit of the meeting.

We tried to lay out our program, not as a matter of law, but as a matter of concept. When the concept was there, then I was hopeful that the Governors and their resource people would recognize it as such.

We are now in the process of going back to them again. We are totally flexible. We have not leased any coal in the West, as you know, since 1970. In fact, we have had first a sort of de facto moratorium and then a formalized moratorium for this very reason.

I am very much in favor of not going ahead of the program, overriding the States and causing dissatisfaction.

Any program for resource development in the West has got to be one that has western endorsement and western participation; otherwise we are just going to have a confrontation between the public interests.

Mr. EVANS. It may be that their reaction was that of alarm because these States are poised on the brink of fantastic energy development of all kinds and because of this have determined to coordinate their thinking and develop a common approach. I thought I should report to you what I have heard.

Secretary MORTON. We were very disappointed by the reports that you saw and we saw also. I have met with, not all of them, but the Governors of Arizona, New Mexico, Colorado, and momentarily with the Governor of Montana and the Governor of Wyoming, since that meeting, and in every case there seemed to be—there was—a sense of appreciation. Let us go on from there. That is what we are ready to do.

Jack, you might be able to add to that.

FUTURE PLANS

Mr. YATES. What does "go on from there" mean? Would you answer that?

Mr. HORTON. That means this, if you will, was the opening door, a full door of communication, cooperation with the western governors and their staffs. We intend to establish a continuing series of meetings with their representatives. The next one will be February 27 in Salt Lake City. Jack Carlson and I, with the Secretary and his staff, envision a series of these at approximately 1-month or 6-week intervals. Like the first meeting that the Secretary conducted, these are not meetings in which to announce decisions; they are meetings in which we share with the western Governors and their Natural Resource Commission our stand on such items as the preparation of the Environmental Impact Statement on a coal-leasing process. We outline with them what are the proponents of that proposed process. We are going to them with the best information we have on where and how much coal has been leased already to date on Federal lands. We will be asking them to join with us in a cooperative effort to outline and display on maps where State leases and private leases exist. In every respect we are going to emphasize togetherness, the cooperation with which we think we must proceed together. We are very hopeful. The response privately has been one of congratulations and warmth, and certainly it is true that there was a major discontinuity between our interpretation and that of the State Governors in what happened at the meetings and the way it was described in the press.

Secretary MORTON. I would like also, if I may, to say Secretary Horton is from Wyoming and Carlson from Utah. He has been a very important part of this with the Bureau of Mines, Geological Survey, and the whole area of minerals and energy. He was at this meeting and was part of the followup. Maybe a comment from him would be appropriate.

Mr. CARLSON. I might mention instead of going ahead on new reclamation standards on Federal land, we held off to give the Governors a chance to comment on that. We will meet with them next Thursday to discuss that. This is putting our own house in order while

the Congress debates a bill on part of the whole economy, not just the Federal lands, that will help us in a modification.

I think we have had very much a spirit of cooperation. In the communications I have had with the States and Governors they have indicated there is a definite attitude of cooperation both on our part and theirs.

Mr. EVANS. Thank you.

Mr. YATES. Put in the record at this point how many meetings the Department had with the Governors last year.

Secretary MORTON. Yes.

[The information follows:]

The Department's Federal regional representatives are in very frequent contact with Governors or their offices. In addition, the following list shows a sample of meetings with Governors by senior officials of the Department during 1974:

MEETINGS WITH GOVERNORS (BY STATE)

SECRETARY MORTON

Pennsylvania	Maine
North Carolina	New Jersey
New Hampshire	Iowa
Illinois	Oklahoma
Alaska	Washington

In addition, Secretary Morton attended several meetings with groups of Governors and the Western and the National Governors' Conferences.

UNDER SECRETARY WHITAKER

Attended several meetings with groups of Governors.

ASSISTANT SECRETARY—PROGRAM DEVELOPMENT AND BUDGET

New Jersey

Attended National Governors' Conference

The Assistant Secretary, Congressional and Legislative Affairs, attended the National Governors' Conference in Seattle, Wash., in addition he met at least once with the Governors of the following States:

Texas	North Carolina
Arizona	West Virginia
Colorado	Iowa
Massachusetts	North Dakota
Connecticut	Wyoming
Mississippi	Kentucky

Assistant Secretary for Fish and Wildlife and Parks

Name and State:	*Number of times*
Governor Andrus—Idaho	2
Governor Apodoca—New Mexico	1
Governor Askew—Florida	3
Governor Byrne—New Jersey	1
Governor Castro—Arizona	1
Governor Edwards—South Carolina	1
Governor Exxon—Nebraska	1
Governor Hammond—Alaska	2
Governor Herschler—Wyoming	1
Governor Holshauser—North Carolina	2
Governor Judge—Montana	1
Governor Lamb—Colorado	1
Governor McCall—Oregon	6
Governor Rampton—Utah	1
Governor Shapp—Pennsylvania	1
Governor West—South Carolina	1

REGIONAL OFFICES CONTACTS WITH GOVERNORS

Mr. YATES. Did you have meetings with other groups?

Secretary MORTON. Yes.

Mr. YATES. I know that you had meetings with the Eastern Governors.

Secretary MORTON. I meet with them. They are in all the time. Very few Governors today from the coastal States or from the resource States come to Washington without coming by the Department. Obviously I like to see them personally, but they have a lot of business with various elements of the Department. The latchstring is always out.

The other thing, our regional people I referred to earlier, the heads of our regional offices, Bill Rogers in Denver, Gudiss in Albuquerque, Ottison in California—they are just practically in communication with Governors and their people on a daily basis. Really we are trying to work this out. I don't think any kind of a program will work unless we have a real cooperative understanding between ourselves and other elements.

ASSESSMENT OF DEPARTMENT

Mr. YATES. You have given an overview of the organization of the Department of the Interior. Are there improvements that you think should be made? Are there any weak spots in it? Which are your strong programs? How would you assess the operation of the Department?

Secretary MORTON. The main thrust of your question is whether I am satisfied with the Department and what things I think should be strengthened. There are a good many things, and if I were satisfied I didn't think I would be worthy of my being Secretary of the Interior.

I seem to suffer from dissatisfaction in trying to overcome the things that I think are wrong. Primarily, in short, some of the things that we have got to do, we have to bring our Indian Bureau into better stature. I have had a bill before the Congress to make the Commissioner of Indian Affairs an Assistant Secretary. This would be a good thing for the Indian community and would tend to upgrade the Bureau of Indian Affairs in relation to other interested bureaus of government that deal with Indian Affairs. We have only a piece of the action. A good deal is carried out by other departments of government. The bill has gotten into sort of a squabble, particularly over in the Senate, because of an Alaskan Native issue that is not really pertinent.

BUREAU OF LAND MANAGEMENT

Another area that I think is a weak area in the Department, because we have never really been able to get the legislation that we need to bring it into its proper role, is that of the Bureau of Land Management. It has no organic act. The authorities are so limited that we can not even arrest somebody for throwing a beer can down on the public lands because we don't have the authority.

I realize this is a very difficult thing. We thought we were going to get an act last year and it ran into some trouble and got into sort of a maze of difficulty because it was too encompassing and included

too many things. This is an area we need to strengthen. The public lands now are under such heavy pressure for multiple use and also the whole problem of exchange that I think underlies much of the difficulties between the States, particularly public land States and the Federal Government. We have not been able to work out the selection program for the in-lieu selections that are due to the States, and we also have great difficulty in effecting land exchanges between State lands and Federal lands in order to block up lands that would better service the interests of both resource development and State development, simply because it is hard to agree on what the mineral estate of these lands is worth.

Therefore, we are just in a stalemate. This is an area we have got to overcome.

OCS DEVELOPMENT PROGRAM

We are not quite as well organized, I think, as we should be nor as efficient as we should be in the development of Federal lands in the marine environment. We have taken some steps in that direction, and I hope Roy will be able, through his office, to coordinate the activities of the interested bureaus, the Survey as well as the BLM, in developing not only a more coordinated and effective leasing exploration and development program, but also in working with the States to overcome some of the prejudices that are there.

We also have something else growing now that I think this committee should be very much aware of. This is really the competition between recreation and conservation. This shows up in the programs in development and expansion of the Park Service and to a degree in the operations of the Bureau of Outdoor Recreation.

My information is that as we move toward recreation areas, and I think I certainly am not without blame in this—I have been for bringing parks to the people, I have been for making parks more available, and I have been for the idea of having parks that are close to the cities that people can use in addition to the great conservation parks of the West.

In the course of doing that, because of the political forces being what they are—and I think we all understand that—my fear is that if we are not careful, recreation will get the big end of the stick and conservation will be pushed constantly off. The interests of conservation, which in the long run are for the development of this country and its society, I think, are very, very dominant and might suffer.

Mr. YATES. Can you give us examples of what you mean?

URBAN PARKS

Secretary MORTON. Yes. We are spending a tremendous portion of our energy in the National Gateway Recreation Area in New York. The same thing in San Francisco. We also have one authorized now in the Cuyahoga Valley, outside of Cleveland. Nothing wrong with this, but the question will have to be answered at some time by the U.S. Government, by the Congress, as to whether these two interests can be compatible and in the same pot all the time.

It might be that we should begin to think of a broadened role for the Bureau of Outdoor Recreation and let the recreation development take place through a different system so that the conservation and historical preservation role of the Park Service should not be downgraded simply by force of people. Obviously, when you begin to think in the big municipal areas, the Chicago area, the Cleveland area, the San Francisco area, the New York area, you have a tremendous force here in this House and over in the other body. This is something that really I am concerned about and I am studying it and discussing it with our own staff, with Secretary Reed and his people, with members of the authorization committees to see if there is a concept that we can come up with that will insure historical preservation, its proper role and conservation its proper role.

Mr. EVANS. Would you yield?

Secretary MORTON. Yes.

Mr. EVANS. Is the competition of these two areas of Federal activity for the same dollar or is the competition in regard to one piece of land for too many people, or both?

Secretary MORTON. I think it is some of both. Obviously, it is always for the same dollar. I guess anybody that has a big responsibility like the National Park Service or the Fish and Wildlife Service always wants more money. The question is if there is a choice between a dollar going into a municipal recreation area versus a conservation setup—I would deal with the State of Alaska in connection with this in just a second—I think we are going to see the same thing there.

I think the forces that exist and the way our Government is organized, it is going to be a great tendency for that dollar to move into recreation or into a more people-oriented venture. Being very much for outdoor recreation and an enthusiast for it myself, I sometimes have to catch myself and say, "Wait a minute here; what are you doing to conservation," knowing that you are going to be pretty much limited by what you are doing here by moving in that direction. This is something we have to address ourselves to. I think we probably have reached the point in time, if you asked me in the next question whether I had a bill or proposal, I have to candidly say, No, I don't have.

Mr. EVANS. Thank you.

RECREATION VERSUS CONSERVATION

Mr. YATES. Where do you draw the line between recreation and conservation in your concept?

Secretary MORTON. I wish I could draw a sharp line. I don't think there is one. Take some examples. A great conservation area like Yellowstone Park has tremendous recreation value. But let's face it, the establishment of Cuyahoga Valley in Ohio is a set-aside that primarily is not for its primitive or natural values; it is the fact that it is open space and in that open space you can develop a tremendous amount of recreation opportunity.

If you would just draw a line between those two concepts you would have your line.

Mr. YATES. Are there other weak spots?

Secretary MORTON. Yes. One of the areas is wilderness. We have done—and I share the blame on this—our wilderness work and we have done it well. We have laid it up before the Congress and it has languished. I feel somehow we are partially to blame. I don't want to blame Congress, but we should crank up our wilderness activities in the spirit of the act which was passed in 1964. We have done the work. We have laid it before the House and Senate but there it is, and the action is slow. My fear is, you say: Why should there be a hurry? You manage it as wilderness, and we do. Remember the development pressures are really coming to pass right now. We have got all kinds of development pressure against us to become energy independent, become more broadly based as far as mineral production is concerned. We have done our work. There they are, and we would like to get them approved.

Mr. YATES. How many are there?

Secretary MORTON. My goodness, I think there are 74.

Frank?

Mr. WILES. I don't know. We can get the number.

[The information follows:]

NATIONAL PARK SYSTEM WILDERNESS RECOMMENDATIONS

Area	Wilderness Acres Recommended to Congress	Potential Wilderness Additions	Wilderness Acres Designated by Congress
1. Arches N.M. 1/	15,703		
2. Assateague Island N.S. 2/	440	4,360	
3. Badlands N.M.	58,924	5,326	
4. Bandelier N.M.	22,030 3/		
5. Big Bend N.P.	533,900	25,700	
6. Black Canyon of the Gunnison N.M.	11,180 3/		
7. Bryce Canyon N.P.	16,303		
8. Capitol Reef N.M. 1/	23,054		
9. Carlsbad Caverns N.P.	30,210	320	
10. Cedar Breaks N.M.	4,370		
11. Chaco Canyon N.M.	Negative		
12. Chiricahua N.M.	9,440 3/	2	
13. Colorado N.M.	7,700		
14. Crater Lake N.P.	122,400		
15. Craters of the Moon N.M.			43,243
16. Cumberland Gap N.H.P.	6,375	3,810	
17. Death Valley N.M.	1,908,000	26,400	
18. Dinosaur N.M.	165,341	10,274	
19. Everglades N.P.	1,296,500	81,900	
20. Glacier N.P.	927,550	3,360	
21. Glacier Bay N.M. 4/			
22+23. Grand Canyon Complex	512,870	86,156	

NATIONAL PARK SYSTEM WILDERNESS RECOMMENDATIONS

	Area	Wilderness Acres Recommended to Congress	Potential Wilderness Additions	Wilderness Acres Designated by Congress
24.	Grand Teton N.P.	115,807	20,850	
25.	Great Sand Dunes N.M.	32,930	670	
26.	Great Smoky Mountains N.P.	390,500	400	
27.	Guadalupe Mountains N.P.	46,850		
28.	Haleakala N.P.	19,270	5,500	
29.	Hawaii Volcanoes N.P.	123,100	7,850	
30.	Isle Royale N.P.	129,573 3/	177	
31.	Joshua Tree N.M.	372,700	66,800	
32.	Katmai N.M.	2,603,547	19	
33+34.	Kings Canyon-Sequoia N.P.	750,690	40,080	
35.	Lake Mead N.R.A. 5/			
36.	Lassen Volcanic N.P.			78,982
37.	Lava Beds N.M.			28,460
38.	Mammoth Cave N.P.	Negative		
39.	Mesa Verde N.P.	8,100		
40.	Mount Rainier N.P.	210,700	165	
41.	North Cascades Complex	515,880		
42.	Olympic N.P.	862,139	958	
43.	Organ Pipe Cactus N.M.	299,600	10,100	
44.	Padre Island N.S.	Negative		
45.	Petrified Forest N.P.			50,260
46.	Pinnacles N.M.	10,980	320	

NATIONAL PARK SYSTEM WILDERNESS RECOMMENDATIONS

	Area	Wilderness Acres Recommended to Congress	Potential Wilderness Additions	Wilderness Acres Designated by Congress
47.	Point Reyes N.S.	10,600		
48.	Rocky Mountain N.P.	239,835	479	
49.	Saguaro N.M.	42,400	27,100	
50.	Shenandoah N.P.	79,699	560	
51.	Theodore Roosevelt N.M.P.	28,335		
52.	White Sands N.M.	Negative		
53.	Wupatki N.M.	Negative		
54.	Yellowstone N.P.	2,016,181	6,040	
55.	Yosemite N.P.	646,700	121	
56.	Zion N.P.	120,620	12,120	200,945
	Totals	15,349,026	447,917	

1/ New study in progress for new national park.

2/ A total of 1,740 acres recommended for wilderness designation, 1,300 acres within area administered by U.S. Fish and Wildlife Service and 440 acres within area administered by National Park Service. Also recommended are potential wilderness additions of 4,360 acres in the Maryland portion and 400 acres in Virginia.

3/ Recommendation as revised at congressional hearing.

4/ Surface lands reported suitable for wilderness but recommended that action be deferred pending completion of a mineral survey.

5/ Surface lands reported suitable for wilderness but recommended that action be deferred pending study of project needs by Bureau of Reclamation.

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UNITED STATES FISH AND WILDLIFE SERVICE

National Wildlife Refuge System

January 1, 1975

I. Designated Refuge Wilderness Areas

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
Bering Sea	Alaska	41,113	41,113
Bogoslof	Alaska	390	390
Chamisso	Alaska	641	455
Forrester Island	Alaska	2,630	2,630
Hazy Islands	Alaska	42	42
Saint Lazaria	Alaska	65	65
Tuxedni	Alaska	6,402	6,402
Farallon	California	211	141
Cedar Keys	Florida	378	375
Florida Keys	Florida		4,740
Key West	Florida	2,019	
National Key Deer	Florida	7,331	
Great White Heron	Florida	1,996	
Island Bay	Florida	20	20
Passage Key	Florida	36	36
Pelican Island	Florida	684	6
St. Marks	Florida	95,000	17,740
Blackbeard	Georgia	5,617	3,000
Okefenokee	Georgia-Fla.	371,445	353,981
Wolf Island	Georgia	5,126	5,126
Breton	Louisiana	5,047	5,000
Moosehorn	Maine	22,666	7,304

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
Monomoy	Massachusetts	2,698	2,420
Huron Islands	Michigan	147	101
Michigan Islands	Michigan	134	12
Seney	Michigan	95,455	25,150
Brigantine	New Jersey	19,388	6,603
Great Swamp	New Jersey	4,643	3,660
Bosque del Apache	New Mexico	57,191	30,850
Salt Creek(Bitter Lake NWR)	New Mexico	23,189	9,621
Chase Lake	North Dakota	4,384	4,155
Lostwood	North Dakota	24,747	5,577
West Sister Island	Ohio	85	85
Wichita Mountains	Oklahoma	59,020	8,570
Oregon Islands	Oregon	367	21
Three Arch Rocks	Oregon	17	17
Cape Romain	South Carolina	34,196	28,000
Washington Islands	Washington		
Copallis NWR	Washington	5	5
Quaillayute Needles NWR	Washington	99	49
Flattery Rocks NWR	Washington	125	125
Wisconsin Islands	Wisconsin		
Gravel Island NWR	Wisconsin	27	27
Green Bay NWR	Wisconsin	2	2
	TOTALS	894,867	575,620

II. Proposed Refuge Wilderness Areas in Congress

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
Aleutian Islands	Alaska	2,720,426	1,395,357
Kenai	Alaska	1,730,000	829,000
Izembek	Alaska	320,801	301,451 1/
Nunivak	Alaska	3,656,387	1/
Semidi	Alaska	256,000	256,000
Simenof	Alaska	25,273	25,140
Unimak	Alaska	4/	973,000
Cabeza Prieta	Arizona	860,000	833,500 2/
Havasu	Arizona-Calif.	41,495	2,510
Imperial	Arizona-Calif.	25,764	12,010
Kofa	Arizona	660,000	570,600 2/
Big Lake	Arkansas	10,974	1,818
White River	Arkansas	112,399	975
Bombay Hook	Delaware	15,110	2,000
Chassahowitzka	Florida	29,698	16,900
J. N. "Ding" Darling	Florida	4,307	2,735
Lake Woodruff	Florida	18,417	1,106
Savannah	Georgia-S.C.	13,173	Nonsuitable
Hawaiian Islands	Hawaii	304,203*	1,742
Crab Orchard	Illinois	43,017	4,050
Upper Mississippi	Iowa, Minnesota, Illinois & Wisconsin	195,122	3/

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
Lacassine	Louisiana	31,776	2,854
Blackwater	Maryland	11,216	Nonsuitable
Martin	Maryland	4,423	Nonsuitable
Parker River	Massachusetts	4,649	3,110
Agassiz	Minnesota	61,487	4,000
Mille Lacs	Minnesota	0.6	0.6
Rice Lake	Minnesota	20,297	1,406
Tamarac	Minnesota	42,484	2,138
Noxubee	Mississippi	45,763	1,200
Mingo	Missouri	21,672	1,705
Bowdoin	Montana	15,436	Nonsuitable
Charles M. Russell	Montana	926,575	155,288
Medicine Lake	Montana	31,457	31,457
National Bison Range	Montana	18,540	Nonsuitable
Red Rock Lakes	Montana	40,223	32,350
U. L. Bend	Montana	46,264	19,683
Crescent Lake	Nebraska	45,996	24,502
Fort Niobrara	Nebraska	19,123	4,635
Valentine	Nebraska	71,516	16,317
Anaho Island	Nevada	747	747
Charles Sheldon Antelope Range	Nevada	545,231	321,400 2/
Sheldon National Antelope Refuge	Nevada	34,131	20,100
Desert	Nevada	1,588,458	1,443,300 2/

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
Cedar Island	North Carolina	12,526	180
Mattamuskeet	North Carolina	50,179	590
Pea Island	North Carolina	5,915	180
Swanquarter	North Carolina	15,500	9,000
Salt Plains	Oklahoma	32,009	Nonsuitable
Deer Flat	Oregon-Idaho	11,585	Nonsuitable
Hart Mountain	Oregon	240,824	16,500
Klamath Forest	Oregon	15,225	Nonsuitable
Malheur	Oregon	180,795	30,000
Santee	South Carolina	74,353	163
Laguna Atascosa	Texas	45,147	Nonsuitable
Bear River	Utah	64,895	Nonsuitable
Missisquoi	Vermont	4,680	620
Back Bay	Virginia	4,588	2,165
Assateague Island			
Chincoteague Refuge	Virginia	9,438	1,300
National Seashore	Maryland		440
Little Pend Oreille	Washington	40,535	Nonsuitable

Wilderness Area (Refuge)	State	Refuge Acres	Wilderness Acres
San Juan Islands	Washington	461	168
San Juan Martin Island Jones Island Smith Island			
Turnbull	Washington	17,171	Nonsuitable
Horicon	Wisconsin	20,934	Nonsuitable
National Elk	Wyoming	23,781	Nonsuitable
	TOTAL	15,478,224	7,377,393

* Total refuge acreage is unknown at this time

1/ Wilderness recommendation delayed due to native selections under ANCSA.

2/ Wilderness recommendations made subject to congressional appropriation of funds to conduct mineral survey and completion of such survey.

3/ Additional study to be made and completed by July 1, 1977.

4/ Unimak is part of the Aleutian Islands Refuge

III. Wilderness Review Process Delayed due to ANCSA.

Wilderness Area (Refuge)	State	Refuge Acres
Arctic	Alaska	8,900,000
Clarence Rhode	Alaska	2,887,026
Hazen Bay	Alaska	6,800
Kodiak	Alaska	1,815,000
	TOTAL	13,608,826

Mr. YATES. How much money is involved?

Secretary MORTON. No money.

Mr. YATES. Purchase of inholdings?

Mr. HUGHES. Relatively little money.

Secretary MORTON. Alaska is one where we have a great responsibility. You could ask me the question, "Mr. Secretary, are you really prepared to conserve and insure orderliness—are you capable of administering the new Alaskan ethic which now incorporates all the elements of the Alaskan Native Claims Act?"

I am a little timorous in giving you a firm answer, yes. I think again we are going to have to sit down with the State and with all of the different interests and we are probably going to have to upgrade our legislative authority as well as our administrative capability to deal with the problems of Alaska. We made these set asides. It has been sort of a heroic act of conservation, and yet we have this tremendous D–2 land withdrawal for the public interest. We have not quite defined what that is, and I would hate to see us develop Alaska in a topsy-turvy manner and not proceed with an orderly land-use concept because of pressure to develop energy and minerals.

I believe the time will come shortly when we should have the whole National Oceanographic and Atmospheric Administration as part of a total Earth science capability side by side with the Geological Survey in a Department of Natural Resources in order for the people to get the best return on their investment. I think these are weaknesses. Our relationships there, perhaps to a lesser degree, with other resources agencies, Department of Agriculture, Department of Defense, Corps of Engineers, et cetera.

LAND AND WATER CONSERVATION FUND

Mr. MCDADE. Mr. Secretary, in connection with your recreational conservation responsibilities there are a lot of people on the Hill who now talk to me about increasing the Land and Water Fund from its current authorization of $300 million to $900 million, even $1 billion. Has the Department had an opportunity to take any real hard look at those proposals?

Secretary MORTON. We have taken a hard look at them but one of the problems is what about the other side of the coin? That is, matching money. What are the States really capable of doing in terms of matching that money? What do you have? Do you have a system that can be administered and run by the States?

I keep getting pressure from the States, for example Pennsylvania, your State, Governor Shapp has been trying to unload some State parks to me, taking them from one pocket and putting them into another pocket. The visitor would never know the difference. It is a matter of doing that. Should the Federal Government pick up State park systems and start spending the money for that when they are already there? At the same time increase the grant money that goes to the States for creation of more new State parks? When they mature, get rid of them because this costs you money, and start with a new generation.

Mr. MCDADE. We have a backlog at the Federal level.

Secretary MORTON. We have a tremendous backlog at the Federal level. What we are looking at is how BOR dollars should be spent.

Mr. McDade. Historically we have appropriated 40 percent of the BOR money to the Federal side for 100 percent federally financed acquisitions. What about that side of the coin apart from whatever my Governor may be doing?

Secretary Morton. I was not criticizing him; he is not unique in this. I can find you plenty of Governors from other States trying to do the same thing.

Mr. McDade. What about the Federal side of the coin?

Secretary Morton. I think again you always have the argument, and I think Congressman Evans brought the point up, acquisition always gets pushed aside. If there is a building that needs painting, you paint the building and say, "I will buy the property next year because it is there and it is in a situation where nobody else can buy it. We have the power of eminent domain and the price of real estate will go up all the time and it costs you more."

INHOLDING ACQUISITION

I would hope if we can get a bigger piece of the pie, total of the bigger piece of the buy for Interior and for the BOR, in terms of the battle that has to be fought in not only this committee but in the full committee and also in the OMB, then I would tend to put more emphasis on the acquisition of inholdings to get this behind us.

There is a great bureaucratic tendency to go the other way because that situation is there and it is available next year as well as this year. I think the leadership the Secretary must give to that is to recognize this is a problem and also an obligation to the in-holder himself who in many cases would like to go ahead and sell this property because of the limited use that is incurred as a result of the fact that the property is surrounded and it is in fact an inholding. I think we owe it to these people. We have people sitting around for 6, 7, 9 years that would like to go ahead and sell it. Obviously they want a fair market price, but we have not been able to do that. That morally has some question to it. I would therefore want, during a brief period of years I would want much more emphasis of additional money for the BOR to be earmarked for acquisition.

Mr. McDade. I don't know what the figure is for inholdings.

Mr. Carlson. $572,629,000.

Mr. McDade. Inholding only?

Mr. Carlson. Authorized backlog for acquisition.

Mr. McKay. What is the figure for last year?

Mr. McDade. Would you have a dollar figure that would clean up the backlog of inholding?

Mr. Wiles. About $100 million. We will supply it for the record.

[The information follows:]

Total inholding acquisition backlog is presently estimated as follows:

National Park Service	$76,633,000
Forest Service	150,000,000
Total	226,633,000

Mr. Regula. Mr. Secretary, does development have to follow acquisition; that is, in the State and local areas, if they have additional moneys with which they might match BOR funds to buy areas that are going to get away from them?

Secretary MORTON. There has to be a plan. You cannot have a plan of just acquisition. We would like to talk about that. I am not prepared to answer that now. I don't want to get too much into the refrigerator business here but I do think that we ought to really take a look at the whole BOR concept and the bill. I have tried to do this, as I am sure Congressman Murtha has some background on this.

I feel we should look at it, and in the interests of conservation versus recreation we must look at it. There is a limit to the number of studies and technical things and amount of time that our bright young people can devote to this. We are beginning to study this, and I hope by next year we will be able to come up with some concepts that address the very questions that you are asking.

UNEMPLOYMENT PROBLEM

Mr. YATES. Mr. Secretary, we have an unemployment figure of 8.2 percent in January and the rate could increase even more in the next several months. Is there anything that the Department of Interior can do by way of providing employment for the unemployed?

Secretary MORTON. There would be two ways to do that. By employing people in the Department or by contracts?

Mr. YATES. Could I have your answer with respect to both.

Secretary MORTON. I think in terms of expanding the Department of Interior for the sake of hiring people would be a very, very bad thing.

Mr. YATES. We would agree with that.

Secretary MORTON. I think, if anything, the Department every now and then ought to be looked at in terms of going the other way, because it just happens. Obviously we are in the public works business. We build buildings and we repair things. We are trying to build a visitor center and I think we are trying to repair the C. & O. Canal. We are trying to do a great many things.

Mr. YATES. The National Visitor's Center is very much on your mind.

Secretary MORTON. If you ever go through what I have gone through, you wouldn't think of anything else.

Mr. MCKAY. I wish it would go through somewhere.

Secretary MORTON. Ask all your questions about the visitor center and I will have somebody else answer them. The answer is that obviously in the area of Indian roads—I don't know what $1 million of contract provides in the way of jobs. Somebody told me it is 1 for 15, or 1 for 20,000, something like that. Obviously, along with the corps, along with Defense Procurement, which is probably more labor intensive than is probably Indian roadbuilding, there would be an opportunity. We are now trying to quantify that, as I understand it, as to what kind of employment you could expect over what range of time from various appropriations into things like the Bureau of Reclamation, Fish and Wildlife Service, and so forth. Jack has recently just expanded his budget in reclamation construction.

Jack, do you have an employment figure on what that expanded fund produces?

Mr. HORTON. We examined that this morning by way of what conditional employment would result from the expanded construction funds from outside contracts.

Mr. YATES. Let us know when you have a figure.

Secretary MORTON. Yes. We are furnishing that, but OMB is interested as well as other organizations here on the Hill.

YOUTH CONSERVATION CORPS

Mr. YATES. Have you given consideration to expanding the Youth Conservation Corps?

Secretary MORTON. Yes; we have expanded that. I think now we have the Youth Corps up to about par with the facilities that we have for housing and that sort of thing.

Mr. CARLSON. It is up slightly from last year.

Secretary MORTON. Yes.

Mr. YATES. How many people involved?

Mr. CARLSON. I will supply that.

[The information follows:]

NUMBER OF PARTICIPANTS IN YOUTH CONSERVATION CORPS

	Summer of—	
	1974	1975 estimate
Federal programs	5,813	5,700
State programs	3,800	3,500
Total	9,613	9,200

Mr. YATES. Mr. Duncan asked for the floor.

Mr. DUNCAN. What are you doing with the Youth Corps kids? Is that a job training program?

Secretary MORTON. I think it is one of the best things we have going. I have met with them and we have them in parks and on wildlife refuges where these facilities exist that we are able to take care of them. They do all kinds of work.

Mr. DUNCAN. Is it a work or training program?

Secretary MORTON. It is a work program.

Mr. DUNCAN. During this last period in which the press sometimes unkindly referred to it as a recess or vacation but which I call a work session in the district, I went down to the Job Corps, Forest Service, around the coast of Oregon, and it's not a work program; it's a vocational training program. Is it a modern-day CCC thing that you have got?

Secretary MORTON. I think so. Updated. We have learned a lot. There is some training and educational aspects to it.

EMPLOYMENT OPPORTUNITIES THROUGH EXPANDED REFORESTATION

Mr. DUNCAN. You are managing some timber-producing areas, aren't you, the O. & C. forests for example?

Secretary MORTON. Right.

Mr. DUNCAN. You have timber-producing lands in the Bureau of Indian Affairs?

Secretary MORTON. Right.

Mr. DUNCAN. Do you have a capacity to expand and do productive, useful work that needs to be done there from the standpoint of reforestation?

Secretary MORTON. Yes.

Mr. DUNCAN. Could you furnish for the record what you think your immediate capacity could be to absorb presently unemployed people in those programs?

Secretary MORTON. Yes. I certainly can. We have studied this because it is not a new issue. We have had a desire to expand this program, not to let it overrun the basic use of the areas that are there and not to let it get out of hand as far as management is concerned. It is a matter of dollars. I think if we expand it, it is going to have to be a matter of appropriation.

Mr. DUNCAN. We are putting $18 billion in this new budget into unemployment compensation. In some of the concentrated areas of high unemployment among the youth I believe some of this unemployment money could be better utilized in hiring the young people to do productive work.

Secretary MORTON. There is no question about it. We are not only studying it but we would like to participate in expanding it.

Mr. DUNCAN. Put it in the record or supply that to the committee. I would like to know what types of work you propose and what the need is. How much acreage do you have that has been cut over that needs to be reforested that is not.

Secertary MORTON. Yes. We have quite a bit of this on Indian lands where reforestation, quite frankly, is not of the same caliber as other Federal lands.

[The information follows:]

BUREAU OF LAND MANAGEMENT—FOREST IMPROVEMENT

	Acres	Cost	Related non-Federal jobs
I. Reforestation:			
A. Total reforestation needs (backlog):			
Public domain	41,409	$3,727,000	620
Western Oregon (O. & C.)	[1] 52,195	4,697,000	785
Total	93,604	8,424,000	1,405
B. Current reforestation program:			
Public domain	1,600	144,000	24
Western Oregon (O. & C.)	[2] 33,000	3,070,000	510
Total	34,600	3,214,000	534
C. Additional acreage that could be reforested [3] now (performance within 1 year):			
Public domain	+400	+36,000	−6
Western Oregon (O. & C.)			
Total	+400	+36,000	+6
II. Precommercial thinning:			
A. Precommercial thinnings could be increased by 10,000 acres in Western Oregon:			
Public domain			
Western Oregon	+10,000	+600,000	+100
Total	+10,000	−600,000	+100

[1] In addition there are about 20,000 acres being reforested each year as a result of recent clear cutting from active timber sales.

[2] Includes 20,000 acres in recent clear-cutting areas.

[3] Acreage that can be reforested in 1 yr depends on the availability of seedlings. A 2-yr lead time for nurseries to grow stock is required. Only after this period can the acreage be increased to serve management's needs.

BUREAU OF INDIAN AFFAIRS

Reforestation

1. 132,651 acres of Indian land are in need of reforestation.
2. Approximately 13,265 acres could be reforested in a year.
3. Estimated funds required $1,193,850.
4. 14,100 man-days of seasonal employment.

Mr. DUNCAN. We know Federal lands are not producing what they have a capacity to produce. Oregon logs are selling at almost $300 a thousand. We have that capacity to produce, we have a need to more intensively manage those forests and we have a bloody lot of people that need work, and money to put them to work, so why can't we do it all at once?

Secretary MORTON. Well, that would be a nice, magic wand approach, and I hope it would work. We have tried this. We fight an awful lot of fires in Alaska and use a tremendous lot of people. Maybe some of the fires get set in the wrong places, but anyway I agree with you we could do that. There seems to be at some point a limit of productivity in the use of temporary employees in many, many areas. In reforestation, the limit is probably much higher. We talked to superintendents of parks where this work is going on. If you ask them, "Could you use twice this many people to do this job?" "Maybe, yes." "Could you use three times as many?" "Maybe, no."

There is some point, and that is what you want to know.

Mr. DUNCAN. I am not talking so much about the parks as your productive timberlands. I am not talking about make-work. That is why I asked you how much acreage you do have.

Secretary MORTON. I have to get that for you.

Mr. WILES. Mr. Secretary, we are talking about two programs at the same time. The Department has a Youth Conservation Corps program, which is a summer program for teenage children. The Labor Department runs a Job Corps program that is oriented toward vocational training, like you were saying. These are two separate programs.

Secretary MORTON. You are talking about full-time programs?

Mr. DUNCAN. I am indeed. If we have one that does not fit into the right pigeonhole, I want to build a new pigeonhole.

Mr. YATES. Mr. McKay.

Mr. MCKAY. Along that same line, you indicated that you probably don't have enough housing facilities to accommodate them, but aren't some of the areas close enough to communities so that you don't have to live in outside facilities?

Secretary MORTON. I cannot tell you that because I don't know. This whole thing is being looked at right now.

Mr. YATES. Who is looking at it, Mr. Horton?

Secretary MORTON. No; Mr. Clark is.

Mr. WILES. In the Youth Conservation Corps they have both types. They have resident camps and also day trainees or enrollees, where you pick them up in the city and take them to the park nearby. They work in the park, and receive some educational value. They are doing both in the Youth Conservation Corps in the summertime.

Secretary MORTON. The Forest Service would have a tremendous opportunity, more than we have in timberlands. We have a big opportunity in your country; O. & C. lands.

Mr. McKay. BLM is not limited to forest lands; they have a multiple operation.

RANGE IMPROVEMENT PROGRAM

Secretary Morton. We have some operation opportunities, too, in the range improvement. We have had a tough time getting range improvement money. We have had a hard time getting it through the OMB through the years. In cost-benefits on range improvement there has been a lot of controversy about it. This is one of the difficulties and I think one of the areas, and maybe every black cloud has a silver lining. Maybe this economic downturn will be an opportunity for us to upgrade our range program.

Mr. Yates. How much money did you try to get from OMB?

Secretary Morton. $15 or $20 million, and we got some portion of it.

Mr. McKay. $24 million, I believe, and we wound up with $1 million last year.

Secretary Morton. No.

Mr. Horton. There are two components; one is 50, 60 percent of the grazing fees, and the second is appropriated funds.

Mr. Yates. Was this all for the opportunity to employ people who are not now employed?

Mr. Horton. With the present economic downturn, if we are looking toward an impetus toward employment, certainly the public lands offer very substantial opportunity to improve the range to put people to work. It is a matter of how many dollars you provide for that purpose.

Mr. Yates. Secretary Clark is now looking into that?

Secretary Morton. Yes, sir.

Mr. Yates. When do you think that you will have the report?

Secretary Morton. I hope we will be able to respond on this in a matter of a couple of weeks or so. It is really not too difficult to figure out what the ratio of investment to employment is in various types of work. Heavy contracting is one ratio, forest work is another. This is not too difficult a thing. A lot depends on how far you are going. A lot depends on what area of the country and what type of people. You are not going to solve the problem of the automobile industry by a program on the O.&C. lands. On the other hand, you probably would be able to solve problems that exist in the Pacific Northwest.

Mr. Duncan. Housing is severely constricted in the whole country; there are some signs of upturn. When that happens, the demand for wood and fiber is going to go up. If we can't supply it, the price goes up, and the whole country suffers.

Secretary Morton. There is no excuse for not reforesting land harvested for timber, whether Alaska or anywhere else.

Mr. Duncan. May I say that the BLM has done the better of the two jobs as far as timber management and reforestation is concerned in my area.

Mr. Yates. The better, as opposed to the Forest Service?

Mr. Duncan. Yes.

Mr. Yates. Let the record so show.

Mr. Secretary, we talked to Mr. McGuire of the Forest Service the other day. As you know, this committee turned down the administration's request for a rescission of its appropriation of $10 million for re-

forestation. Mr. McGuire thought that would be a very good avenue or possibility for employment in clearing out brush, for reseeding trees, and doing other stand improvement work in the national forests. I assume the same opportunity exists here.

Is the appropriation for the Youth Conservation Corps $10 million for fiscal 1976?

Mr. WILES. Yes, sir, $5 million to Forest Service and $5 million to Interior.

Secretary MORTON. $10 million for both them and us?

Mr. WILES. I have to get the exact figure.

Mr. YATES. What kind of programs do you have in the YCC?

Mr. WILES. These are teen-age high-school children who go to these camps, work in the parks or on a wildlife refuge, and also study wildlife, ecology, and nature. It runs for 2 months in the summertime.

Mr. YATES. We will turn the questioning over to Mr. McKay.

Mr. MCKAY. Thank you, Mr. Chairman.

Along with that, they get a work experience which is very necessary for our young people and which they never get until one of these things open up, and they learn how to work, which adds to the total value of the community as well.

ADEQUACY OF PROPOSED BUDGET

Mr. Secretary, you are now preparing and presenting your budget for the coming year, about a $2.5 billion budget, $182 million increase over last year. That is about a 6 or 7 percent increase, which is a little less than the inflation rate. I realize some of the functions of Interior have been transferred, but do you really think this is a sufficient increase to meet the needs of your Department? I felt for some time the entire Department was underfunded in the light of our needs for resources and the development of those resources which deal with more than the short term. They are long-term needs and you cannot pick up long-term needs overnight. You cannot postpone those indefinitely. The Department will bring in this year $8.9 billion in revenues, about $3 billion more than last year, and about $6.4 billion more than we appropriate out of this committee for Interior. Would you like to comment on that?

Secretary MORTON. I think as I look at the other departments and have the opportunity to go over the entire budget of the Government, particularly other programmatic departments like ours, such as Agriculture, Commerce to a degree, and others, I think we have been treated very fairly. We may have come out with the big end of the stick.

If you are saying totally whether we are in the right spot in the whole Government spectrum, this is a real good question, because such a large portion of the Government expenditure today is in income transfers. It is way up there, as opposed to conservation programs, preservation programs, forest management programs—you name it.

I think that this trend can be very disastrous for the country in the long run if we keep accelerating our income transfers and entitlement programs in government at the expense of conservation and resource development. I feel very strongly about it. This is something going on before your day and mine, and it is a fact of life.

Mr. McKay. I think at some point, if we have not, we will reach the point of diminishing returns.

Secretary Morton. I think so, too.

Mr. McKay. If you don't build the resources, you are not going to have the transfer payments?

Secretary Morton. This is true.

Mr. McKay. You are up against the wall.

Secretary Morton. This is something we have to face together as a legislative branch and an executive branch. Maybe look at some of the things that have happened. If we go along the next 25 years with the same creativity that we have had during the last 25, this country economically will self destruct in the year 2000.

Mr. McKay. That was a kind of a general question about the overall budget and general attitude about whether we are getting sufficient funds in the Department.

Secretary Morton. One thing, I think we are. I don't think we are fat but I still believe that we can do a better job with the dollars we are getting, and hopefully we are doing that through better discipline, more skill in management, but basically we have had quite a bit cut out. We have lost oil and gas, and so on. We are in pretty good shape.

ENERGY DEVELOPMENT PROBLEMS

Mr. McKay. I think there was a figure given before our committee last year to the effect that for every dollar invested in forests, using that as one example, that there was anywhere from $3 to $5 returned. That is not a cost; that is investment that comes back, so that maybe you ought to put more in there if we get that much back.

I want to follow through further with the development of energy and impact on energy. Many communities in the west are heavily energy impacted. For example, in Carbon County, Utah, there are a number of coal mines which could be put in production but there is a water moratorium on hookups. There could be 1,200 jobs open up there momentarily for mining coal but they cannot get front-end money. They are bonded to the hilt. They need to develop some water, sewers, housing, et cetera. But they can't afford the initial investment which is necessary to bring in the development, even though tax returns from the development could pay back the investment.

Is there any policy being developed in the Department that would tend to assist these communities either on a realignment of the royalty or permit situation or advance funding against incoming revenues?

Secretary Morton. Let Roy talk to this point. We have been looking at this whole thing of front money and it appears not only in the areas that you talk about on the Outer Continental Shelf areas, offshore, it appears in the oil shale area. It appears up and down the line. It's a very, very difficult thing to get at as to how to do this and do it equitably. We did some things that are different in the oil shale leasing program, never tried before in terms of incentives to get a development job done. We didn't go so far as to provide for any sort of revolving fund that could be taken down and paid back out of royalities or, if you will, bank the front money requirements.

There are some real questions in my mind as to what the Federal responsibility is in this. There are some real questions in my mind as to the best way of going about it.

Roy, you might talk a little bit about some of the things that you have been thinking about and how you are doing it. We are not going to give you a very satisfactory answer to your question, though.

IMPACTS OF WESTERN ENERGY DEVELOPMENT

Mr. CARLSON. First off, with respect to the OCS issue, which is analogous to the problem that you have raised, that is one that we have spent a good deal of time on and hope to come up with some options that we can serve up to the Secretary and to the President to break with past tradition of not sharing OCS revenue again. We think that we can work out a formula which will be satisfactory to both coastal and inland States.

On your particular question about impact aid for small towns in the west affected by coal and other resource development. To our own Northern Great Plains program we have spent the last several years working with five States participating in that program and also peripherally with the other States in trying to come to grips with the issues. We have towns in places like Gilette, Wyo., which experienced a population jump from 800 to 1,800 when oil was found, and now the prospect of exploiting the Wyandotte Coal Seam brings them to the point of probably going to 4,000 or 5,000 people within a short period of time.

Trailer cities and all the normal things that happen in those boom towns are beginning to come. We have talked to local and State officials and with the Federal regional council in Denver to see what sort of impact aid program might be logical for the Federal side to offer. We hope within a matter of months to come up with a reasonable program, perhaps analogous with what we came up with on the OCS.

Mr. MCKAY. You think within 3 or 4 months you will have some recommendation?

Mr. CARLSON. The administration will come up with something in a matter of months with recommendations on the problem.

OTHER POSSIBLE FEDERAL AID TO IMPACTED AREAS

Secretary MORTON. I question whether this is an Interior responsibility as such, as it is a community development responsibility. For example, HUD should be addressing this through their basic organic legislation. I don't think we are using our social development money, HUD money, HEW money, Public Health money in an anticipatory way. We have been trying to catch up to help people who are really desperate where you have to get this money to help people. We have never been able to get ahead of the power curve and anticipate what is going to happen to a community before it happens in these areas. This is true when I was here in the same role you are in.

Mr. MCKAY. Would you as an agency be working more closely with other departments through the Cabinet level to get some immediate impact policy which would provide assistance to energy impacted areas?

Returning to the example of Carbon County we went to EDA but they said, "You don't qualify because you have jobs." Companies are ready to start jobs, but there can be no growth. Carbon County is bonded to the limit and can't get any more money. FHA said they can go along with a portion of it so if they could get $1 million out of EDA, the jobs will follow. If they don't get that $1 million to go along with the bond, there are no jobs because there is no water development.

Secretary MORTON. In response to that, the Federal Regional Council tried to do that, tried to work out this program so the various elements of government that have a responsibility get in the act and help provide it. We were hopeful when we conceived the idea that the general revenue sharing was going to have certainly an impact on future plans, planning capability, and the front-money type of requirements that States would have to provide for their orderly development. It has really not been as successful as it should have been in this area.

WATER NEEDS FOR ENERGY DEVELOPMENT

Mr. MCKAY. I would hope there would be some pressure from the Department to move in that area because these communities can't wait 6 months or another year. A lot have done their impact studies and have done some land-use planning so it won't grow up like the boom towns. That will all collapse unless we get some regulation and help.

Along with that, in the West—and I am not sure it is totally understood in the East—energy development is tied to water resource development. Yet, I notice your water resource technology and research has been cut back. The central Utah project has had some cutting too and in our State that relates directly to energy and national energy policy. If someone a long time ago on Public Works had not foreseen and fought the battle to create the Weber Basin and other projects, we could not have survived until today. Someone with long-range planning met that problem. Had the Colorado River projects been fulfilled, we would today be more ready for energy problems that now hit us. Now we have a double problem. We have the need to develop oil shale, tar sands and coal, but to develop these in the West without water is impossible.

Is there some movement to try to accelerate those water resource developments?

Secretary MORTON. It certainly is. I will ask Jack to respond to that because he has been working on a water for energy study. Let me just say this: When I got into the Department of Interior I knew exactly what I was going to find. I was going to find about a $200 or $250 million annual construction account for the development of reclamation projects. I was going to find about a $5 billion backlog and I was going to get about 25 or 30 new starts from the House and Senate every year. That is what I was going to get and I got them, just like that. I have the same conversation I just had with you 100 times over at the Senate and 435 times over here. It has a little variation depending on where the fellow is from. But we have got to face up to this and we have got to develop these priorities. I am hopeful that you can talk credibly to this in your body without being considered parochial. That is our problem.

I will be very honest about this thing. You get toward an election year and new starts come in downtown by the truckload. Then you get off of it a little bit and get a kind of reform and everybody turns Christian again and we get disciplined and we are going to deliver water where we can do it the cheapest, we are not going to have any new starts.

But then, the whole thing begins to erode as we get near the first Tuesday in November of every even year.

Mr. McKAY. I guess we better do it this spring. I want you to help me.

Secretary MORTON. I could not agree with you more. Jack has, at great risk, I think, faced up to the issue. I think he might want to add to it.

DEPARTMENTAL PRIORITIES ON WATER DEVELOPMENT

Mr. HORTON. May I provide three points? First in terms of the priorities and the focus this Department is placing on water, our proposed budget to the Congress is almost $88 million above that of last year for the Bureau of Reclamation. That additional funding is for construction for the Bureau of Reclamation.

With respect to central Utah, our proposal is $13 million, which is just about what it was last year. The Secretary has established a very high priority for continuing to fund the high priority projects on which construction has started.

In addition he has asked us in the water end of the Department to conduct water energy studies to address where water should go with respect to emerging energy priorities. In the eastern part of Utah, the oil shale country, it has very high top priority and we have done a study on that on tracts Ca and Cb. We have done an overall water study in the Upper Colorado to find out specifically the most optimum sources of water for those tracts, not only oil shale, but energy resources.

Mr. McKAY. You have tar sands, and others.

Mr. HORTON. Yes, sir, coal and oil shale.

COAL LEASING PROGRAM

Mr. McKAY. Mr. Chairman, I have a number of other questions on coal leasing and other areas, but I understand the Secretary will be coming back again.

Secretary MORTON. On the coal leasing, if they are the kind of questions you would like to submit to us that would be fine because we are in the middle of a lot of activity in this area and we would like to put it together in a package for you, a nice package.

Mr. McKAY. As long as it is not too nice, as long as it delivers and is not pretty.

Secretary MORTON. It is not pretty, but we have to work out a program to find some coal.

Mr. YATES. Are you moving away from the moratorium you had on coal leasing?

Secretary MORTON. Yes; we have not moved away from it. We have an NEPA problem. We want to make sure we are doing it correctly under the spirit and the law of the NEPA. We are also concerned

that we are not moving toward new leasing and just losing those resources that we have leased.

Mr. YATES. That is what the committee is afraid of.

Secretary MORTON. This is what we are not going to do. We are going to attempt to protect the public interest in this, which is very, very prominent.

Mr. YATES. Very important.

Mr. Long?

Mr. LONG. Mr. Secretary, I come from a coastal State, as you did.

Secretary MORTON. I still claim it.

Mr. LONG. In fact, you came from a coastal district.

Secretary MORTON. Yes, sir.

Mr. LONG. So you will appreciate my interest and appreciate the following questions I am about to ask.

Secretary MORTON. Yes, sir.

OFFSHORE OIL AND GAS LEASING

Mr. LONG. On the question of leasing offshore oil and gas lands, I surveyed State governors last November of all the coastal States. I found that except for the Gulf Coast States there was significant concern about offshore oil leasing on all coastal states.

I would like to submit the answers I got from the various Governors for the record together with an article which summarizes this from the Baltimore News-American. I would like to reassert my request which we have already talked over with the chairman and which I believe he has given assent to. For the record, my request is for additional hearings on offshore leasing bringing in the concerned State officials and the environmental and energy experts who could discuss and give us information at greater length on the Interior Department's presentation.

[The information follows:]

[From the Baltimore News-American, Dec. 22, 1974]

GOVERNORS ASK ACTION AGAINST OIL LEASE PLANS

(By Lee Belser)

WASHINGTON.—Decisive action against accelerated oil leasing plans for the Outer Continental Shelf (OCS) has been demanded by disgruntled coastal Governors around the Nation.

A poll of top State officials conducted by Representative Clarence Long, D–2d, shows they are gravely concerned over Interior Secretary Rogers C. B. Morton's proposal to plunge headlong into the sea for oil.

Some, including the Governors of New York and Florida, are adamantly opposed to the plan as it now stands. Most Governors want the agency to delay leasing until States can come up with satisfactory coastal zone management plans.

New York's Gov. Malcolm Wilson charged the States will "be taking all the risks" if the U.S. Supreme Court grants the Federal Government jurisdiction of the OCS.

He also said there are "major information gaps" on possible effects on marine life.

Maryland has already gone on record with its complaints against ocean drilling as it involves the Baltimore Canyon, and Massachusetts State Senator William Bulger said he is opposed to OCS leasing "for the immediate future."

In letters to Long, a number of Governors expressed concern over oil spills and their possible impact on the environment and on recreational areas. And they wondered if States would receive any revenue from offshore oil drilling.

Florida's Gov. Reubin Askew said there is "legitimate concern" that the oil industry may be unable to quickly respond to the challenge of exploration and development of such large areas.

He also doubts regulatory agencies have the ability to adequately fulfill their legislated responsibility over so broad an area.

Rhode Island State Senator Erich Taylor told Long that his State still believes its seaward boundaries extend 200 miles under a grant by King Charles of England in the 17th century.

"We shall not be happy," he said, "with any Continental Shelf grants to which our State has not previously agreed and received bonded protection against oil spills * * *."

Largely in favor of the ocean oil drilling is Ronald Reagan, outgoing Governor of California, who feels his State has demonstrated that offshore development can be conducted "in concert" with social and environmental needs.

"Prudent development of the OCS," he said, "is necessary to meet both current and future demands * * * strong State—Federal cooperation is essential * * *."

Alaskan House member Tom Fink said he wants to see to it that his State receives "the most that it can from offshore development."

"I believe it is necessary," he added, "that we locate and develop the needed domestic resources and do it expeditiously."

Speaking for Maryland, Dr. Kenneth Weaver, director of the State's geological survey, complained that the States have been given too little data on which to base a judgment.

He said State officials are not convinced that the leasing of 10 million acres on the OCS is a viable action.

"We also believe," he added, "that the present mechanisms for leasing are not necessarily the best procedures for optimum environmental control, resource development, and return on investment."

EXCERPTS OF STATE OFFICIALS' RESPONSES TO REPRESENTATIVE CLARENCE D. LONG'S INQUIRY ON ACCELERATED OFFSHORE OIL LEASING

Dr. Kenneth N. Weaver, director, Maryland Geological Survey: "(T)he States are given too little data on which to base a judgment as to the effects of this action on their specific environmental, sociological, and economic concerns. Moreover, we do not believe the report proves the proposition that the leasing of 10 million acres on the OCS is a viable action. We also believe that the present mechanisms for leasing are not necessarily the best procedures for optimizing environmental control, resource development, and return on investment. We are also concerned that the proposed increase in acreage leased will not allow sufficient time for environmental assessment, the establishment of environmental baseline data, and monitoring systems."

Hon. Daniel J. Evans, Governor, Washington: "I believe that the Coastal States should have a share of the royalties—bonus bids, lease fees, and production royalties—that come from offshore oil and gas exploration and production. The States after all, share the load of any adverse environmental impact that might be associated with oil and gas exploration and production. The States also must provide the community services that are required to sustain the families of people working in the offshore industry." "Congress should be encouraged to act carefully in opening the Outer Continental Shelf for leasing, and should provide that proper base-line studies related to environmental protection are made prior to any actual drilling for oil and gas production."

Hon. Hugh M. Gillis, Sr., President pro tempore, Georgia Senate: "Since Georgia has approximately 90 miles of prime coastline, these plans are a matter of considerable interest to the citizens of this State. Although we realize that this offshore drilling will undoubtedly benefit the entire Nation, and Georgia as well, we do not overlook the fact that there is a corresponding danger of polluting the environment. Georgia has a highly productive tourist industry along her seacoast area, which could be greatly damaged through various types of pollution."

Hon. Reubin O'D. Askew, Governor, Florida: "I have reservations concerning this massive leasing effort. The timing of this leasing program before develop-

ment of coastal zone management activities and plans by the Coastal States is questionable. Also, appropriate environmental evaluations require significant efforts to measure and monitor selected environmental parameters. Such activities are only in the planning stages for most regions subject to leasing.

There is legitimate concern that the petroleum industry will be unable to respond in a timely manner to the challenge of exploration and development of such large areas. Additionally, the regulatory and other agencies, primarily the Geological Survey, Bureau of Land Management, Coast Guard, and Environmental Protection Agency probably do not have the ability to adequately fulfill their legislated responsibility over so broad an area."

Hon. Dempsey J. Barron, President, Florida Senate: "The State of Florida is quite concerned with the effects offshore oil and gas exploration and development within the territorial limits would have have on our public bathing beaches."

Hon. Malcolm Wilson, Governor, New York: "New York State has many reservations about the Outer Continental Shelf program. First, we believe, as the National Academy of Sciences stated in its critique of the Council of Environmental Quality Report, that the concept of Project Independence in relation to expanded lease sales for oil and gas should be closely examined." "Second, the amount of oil and gas in the expanded lease program may not justify the economic and environmental risks at this time. The CEQ report outlined major information gaps in the biological effects on the marine environment, as well as the impact on an extensive shellfish and recreation industry." "Third, the time schedules for the nomination to sale seem totally unrealistic." "If, as some expect, the U.S. Supreme Court rules in favor of the Federal Government having jurisdiction of the OCS, it seems that the States will be taking all the risks—environmental and economic—for a leasing program that we are not sure we really need at this time."

Hon. James E. Harrington, Secretary, North Carolina Department of Natural and Economic Resources: "As an Atlantic coast State that may be directly affected by this leasing program, we are gravely concerned over possible damage to our coast that could result from accidental spills and blowouts sometimes associated with oil and gas exploration, development and production activities. However, we are equally concerned over the national energy situation and the effects that a prolonged energy shortage would have on our social and economic systems."

Hon. Erich A. O'D. Taylor, President pro tempore. Rhode Island Senate: "Rhode Island believes its seaward boundaries extend 200 miles out to sea from its skerry determined coastline granted by King Charles in the Seventeenth Century. We shall not be happy with any Continental Shelf grants to which our State has not previously agreed and received bonded protection against oil spills of deleterious nature."

Hon. William M. Bulger, State Senator and Chairman, Massachusetts Special Legislative Commission on Marine Boundaries and Resources: "I am opposed to AOCS leasing for the immediate future, because it provides solely a supply side solution to a serious energy problem. Offshore leasing must be part of an over-all national energy plan—which today we sorely lack.

If offshore oil development were to take place, it would be only equitable that the coastal states receive a share of the leasing and royalty revenue. This must be seriously considered."

"The head-long plunge into the Atlantic for oil is a continuation of Federal energy nonpolicies, which by any intelligent persons standards brought us to this serious energy resource scandal.

I respectfully urge a go-slow and rational approach to increasing the supply side of the equation without providing even the most modest attempt at energy conservation."

Hon. Ronald Reagan, Governor, California: "I feel California has demonstrated that offshore development can be conducted in concert with social and environmental needs. Prudent development of the Outer Continental Shelf is necessary to meet both current and future demands for California, as well as the Nation as a whole. Strong state-Federal cooperation is essential to insure the realization of respective goals."

Hon. James R. Mills, President pro tempore, California Senate: "Interior's current plans to lease vast new oil tracts along our coast have met with tremendous opposition from the public, including many southern California cities and Members of the State Legislature. Governor-elect Brown has also voiced his opposition to new OCS leasing at this time."

Hon. Tom Fink, Speaker, Alaska House of Representatives: "There are some in the State who would like to crowd the Federal Government on the OCS leasing until such time as Congress would allow direct sharing of the income from the resources in the OCS to the abutting State. There are also those in Alaska who believe that the Gulf of Alaska cannot be explored in an environmentally safe method.

I am interested in Alaska receiving the most that it can from offshore development, but in any case I believe that it is necessary that we locate and develop the needed domestic resources and to do it expeditiously."

Hon. Brendan Byrne, Governor, New Jersey: "I am opposed to any exploitation of our offshore areas if such exploitation would adversely affect New Jersey's seashore resort facilities and recreation areas." "We must correct the consistent habit of national policymakers to opt for increasing energy supplies at a frantic pace without consideration of environmental or economic consequences."

Hon. Maurice K. Goddard, Secretary, Pennsylvania Department of Environmental Resources: "If oil and gas are discovered, it is then up to the coastal States involved to make their own environmental impact studies to determine if they should allow the oil and gas to be brought onto their shores." "If the State Government does not want offshore oil or gas to be brought into its State, they can refuse to permit it. The States should have the final say as to what development takes place onshore as a result of any offshore discoveries."

Hon. James E. O'Neil, Sr., Speaker, New Hampshire House of Representatives: "On balance, it would seem that there is a need to move towards exploration and possible full development of the Outer Continental Shelf, but at the same time I hasten to add that this should be done slowly in order to provide the ultimate in safeguards for our environment and coastline. The North Atlantic can be a wild and dangerous place . . ."

Hon. Earl J. Shiflet, Secretary of Commerce and Resources, Virginia: "There is an agreement between the United States and the Atlantic Coastal States that no formal pre-leasing action, including calls for tract nominations and leasing, would be undertaken by the United States in the disputed area pending resolution of the case."

Dr. William J. Hargis, Jr., Director, Virginia Institute of Marine Science: "(T)here are several general questions that present themselves: Have baseline studies been conducted on the specific areas proposed for leasing? Is there adequate knowledge of the physical, geological, chemical and biological oceanography of the area to predict effects? Is there sufficient capital in the oil and gas industry to insure a reasonable level of bidding for such enormous acreage as is currently proposed for release? Are there currently available sufficient offshore exploratory drilling rigs to actively investigate an area of this size?"

[From the Washington Post, Dec. 12, 1974]

DATA SCANT OF EFFECTS OF OFF SHORE OIL DRILLING

(By Hal Willard)

Even though it may be too late, the Federal Government has called for scientific studies of the environmental effects of oil exploration on a portion of the Continental Shelf in the Atlantic Ocean.

Because of the national need for oil, the Interior Department has announced it intends next year to lease large chunks of offshore area to oil companies for exploration. The prime area in the Atlantic, according to preliminary geological estimates, is the Baltimore Canyon Trough, a 4,500-square-mile area (about the size of Connecticut) between 40 and 100 miles off the coast of Maryland, Delaware and New Jersey.

Having made the decision to allow exploration, the government decided to seek specific knowledge about the environmental effects of the search—and eventual production of oil if it is found.

Based on preliminary governmental opinions concerning impact on the environment, and experience with offshore oil production in the Gulf of Mexico and elsewhere—both showing minimal environmental damage—Interior Secretary

Rogers C. B. Morton said the need for oil makes it necessary to go ahead with exploration without waiting for final environmental information.

Detailed impact information may be several years of research away. This became apparent last week at a conference of about 300 of the nation's leading scientists in the physical, geological, chemical and biological aspects of oceanography. The 3-day conference was called by the Interior Department's Bureau of Land Management and was held at the University of Maryland in College Park.

The purpose was to discuss the implications of offshore oil development and produce recommendations for studies of the offshore area.

Many of the scientists pointed out that there was very little existing detailed information about the continental shelf, although Robert E. Smith of the Institute of Oceanography in St. Petersburg, Fla., co-chairman of the conference, said afterward that research scientists are hard to satisfy.

With Smith's caveat in mind, it still was clear that the body of information is small. For example: Evon P. Ruzecki of the Virginia Institute of Marine Science was moderator of the workshop on physical oceanography. Toward the end of a session with a score of other scientists designed to produce a series of recommended studies, Ruzecki observed: "What the situation amounts to is that we have little or no data."

Simply stated, the data the scientists want involves what effects the busyness of humans will have on the waterlife, the water and the ocean bottom: primarily, spillage of oil.

Already, the continental shelf is a fairly active place. Aside from the normal traffic of ships plying the seas to and from Europe and up and down the east coast, and the presence of fishermen of many countries, New York, Pennsylvania, New Jersey and Delaware use it as a dumping ground for primarily sewage, chemical wastes and dredged material.

The Federal Government now requires dumpers to have a permit to transport the wastes out into the sea, and the Environmental Protection Agency monitors the dumping and is trying to measure effects of it on waterlife.

Donald W. Lear Jr. of EPA's regional office in Annapolis said E. I. du Pont de Nemours & Co. of Wilmington, Del., dumps waste from the paint-making process that includes extraction of titanium, a pigment material. The waste contains such metals as iron and manganese, which have been found accumulating in some organisms that live on the ocean bottom; sea clams, for example. But, Lear said, it hasn't killed the clams yet—which aren't harvested anyway.

The city of Philadelphia dumps the sludge from human waste into the ocean. Both Philadelphia and Du Pont dump about 50 miles offshore in water 175 to 200 feet deep.

New York dumps human waste 12 miles off Long Island and New Jersey, dredged materials 12 miles off Long Island but only 6 miles off New Jersey and industrial wastes (primarily chemicals) 106 miles outside New York Harbor in about 1,000 feet of water.

Peter Anderson of EPA's regional office in Edison, N.J., said regular monitoring of the ocean bottom, the water and the beaches by EPA, other federal agencies and local jurisdictions has shown no bad effects so far. He said, however, that shellfish grounds near the dumping area for human waste are closed because of bacteria.

Anderson said the present sludge site will be closed in 1976 and a new one opened up 25 to 65 miles off New York Harbor because of an expected threefold increase in the volume of sludge. The increase will be caused in part by upgrading at sewage plants from primary to secondary treatment.

With all of this activity already going on at various points along the Continental Shelf, Harris Stewart of the National Oceanic and Atmospheric Administration in Miami outlined general issues of concern for the Maryland conference.

In the context of oil exploration and production—

What aspects of the environment would be most subject to change?

What is the probable occurrence of earthquakes and other storms of a magnitude that would endanger structures?

What modes of transportation—tanker, pipeline, and so forth—would be used for oil and other material, and how effective would they be?

What are the normal, or natural, amounts of hydrocarbons and heavy metals in the environment?

What is the biological situation and what interference will there be with fishing and other human activities?

These problems give rise to more specific ones, such as: oilspills, oil slicks from natural causes—bluefish attacking a school of oily menhaden and chomping them into pieces, leaving an oil slick—pipeline construction to get oil ashore from a drilling rig; forces from wind, waves, and ocean currents.

Existing regulations, for example, say pipelines must be buried on the bottom of the ocean until they extend to where the water is at least 200 feet deep. However the experts at the fish workshop insist that the pipelines should be buried all the way out to the rig—whatever problems that may entail for engineers.

A main reason is that ocean bottom currents may wash away the earth and uncover the pipeline, exposing it to the danger of rupture.

These problems and many more were considered under four scientific categories: Physical, geological, chemical and biological. The scientists broke into small groups for several hours spread over 2 days, and each discipline came up with a list of recommended studies.

These included collection, compilation and analysis of all available existing data about the Baltimore Canyon trough area, wind waves, currents, the ocean bottom, waterlife; everything.

And the recommendations include new and more detailed studies of all these points and more, obtaining, for example, information that should help determine how strong drilling towers must be.

The water must be analyzed so that scientists know the natural-occurring levels of such heavy metals as copper, cadmium, lead, zinc, manganese, nickel, so that any changes wrought by oil exploration and production can be noted.

The process of engineering and siting oil rigs is complicated. The first offshore oil drilling rig in water of any real depth was erected in 1947 in the Gulf of Mexico. Bramlette McClelland, president of McClelland Engineers, Inc., of Houston, Tex., was in on that and has achieved a worldwide reputation since as an expert on the subject of siting and foundations of oil rigs. He attended the Maryland conference.

There are two basic kinds of oil rig supports, those with piles sunk into the ocean bottom and those that rest on huge blocks of concrete and stay put because of their own weight and because the bottom is firm and level. McClelland said it was his opinion that conditions on the Atlantic offshore section would call for the pile-supported rig.

Pilings, he said, are less costly and are more adaptable to variations in soil conditions.

Oil rig supports such as the one appearing with this story are built on shore and transported to the ocean site. Piles are driven through the support legs, or jackets, to a depth into the ocean bottom of between 100 and 200 feet. The jackets, of course, are hollow, and so are the actual pilings.

So the supports are two tubes, one inside the other, which range in overall diameter from 42 inches to 60 inches, depending on the size of the rig. The metal itself usually is one-half inch to 1 inch thick for each tube.

Rigs with this support have withstood winds up to 200 miles per hour and waves up to 60 feet high pushed by hurricanes in the Gulf of Mexico.

The piles are driven into the ocean bottom by gigantic hammers hefted by gigantic cranes mounted on derrick barges. Twenty years ago, McClelland said, a piledriver would deliver 36,000 foot-pounds of energy, which for example, would be a 12,000-pound hammer dropped 3 feet.

Now, he said, there are hammers available that generate 600,000 foot-pounds of energy, for example, by dropping 120,000 pounds 5 feet.

The air-operated cranes are so powerful that a hammer of this size can strike perhaps 15 or 20 blows a minute, McClelland said.

A rig such as the one shown with this story extends nearly 300 feet above the ocean floor and perhaps 200 feet below it—but with about 90 percent of it like an iceberg, out of sight.

The rig, shown without the platform and working and living facilities, generally is equipped to handle eight oil wells.

In a fully producing oilfield, there could be one such rig every 9 square miles or so.

Whatever oil activity developed in the Atlantic, it may have an industrial neighbor: A nuclear powerplant or two or more.

Public Service Electric Gas Co. of New Jersey has applied to the Atomic Energy Commission for permits to build two floating nuclear powerplants in the Atlantic about 2.8 miles off the New Jersey coast some 11 miles northeast of Atlantic City.

The plants would be built by Offshore Power Systems of Jacksonville, Fla., which has orders for four floating plants, all from the New Jersey concern, although the application on file is for only two.

However, if there is oil on the Continental Shelf the rigs are likely to beat the nuclear plants into production. An AEC spokesman said the floating plant plans have been delayed at least 5 years by the economy and other factors, although the power company requested that its application be allowed to continue on the laborious and labyrinthine approval process.

Major activity such as the production of oil and nuclear power, of course, brings accompanying major concern by environmentalists.

The Estuarine Research Federation was the umbrella organization under which the Maryland conference was called; for one reason, because major offshore activity could have widespread onshore effect—and effect on estuaries, of which the Chesapeake Bay is the most important.

L. Eugene Cronin, associate director of the Univerity of Maryland's Center for Environmental and Estuarine Studies, and co-chairman of the conference, said the time has come for the entire Mid-Atlantic area to be considered as an ecological entity and not just the sum of its parts.

He pointed out before the conference that activity along the ocean coast could ultimately affect activity in the Chesapeake Bay, for example.

Cronin said at the conference that some situations discussed with reference to the ocean also could be applied to the bay. Fred T. Weiss of the Shell Development Co. said in a speech that conclusions on data from oil spill tests show certain conditions produce a bad effect: a confined area of water for the spill, a large volume of oil, certain sediment conditions and, for the worst results, fuel oil rather than crude oil.

Cronin said this description is a "big argument against oil refineries in estuaries," particularly the Chesapeake Bay.

The Estuarine Research Federation consists of four regional Estuarine Research Societies: New England, Atlantic, Southeastern and Gulf. They are scientific and academic groups.

It convened a similar conference in Florida last winter, which also produced recommendations for the Buraeu of Land Management, and the Bureau also sponsored one in California and plans one in Alaska.

Francis C. Monastero of the Bureau's Branch of Marine Environment said the conferences are an "invaluable opportunity" to get the thinking of the Nation's foremost authorities on the off-shore problems.

The studies recommended by the scientists will be considered by the Bureau and if accepted put out to scientists across the land for bids.

The scientists at the Maryland conference came from at least 14 States, plus the District of Columbia, the United Nations and Bermuda. About a third of them represented private firms, another third various Federal agencies and the final third was divided roughly in half between representatives of universities and State governments and environmental groups.

But at general meetings and in workshops, who the scientists represented was indiscernible. They seemed to be interested only in the science, which co-chairman Smith said was usual at such conferences.

Smith said that when the Bureau awards research contracts scientists from Government and industry and academia usually end up working together anyway, according to which scientists are best equipped to perform specific tasks.

For example, NOAA may be given a contract to do a certain job and may receive scientific help from the Geological Survey, a private consultant and the University of Maryland. Funds would be allotted according to work done.

However, differences in approach aren't always submerged. During the physical oceanography workshop at the Maryland conference, Ralph H. Cross of Woodward-Gardner & Associates, consulting engineers and geologists of Plymouth Meeting, Pa., observed that political and social considerations had to be taken into account when deciding what research studies to make and when to make them.

The workshop moderator, Ruzecki of the Virginia Institute of Marine Sciences, looked momentarily startled and said: "We must try to stay aloof from that." Then he smiled.

Mr. LONG. Now I have the following questions: In the President's budget summary is the following statement:

A decision to lease an area will be made only after a determination that unacceptable adverse environmental impacts will not occur.

Does this guarantee, if you want to call it that, extend to onshore adverse environmental effects which may result from offshore leasing?

Mr. EDWARDS. I can respond, sir.

I think, Mr. Long, the guarantee does apply. We are now in a new ball game, in a sense, in terms of onshore impacts. In the Gulf States the Federal Government has not had a great deal of experience in dealing with onshore impacts. Texas, Louisiana, and Mississippi have had an experience of the kind of walking offshore into the OCS. We found that this is an issue we must come to grips with. We are looking now at a concept of revenue-sharing which will help ameliorate some of the problems the States are having. We have had many meetings with officials at the State level to try to come to grips with this. So the answer is yes.

Mr. LONG. I'm glad the Department is concerned with on-shore environmental effects. Where does the President draw the line between an "acceptable adverse environmental impact" and an "unacceptable environmental impact."

Secretary MORTON. Along the ridge of reasonableness.

Mr. LONG. The Secretary was elected the same year as I was. You can see why he has gone on to better things.

Secretary MORTON. I think this is a great question, though. I wonder how absolute we can be. One of our problems with the strip mine bill as it came out of conference was the absoluteness of the language. "If there is any increased insiltation", language of that kind, which absolutely was very clear in saying there will be no diminution in the quality of the environment as measured by the standard that existed before.

I think what you have to do here is make a choice. We know this, that as far as oil and gas development in the Outer Continental Shelf, we are dealing with a lower risk factor than shipping that oil into the United States by tanker. This is a proven fact, proven by the Coast Guard, observation and work done by Johns Hopkins and others.

The technology is moving very fast in that direction. I think you will have to be reasonable. You will have to have some pipes and tanks and some things, but they certainly do not have to be of the quality that were built 20 years ago.

COMMITTEE CONCERN WITH LEASING PROGRAM

Mr. LONG. This subcommittee at another place has expressed a number of concerns about the proposed leasing program and these concerns included such things as environmental protection, the shortages of adequate personnel and equipment for a leasing program of such great scale, availability of sufficient capital to assure adequate return to the government and assurance of expeditious development by the leasing companies, that is that they would go ahead and develop and not sit on it.

Now, the House-Senate conferees said in the fiscal year 1975 appropriation that the Department had not yet presented "persuasive evidence that these concerns have been satisfied."

The conferees directed that before a notice of sale is made for any frontier leasing area the Department shall consult the House and Senate Interior Appropriations Subcommittees to assure that these concerns have been satisfactorily addressed. When will the Department's formal report addressing the subcommittee's concerns be forthcoming? Can you give us an idea?

Secretary MORTON. I think we have done this. We have tried to keep the committee informed pursuant to those instructions.

Mr. HUGHES. We will be glad to respond in detail.

Mr. LONG. What further consideration has the Department given to the proposal to share leasing revenues with the States in order to help them prepare coastal zone management plans and other plans to manage the impact?

RATE OF RETURN ON OCS LEASES

Secretary MORTON. We have been over that mountain several times and we are studying it now. One of the things that has changed very significantly is the cost of exploration and development on the OCS which in effect limits the amount of royalty that you could extract from those revenues and at the same time keep the thing viable as an economic enterprise.

Nobody has ever made any money on the OCS. That is not where the oil companies make any money. Governments have received under the present system about 65 percent of the revenues generated on the OCS.

Mr. LONG. In other words, 65 percent of not very much.

Secretary MORTON. That is correct, not very much. But I think we are going to come up with something that will work here. You have an inland coastal State situation. You are not going to be able to take these revenues which belong to all the people because they are Federal resources and give them all to Maryland. It just would not work in spite of the fact you and I might try.

Mr. LONG. I cannot understand why. The Maryland Geological Survey said, and perhaps you have seen this quote:

> The Federal Government has no idea what it is selling. It could be selling nothing at a high cost or plenty at a low cost. In either case it would be the people who pay. If the oil companies discover nothing the cost of leasing bids and exploration will be reflected at the pump. If plenty is discovered the public might well have been short changed.

Could the Department give a response to this criticism?

VALUE OF LEASES

Secretary MORTON. I would like to hear Dr. McKelvey respond to that. Of course, this gets into how much should be in the royalty, how much should be in the front money and how it averages out. We try to value a tract of land before it is sold. We go through a rather elaborate process. It has been difficult because prices are moving pretty fast and for a while we were not able to keep up with the movement of prices.

This gets to be a fundamental question. Maybe, Vince, would like to speak to it.

Mr. MCKELVEY. Yes, I would, sir.

Mr. Long, the statement of the Maryland Geological Survey of course is correct because until a hole is drilled no one knows for certain

whether oil is present or indeed if it is present whether it is in sufficient quantities to be producible. I have often described this problem as that not of just trying to evaluate a pig in a poke but a poke that may or may not contain a pig. So what we do is the same kind of thing that the bidders do.

We make the best evaluation of the prospect, the poke, if you like, as to whether or not that could contain a pig. So there is an element of judgment in the appraisal of the prospect on which people might disagree, but on which there may be considerable unanimity and often is shown by the number of bidders who actually participate. But there is no question that until the holes are drilled the amount of oil in the tract remains uncertain. But as the Secretary replied, we collect revenues in two ways: One is in the bonus bid in advance and the other is on royalty. So the public is protected in both directions.

TEN MILLION ACRE GOAL

Mr. LONG. Ten million acres in the six-frontier area lease sales are proposed for 1975 by the Department. This is as much acreage as was leased in the first 20 years of leasing. Will there be enough rigs to explore fairly expeditiously in view of the small number of rigs available?

Secretary MORTON. Let's come back to that. I would like to have Mr. Hughes respond to this.

Mr. HUGHES. The 10 million-acre goal was changed slightly by the President when he met with the coastal Governors in that we will conduct six sales per year and after that we will have to explore the shore.

Darius can speak on the availability. We have done a lot of work on knowing where the rigs are.

Mr. GASKINS. I would like to point out that any study is based on a set of assumptions. One of the important ones is how much land is available for the rigs to drill. We have found in the past rigs have left the United States and gone to the North Sea because their prospects were better.

When you look at the study you have to remember this is a guess as to how many rigs might return to the waters here because of the prospects. We could be seriously in error but looking at the prospects we think we have in the OCS we do have studies we think indicate that after a short lag we think we can make good use of it.

Mr. YATES. Would you put these studies in the record? I think it would be of great interest to the committee in its deliberations.

[The information follows:]

WORLDWIDE AVAILABILITY OF MOBILE OFFSHORE DRILLING RIGS—U.S. DEPARTMENT OF THE INTERIOR

U.S. OFFSHORE MOBILE DRILLING RIG ACTIVITY

Since April 1972, there has been little change in the number of rigs considered to be available for drilling in U.S. waters—70 in 1972 and 72 in December of 1974. As indicated in table I actual drilling activity has picked up over the last 6 months as rigs previously classified as idle have been put to work. Idle rigs include those available for contract, moving between areas or undergoing major repair.

TABLE I.—U.S. OCS MOBILE DRILLING RIG ACTIVITY

Location	December 1974		April 1974		October 1973		April 1972	
	Active	Idle	Active	Idle	Active	Idle	Active	Idle
Gulf of Mexico	61	5	56	12	60	7	55	7
Louisiana	(41)	(3)	(39)	(10)	(54)	(6)		
Texas	(18)	(2)	(17)	(2)	(6)	(1)		
MAFLA	2	0	NA	NA	NA	NA	NA	NA
Pacific Coast	4	2	2	7	4	4	0	8
Total	65	7	58	19	64	11	55	15

The major change in activity indicated in table I is a shift in the areas being explored. In April 1972, all 55 active mobile drilling rigs were operating in Louisiana coastal waters. As of December 1974, there were 41 mobile rigs active off Louisiana.

Greater interest is now concentrated in the Texas offshore area where 18 mobile rigs are now working compared to 6 in 1973 and none at all in 1972. Two rigs are also active in the MAFLA area.

Two drillships classified as operating off the Pacific coast are involved in drilling far offshore on mineral investigation contracts and should not be considered in the actual oil and gas exploration count. Offshore Alaska has no mobile rig activity.

To date, only one mobile rig is known to have been returned to U.S. waters from foreign operations. This rig was moved from the North Sea to drill for a major company in the Gulf of Mexico.

One more rig is tentatively scheduled to be returned to U.S. waters from the North Sea. It is an older rig not necessarily designed for North Sea conditions, even though it drilled the Ekofisk discovery off Norway and has been active since. The owner is negotiating to replace the unit and return it to calmer waters in the Gulf of Mexico.

There has been, over the last 6 months, some movement of rigs out of U.S. waters with a net decline of five mobile rigs considered available for drilling. Operating in a worldwide market, mobile rigs move toward areas where work is plentiful and contract rates high. By and large drilling opportunities in the Gulf of Mexico alone simply do not compare with those available in foreign waters—particularly in the North Sea and Middle East.

FOREIGN OFFSHORE MOBILE DRILLING RIG ACTIVITY

As indicated in table 2, there has been an increase of over 70 percent in active foreign drilling since April 1972—17 percent over the last 6 months. The largest increase in drilling is in the Middle East where the active rig count jumped from one rig in 1972 to 33 in December 1974. North Sea drilling has nearly tripled during the same time period and increased by over 20 percent in the past 6 months. Activity in Southeast Asia has also doubled since 1972.

TABLE 2.—FOREIGN MOBILE DRILLING RIG ACTIVITY

Location	December 1974		April 1974		October 1973		April 1972	
	Active	Idle	Active	Idle	Active	Idle	Active	Idle
Africa	22	2	18	1	15	1	16	3
Australia	6	0	7	0	7	0	5	0
Canada and Great Lakes	8	4	3	7	10	3	3	7
Caribbean	1	0	2	0	0	0	11	0
Celtic Sea	1	0	2	0	0	0	0	0
Japan	1	0	2	0	2	0	3	0
Mediterranean	9	0	7	1	9	2	9	1
Mexico	3	0	3	0	3	0	0	0
Middle East	33	0	30	1	25	2	1	1
North Sea	45	2	37	2	29	4	16	2
South America	29	1	20	5	17	3	20	2
Southeast Asia	31	0	24	2	20	3	16	4
Total	189	9	155	19	137	18	100	20

Generally, drilling activity in other foreign areas has remained fairly constant except in the Caribbean where rig numbers have declined from 11 to 1 since April 1972.

MOBILE RIGS UNDER CONSTRUCTION WORLDWIDE

As shown in table 3, 163 rigs were under construction as of December 1974. Of these, 38 are drillships and 65 are semisubmersible units, all designed for operations in heavy seas and severe weather such as in the North Sea and off eastern Canada. These are the type of units required for deepwater drilling beyond 200 meters such as along the northern Atlantic and in weather and water conditions encountered in the Gulf of Alaska.

TABLE 3.—MOBILE RIGS UNDER CONSTRUCTION AS OF DECEMBER 1974

Rig type	Total number	Completion rate		
		1975	1976	1977 or later
Semisubmersibles:				
U.S. shipyards	16	12	4	0
Foreign shipyards	49	24	19	6
Total	65	36	23	6
Jackup:				
U.S. shipyards	19	8	10	1
Foreign shpyards	41	20	15	6
Total	60	28	25	7
Drillships:				
U.S. shipyards	10	8	2	0
Foreign shipyards	28	9	10	9
Total	38	17	12	9
Total rigs:				
U.S. shipyards	45	28	16	1
Foreign shipyards	118	53	44	21
Total	163	81	60	22
Percent in U.S. shipyards	(28)	(35)	(27)	(05)

The construction figures include not only new units but conversion of existing ships to drillships and modification of drilling rigs to operate in deeper water. Twenty-six of the drillships and semisubmersibles—25 percent—are being constructed in U.S. shipyards. Given that the market for rigs is worldwide, rigs constructed in U.S. shipyards may not all stay in U.S. waters. This depends upon the amount and quality of drilling prospects that will be available on our OCS.

Projected completion rates for worldwide construction are 81 in 1975, 60 in 1976 and 22 in 1977 or later. Based on these projections, worldwide supply of all types of offshore rigs would be 358 in 1975, 418 in 1976, and 440 in 1977. These figures do not take account of attrition rates, estimated by the National Petroleum Council to average two a year.[1]

NEW CONSTRUCTION

Contractors estimate that the current worldwide mobile drilling rig construction capacity (excluding some conversions) is about 50 rigs per year. More shipyards must be built or converted before the output can be increased appreciably. U.S. shipyards capable of building mobile rigs are at 90 percent capacity with 45 rigs under construction and there is now a minimum wait of 1 year before new contracts will be accepted.

Construction of mobile offshore drilling rigs requires a minimum of 18 months to 2 years for completion, depending on type. Thus, with the backlog of orders a contractor must wait at least 30 months for delivery from the time the contract is signed. All new contracts now accepted are for 1977 delivery.

With proper incentives—such as a firm accelerated OCS lease program—additional shipyards could be converted to build drilling rigs (especially now that

[1] National Petroleum Council; "Availability of Materials, Manpower and Equipment for the Exploration, Drilling and Production of Oil During 1974–1976."

demand for tanker construction has declined). Conversion would take 15 months to 2 years, but this will only take place if there is evidence that the long-term demand for rigs will continue. Rig demand will be dictated by the worldwide exploration programs of the oil companies even though most rigs are owned by independent contractors. Normally, the oil companies contract the rigs for a specific term which historically has been two years but now is being increased to four or five years in many instances. Some oil companies reportedy are now considering 10-year contracts to obtain a lower rental rate. Because of the high cost of rigs and the uncertainty of offshore exploration, rig owners seldom place an order for a new rig unless they have a work contract.

RIG AVAILABLE BY TYPE

The operating capabilities of drilling rigs is another factor that will govern the exporation schedules for an accelerated OCS leasing program. All current domestic offshore oil and gas drilling is confined to the Gulf of Mexico. Many of the operating rigs in this area will not be capable of working in most of the new regions included in the accelerated program. As of April 1974, rigs available in U.S. waters are limited to drilling in water depths of less than 100 feet and of this number 14 cannot operate in waters over 50 feet.

An NPC interim report on rig availability forecasts that by the end of 1976 the total U.S. rig count could reach 119 units if all rigs now in U.S. waters will remain and all units under construction and not now committed overseas can be retained in the United States. Table 4 provides a breakdown of the NPC data for 1975 and 1976 regarding mobile rig count and operating capacity for rigs projected to be available in the United States and worldwide.

It should be recognized that the NPC report does not project any rigs returning from overseas. With proper incentives, some rigs would be returned to drill on the OCS. As indicated in table 4 most foreign rigs have the deepwater capabilities necessary for new frontier areas proposed for leasing under the accelerated OCS leasing schedule.

DISINCENTIVE FOR RETURNING RIGS TO U.S. WATERS

A general consensus among rig owners and oil companies is that tax laws are not favorable for moving drilling units now located overseas to the United States. Instead, some oil companies indicate that, if OCS leasing is expanded, they will attempt to hold new rigs built in the United States for drilling on the OCS rather than return overseas rigs.

TABLE 4.—FORECAST OF MOBILE OFFSHORE RIG AVAILABILITY BY OPERATING DEPTHS

[Units at year end

Operating water depths	U.S. offshore		Foreign offshore	
	1975	1976	1975	1976
Less than 100 ft	32	32	37	37
500-to 300 ft	36	46	96	97
300 to 600 ft	15	14	61	60
Over 600 ft	17	27	65	92
Total	100	119	259	286
Percent of worldwide	(35)	(36)		

Source: National Petroleum Council.

Drilling contractors indicate the greatest disincentive for bringing some rigs back into U.S. waters is found in U.S. Internal Revenue Code section 956 (upstream dividend provision) passed in 1962. This law is complex and legal opinions vary as to its intent. There has been no known test of the law as it applies to drilling rigs. Tax lawyers for the drilling companies claim the problem arises where a drilling rig owned by a foreign subsidiary of a U.S. company is returned to drill in U.S. waters. Basically the tax law provides that, under certain circumstances, the U.S. shareholders of a foreign corporation are deemed to have received a dividend from the foreign corporation to the extent it has invested its earnings in certain types of U.S. property and providing that such investment exists at the end of the fiscal year of the foreign corporation.

Therefore, a drilling rig registered to a U.S.-owned foreign corporation would constitute an investment in U.S. property or a constructive dividend. The amount of the deemed dividend is measuerd by the U.S. tax basis of the property at the end of first fiscal year in which the investment exists, but is limited to the actual accumulated earnings of the foreign corporation which would otherwise be available for distribution as a dividend.

In effect, this law as now written could tax U.S. owners of foreign registered drilling rigs at the rate of 48 percent (U.S. corporate tax rate) of the adjusted value of the equipment. With the costs of deepwater mobile rigs ranging from $25 million to over $60 million, owners have expressed a reluctance to move foreign registered rigs to U.S. waters until this tax law is changed (industry representatives submitted a proposed amendment to the Ways and Means Committee in the last Congress). However, they also indicated that they could move their U.S. registered rigs now working overseas to the OCS if the oil companies the rigs are contracted to so desire.

The actual number of drilling rigs under foreign registery that would be subject to the tax law if returned to the United States is uncertain. Of the 250 rigs working or available worldwide, about 85 percent are wholly or partially owned by U.S. companies and it is estimated that between 35 to 40 percent of the U.S.-owned rigs are of foreign registery; thus, possibly 75 to 85 drilling rigs would fall under this tax law. In the future, the number of rigs built in U.S. shipyards but registered abroad will decline because drilling units constructed under the title 11 mortgage guarantee program, administered by the Department of Commerce, are required to be registered in the United States. To date 13 deepwater semisubmersible rigs have been completed under this program and 8 more are presently under construction.

EXPECTED RIG AVAILABILITY FOR OCS DRILLING

During 1971 and 1972, scheduled wildcat OCS leasing was delayed for environmental reasons. This caused a shift of oil company interest to foreign offshore areas where high potential leases were available and as a result, 13 mobile drilling rigs were moved to foreign waters—primarily the North Sea. The availability of leases and the success of foreign drilling have caused North Sea operations to nearly triple since 1972 (as shown in table 2 and discussed under foreign rig activity).

The resumption of leasing in the Gulf of Mexico in late 1972 provided sufficient quality tracts to encourage exploration. Since then, the active OCS rig count has increased by 10 (nearly 20 percent). One unit has already returned from the North Sea and another may follow soon.

Industry representatives indicate that with a dependable, accelerated leasing program—including attractive prospects in new frontier areas—they will either keep newly constructed rigs here or return U.S. registered rigs from overseas. It is their best guess, based upon historical patterns of rig movements to better prospects, that 10 percent or more of the rigs estimated for foreign operations could be available for OCS drilling. Moreover, favorable treaty agreements could encourage foreign country owners to move rigs to the United States and possibly stimulate foreign rig construction for use on the OCS. Therefore, in response to an accelerated leasing schedule, a reasonable estimate of the number of foreign operating rigs that would be available for OCS drilling would be 10 percent of those shown in table 4. Probably the most optimistic case would be to divert 25 percent of the rigs to U.S. operations. The 10-percent figure could nearly be achieved by retaining for OCS drilling those U.S. constructed rigs completed in 1974 and 1975 which are now contracted for foreign use.

If 10 percent of the rigs projected for foreign service were made available for U.S. drilling, it would increase the U.S. rig count by 26 (or a projected total of 126) by the end of 1975. If 25 percent were diverted from foreign service, 65 units would be added, bringing the projected total to 165 rigs.

As shown in table 4, over 85 percent of the foreign operating rigs are capable of deepwater drilling and most are of the type required for drilling in the Atlantic and off California. Many of the units are considered acceptable for Gulf of Alaska drilling under most weather conditions.

RIG PRODUCTIVITY

Over the near term the availability of mobile drilling rigs will have a direct impact on the rate of development of tracts under an accelerated OCS lease

schedule. One possible method to offset the anticipated shortage of drilling units, is to modify exploration practices, especially in the new frontier areas. The unitilization of several untested tracts situated on a large geological structure may significantly reduce the total number of exploratory wells necessary to evaluate the prospect. Concomitantly, the drilling of more expendable tests (not intended as productive wells) can greatly increase the number of wells drilled per year per rig.

The Gulf of Mexico OCS is the only region where sufficient leasing and drilling have taken place to allow examination of the effectiveness of exploration drilling. A National Petroleum Council study of oil and gas exploration covering 5.9 million acres leased in the Gulf between 1954–1970 indicated that each exploratory well drilled evaluated an average of 2,000 acres. By the end of 1970 only 550,000 acres of the total amount leased were not considered to be evaluated. The average tract size for all lands leased was slightly under 4,500 acres (a full size tract off Louisiana is 5,000 acres). Therefore, 2.4 wells was the average number necessary to effectively test a tract.

The acreage evaluated by each exploratory well can vary significantly, depending on the knowledge of the area, type of geological formation and structure and position of the lease grid on the structure. The geological configuration in the Gulf of Mexico probably is among the most complex that will be found on the OCS because of the large percentage of piercement salt dome prospects. In one instance, 15 wells were drilled on a salt dome structure located within one tract in an effort to delineate the productive area. Thus, the worst case for tract evaluation in the Gulf area would be where a salt dome centered inside a 5,000 acre tract would require at least 10 wells for full geological evaluation. In this case one well would evaluate 500 acres.

The best case for geological evaluation can be made where four 5,000 acre tracts are located on a large anticlinal structure and one well is drilled near the common corners of the blocks. For exploratory purposes this one well would evaluate 20,000 acres. Present geological indications are that such very large anticlines will be found in the Atlantic, the Gulf of Alaska and possibly off Southern California. It is the opinion of some industry representatives that in areas where large structures are identifiable and the geology is not complex, three to four wells per structure would be adequate to determine the productive potential of the prospect.

A major oil company study of the impact of unitization in new frontier areas prior to exploratory drilling indicates savings in the number of wells required and rig utilization for both potentially productive and dry tracts. Data show that unitization of a hypothetical 10-tract structure where eight tracts indicate production would reduce the number of wells necessary to evaluate the productive potential by about 40 percent (15 wells for unitized tracts versus 24 wells for nonunitized tracts) and a 40-percent savings in rig years of operation. Anticipated total time for the exploratory drilling phase would be reduced to 2 years from 4 years (a 50 percent saving). If all 10 unitized tracts were determined to be dry, the savings in exploratory wells and rig time for drilling would be reduced by one-third (10 wells for unitized tracts versus 15 wells for nonunitized tracts). Estimated total time for the exploration phase would be reduced to 1.5 years instead of 2.5 years.

Based upon the study data, with unitization, an average of 0.75 wells per tract per year would be drilled for the productive structure, and for the dry structure, the average would be 0.67 wells per tract per year or a combined average of about 0.7 wells per tract per year. Therefore, with a unitized program, each well could adequately evaluate as much as 5,000 to 8,000 acres, depending on the type of structure and geology involved. Where commercial production is assured, some additional drilling with mobile equipment should be expected before a fixed drilling platform would be set and development drilling started.

The number of wells each rig can drill per year will change for each area and for diverse geological conditions. The experience in the Gulf of Mexico has been that a mobile rig can average about 100,000 feet of hole per year. Assuming an 80 percent utilization factor each rig should average eight to ten wells per year. Estimates within industry are that the early rate of drilling in new frontier areas would be nearer the eight wells per year rate because of the limited knowledge regarding structure, stratigraphy, and formation pressures.

In new frontier areas where available data will be limited to geophysical information, the drilling of expendable exploratory wells is the most likely practice that will be initially adopted. That is the practice of drilling the well

for information purposes with no intention of producing the well. Testing is held to a minimum and after logging, the well is plugged off and the rig is moved to a new location. This method of drilling has been used frequently in the Gulf of Mexico and as high as 16 wells per year have been drilled with a single rig.

Until more information on the new frontier areas can be obtained, the rate of exploration and the impact of drilling rig availability can only be assumed using the history of the Gulf of Mexico. Table 5 offers an example of possible acreage evaluation during 1976 with various estimates of rig availability and exploration practices under Gulf of Mexico geological conditions. The range of acreage evaluated, under the assumptions set forth in table 5, would be from 1.8 million acres for nonunitized lands (based upon historical drilling practices) to 11.6 million acres (assuming unitization and expendable exploratory wells). These conditions would encompass the entire Gulf of Mexico—including beyond 200 meters, MAFLA and South Texas.

In new frontier areas, as shown in table 6, the range of acreage evaluated by exploratory drilling could be from 3.6 million nonunitized acres to 15.9 million acres where unitized. It is assumed that initially all wells drilled in new frontier areas would be expendable exploratory tests with each rig drilling 14 wells annually except for the Gulf of Alaska where the rate would be reduced to 10 wells per year because of adverse weather conditions.

Table 7 offers a possible example of acreage amounts to be evaluated during 1976 under an accelerated leasing schedule where it is assumed that 25 percent of the exploratory drilling would take place in the Gulf of Mexico and 75 percent would be in new frontier areas. As shown, the acreage evaluated could range from a low of 3.2 million acres for nonunitized tracts to a high of 14.9 million acres for unitized tracts.

A more reasonable volume of acreage evaluated under table 7 conditions would likely fall within the range of 8.5 to 11.4 million acres because existing leases in the Gulf of Mexico will not be subject to compulsory unitization. By the end of 1975 about 2.5 to 3 million acres leased in the Gulf of Mexico between 1970 and the end of 1974 will be untested and operators probably will continue to drill on these leases into 1976.

The examples presented in tables 5, 6, and 7 represent potential opportunities for evaluating OCS leases contingent upon the availability of mobile drilling rigs and other equipment. It is not possible at this time to predict how many drilling rigs located worldwide will be available for future OCS drilling. However, because many of the major oil companies expected to participate in future OCS leasing also are international oil companies, it is reasonable to anticipate that they will return rigs for U.S. exploration if accelerated leasing of the OCS provides more and better domestic prospects.

TABLE 5.—ACREAGE EVALUATION DURING 1976, EXPLORATION DRILLING GULF OF MEXICO GEOLOGICAL CONDITIONS [1]

[Millions of acres]

Rig availability [2]	Number of rigs	Acres explored annually			
		Unitized		Nonunitized	
		Low [3]	High [4]	Low [5]	High [6]
Most optimistic [7]	165	7.4	11.6	3.0	4.6
Best estimate [8]	126	5.7	8.8	2.3	3.5
Minimum case [9]	100	4.5	7.0	1.8	2.8

[1] Based upon historical data for leasing 1954–70; all of Gulf of Mexico—Including beyond 200 meters, MAFLA and south Texas.
[2] Based on NPC projections shown in table 4.
[3] Assumes mandatory unitization prior to drilling; 9 wells per rig annually with each well evaluating 5,000 acres.
[4] Assumes mandatory unitization prior to drilling; 14 expendable wells per rig annually with each well evaluating 5,000 acres.
[5] Assumes no unitization prior to drilling; 9 wells per rig annually with each well evaluating 2,000 acres.
[6] Assumes no unitization prior to drilling; 14 expendable wells per rig annually with each well evaluating 2,000 acres.
[7] Table 4 U.S. offshore rig availability at end of 1975, plus 25 percent of foreign rigs returned to U.S. waters.
[8] Table 4 U.S. offshore rig availability at end of 1975, plus 10 percent of foreign rigs returned to U.S. waters.
[9] Table 4 U.S. offshore rig availability at end of 1975, with no return of foreign rigs to United States.

TABLE 6.—ACREAGE EVALUATION DURING 1976, EXPLORATION DRILLING ONLY IN NEW FRONTIER AREAS [1]

[Millions of acres]

Rig availability [2]	Number of rigs	Acres explored annually			
		Unitized		Nonunitized	
		Low [3]	High [4]	Low [5]	High [6]
Most optimistic [7]	165	9.9	15.9	6.0	9.9
Best estimate [8]	126	7.6	12.1	4.5	7.6
Minimum case [9]	100	6.0	9.6	3.6	6.0

[1] Assumes large anticlinal structures will be found in the Atlantic, Gulf of Alaska and southern California and that initially expendable exploratory wells will be drilled; 50 percent of the drilling will be in the Gulf of Alaska and 50 percent in the Atlantic and southern California.
[2] Based on NPC projections shown in table 4.
[3] Assumes mandatory unitization prior to drilling; all wells are expendable exploratory tests, 14 wells per rig annually in all frontier areas except Gulf of Alaska where rate is 10 wells per rig annually (30 percent decrease in number of wells drilled due to weather conditions) with each well evaluating 5,000 acres.
[4] Assumes mandatory unitization prior to drilling; all wells are expendable exploratory tests—14 wells per rig annually except in Gulf of Alaska where rate is 10 wells per rig annually with each well evaluating 8,000 acres.
[5] Assumes no unitization prior to drilling; all wells are expendable exploratory tests—14 wells per rig annually except in Gulf of Alaska where rate is 10 wells per rig annually with each well evaluating 3,000 acres.
[6] Assumes no unitization prior to drilling; all wells are expendable exploratory tests—14 wells per rig annually except in Gulf of Alaska where rate is 10 wells per rig annually with each well evaluating 5,000 acres.
[7] Table 4 U.S. offshore rig availability at end of 1975, plus 25 percent of foreign rigs returned to U.S. waters.
[8] Table 4 U.S. offshore rig availability at end of 1975, plus 10 percent of foreign rigs returned to U.S. waters.
[9] Table 4 U.S. offshore rig availability at end of 1975, with no return of foreign rigs to United States.

TABLE 7.—EXPECTED ACREAGE EVALUATION DURING 1976, EXPLORATION DRILLING IN GULF OF MEXICO AND NEW FRONTIER AREAS [1]

[Millions of acres]

Rig availability [2]	Number of rigs	Acres explored annually			
		Unitized		Nonunitized	
		Low [3]	High [4]	Low [5]	High [6]
Most optimistic [7]	165	8.5	14.9	5.2	8.5
Best estimate [8]	126	6.7	11.4	4.0	6.7
Minimum case [9]	100	5.3	9.1	3.2	5.3

[1] Assumes 25 percent of exploration as shown in table 5 and 75 percent in new frontier areas as in table 6 (50 percent of in Gulf of Alaska; 50 percent in the Atlantic and southern California).
[2] Based on NPC projections shown in table 4.
[3] Assumes mandatory unitization prior to drilling; Gulf of Mexico acreage (25 percent of total) explored at 9 wells per rig annually with each well evaluating 5,000 acres; new frontier areas (75 percent of total) all expendable exploratory wells—50 percent Gulf of Alaska at 10 wells per rig annually evaluating 5,000 acres per well and 50 percent other new frontier areas at 14 wells per rig annually evaluating 5,000 acres per well.
[4] Assumes mandatory unitization prior to drilling; Gulf of Mexico (25 percent of total) at 14 expendable wells per rig annually evaluating, 5,000 acres each well; new frontier areas (75 percent of total) all expendable exploratory wells—50 percent Gulf of Alaska at 10 wells per rig annually with each well evaluating 8,000 acres and 50 percent other new frontier areas at 14 wells per rig annually with each well evaluating 8,000 acres.
[5] Assumes no unitization prior to drilling; Gulf of Mexico (25 percent of total) at 9 wells per rig annually with each well evaluating 2,000 acres; new frontier areas (75 percent of total) all expendable exploratory wells—50 percent Gulf of Alaska at 10 wells per rig annually with each well evaluating 3,000 acres and 50 percent other new frontier areas at 14 wells per rig annually with each well evaluating 3,000 acres.
[6] Assumes no unitization prior to drilling; Gulf of Mexico (25 percent of total) at 14 wells per rig annually with each well evaluating 2,000 acres; new frontier areas (75 percent of total) all expendable exploratory wells—50 percent Gulf of Alaska at 10 wells per rig annually with each well evaluating 5,000 acres and 50 percent other new frontier areas at 14 wells per rig annually with each well evaluating 5,000 acres.
[7] Table 4 U.S. offshore rig availability at end of 1975, plus 25 percent of foreign rigs returned to U.S. waters.
[8] Table 4 U.S. offshore rig availability at end of 1975, plus 10 percent of foreign rigs returned to U.S. waters.
[9] Table 4 U.S. offshore rig availability at end of 1975, with no return of foreign rigs to United States.

[Note: 75 percent of drilling in new frontier areas. 25 percent of drilling in Gulf of Mexico.

Mr. YATES. Mr. McDade.

NATURAL GAS SHORTAGES

Mr. McDade. Thank you.

Mr. Secretary, before I ask any questions, I would like to welcome you and your very able associates here. It is always a pleasure to see you. I know all the members of the committee welcome you back as a former colleague and as a Secretary who has demonstrated a tremendous concern for the Nation's resources. We are very proud of the job you are doing.

I would like to direct a question to Dr. McKelvey on OCS leasing projects and problems.

We did have some preliminary conversations about the Geological Survey. This year there was a tremendous shortage of natural gas reported around the country. Curtailments, layoffs and plant closings were in the headlines daily. Also in the headlines were allegations that in some wells that existed there was no production because of the whim of the company. Can you tell me whether the Geological Survey which has lead responsibility can assure us there are no wells in place and ready to produce that are just being held back from the system, the interstate pipeline system in this country?

Mr. McKelvey. I do not think I could say that there is not a single well, although the Secretary has asked us to assure him in fact that there is not a single well. We have not found any evidence of a single instance in which production is being withheld that would be lucrative and for which there is a ready market and connections and so on.

Certainly there are some instances of where a well may be a marginal well in character and not brought on production now, whereas if a substantial price increase took place it might. This certainly has happened with respect to a good many oil wells on shore, for example, that were about to be abandoned, some of which even were, that were brought back into production with higher prices.

Economics plays an imprortant role in this area.

But we are in the process, following the Secretary's instructions, of being sure that there is not a single instance in which there is a totally unauthorized withholding for such a purpose of production. I think significant in this regard is the fact that OCS gas production has been increasing at nearly 10 percent a year over the last several years. So, quite the contrary from what you would think, if the industry were holding back production, laying low for a deregulation or something of that sort, gas production in the overall has been increasing.

EXAMINATION OF SHUT-IN LEASES

Now recently as a result of the Secretary's expression that I just referred to, we examined closely leases that are shut-in and not yet into production. We found among those leases 17 for which we had no indication that they were about to come into production or that they had plans for production or had made contracts for the discoveries that they had made. So we have written to them and requested a justification for the shut-in status of the well along with plans that

they may have for production with a deadline of February 28 which is just a few days off.

Thus far we have only heard from, I believe, two companies, but both of them give reports of plans for rather immediate production. One has a platform on order for such and such a delivery, and so on.

Mr. McDade. If you are dissatisfied with their reports have you a ready remedy?

Mr. McKelvey. Yes, sir.

Mr. McDade. Cancellation of the lease?

Mr. McKelvey. We can take steps to cancel a lease. This has to be done through the courts, but that action can be initiated.

Mr. McDade. It is very encouraging to hear that answer.

Mr. Secretary, I am delighted that you are taking a deep personal interest in it. I understand you have about 300 people to police the Gulf area. Is that about the number that you have, Doctor, in the field?

Mr. McKelvey. That is approximately right. Our inspection force is 130 but the total management staff, yes.

Mr. McDade. Have you enough people to do the job?

Secretary Morton. I think we do. It is a matter of, you know, we might not get the whole thing in one day, but I have let it get known to the industry in no uncertain terms through all avenues of communication that if I catch anybody hoarding gas and can make it stick I am going to cancel their lease.

Mr. Hughes. The inspection force has increased almost twofold since 1969.

Mr. McDade. We have some people at the FPC who say that without the inspection force leases would not be actively pursued.

I know you have a responsibility and we want to support your efforts to be sure we do not have any holdback of natural gas in the Nation.

Secretary Morton. One thing I think you should address yourselves to is the problem of the intrastate market versus the interstate market. When you get into that you have a different ball game. These two things get mixed up in the press.

Mr. McDade. I recognize that as a member of the committee. Of course, I am questioning you about OCS lands exclusively. Have you any recommendation to us as to how it may be helpful to you to deal with that problem on a private tract, the shut-in problem?

Secretary Morton. If that gas on a private tract is moving into interstate commerce we have a degree of authority there, but I think we have gotten ahead of the power curve and we have put industry on notice. Let's see how successful the Geological Survey is.

1975 OSC RECEIPTS

Mr. McDade. Let me ask one or two questions if I may, and I want to yield some time to my colleague. What will be the receipts in the current fiscal year from the OCS activities, receipts of the Federal Government?

Mr. WILES. In the current fiscal year? I have the total, not just OCS.

Mr. HUGHES. It is probably about $6 billion. South Texas was a little lower than anticipated, in the order of $2 billion.

Mr. MCDADE. You are projecting in fiscal 1976 how much?

Mr. WILES. $8 billion.

Mr. MCDADE. Do you anticipate that any of the problems that had been alluded to earlier will curtail that sharply?

Mr. HUGHES. We hope not. We are optimistic about being able to move ahead in spite of the obstacles.

Secretary MORTON. We have the *Maine* v. *United States* suit that has to be decided by the Supreme Court.

Mr. MCDADE. When do you expect that decision?

Secretary MORTON. I am told that we should get it before the Court recesses this summer.

Mr. HUGHES. One to four months.

Mr. MCDADE. I yield to Mr. Regula.

NATIONAL PARK SERVICE PERSONNEL

Mr. REGULA. Mr. Chairman, respecting the time available I have three things: Mr. Secretary, does your budget presently provide enough money for personnel to operate and develop the parks in existence?

Secretary MORTON. Yes, I think it is adequate. We have a rather substantial increase in our park budget in the 1976 budget over last year. It is marginal but it is adequate.

Mr. WILES. It is a $20 million increase for park operations, Mr. Secretary.

Mr. REGULA. I note that $9 million of that is Bicentennial, correct?

Mr. WILES. Correct.

Mr. REGULA. Second, what is the total personnel involved in park operations?

Secretary MORTON. Do you mean the number of people employed?

Mr. WILES. National Park Service has an employment ceiling of 7,118 permanent positions for this fiscal year. They have about the same number of temporaries. During their peak season they have about 15,000.

Mr. REGULA. Third, is this the highest level you have ever been in terms of employment?

Mr. WILES. Yes.

COMPUTER MAPPING

Mr. REGULA. Are you doing any of the Geological Survey mapping by computer and has the process been modernized?

Mr. MCKELVEY. That is an interesting question. Yes, indeed, we are. We are doing it a number of different ways mostly on an experimental basis. We are doing some with Earth's imagery in which we are trying this primarily at the moment in an experimental land use delineation. We are taking the digital data from the multispectrum scanner as it comes back which represents about 10 times more information than can be shown on the image itself and coding that in terms of its characteristics. We are able to produce directly our own map and our own analysis from that information.

Mr. REGULA. What is your target on update of the maps, recognizing that you have a set for the Nation and that you cannot do them every year?

Mr. MCKELVEY. With respect to the standard topographic maps, we attempt an update or at least make what we call an interim revision on a 5-year basis on urban and intensely populated areas that are of critical interest.

In the back woods it may not get done for a much longer period.

Mr. REGULA. Do you anticipate supporting or introducing an administration version of land use this time?

Secretary MORTON. It has not been decided yet. We struck out, as you know, last year. We are going to have an interagency meeting and sit down with the President and see what his decision is. The decision has not been made.

Mr. REGULA. Thank you.

Mr. YATES. Mr. Duncan.

Mr. DUNCAN. No questions, thank you.

CLOSING REMARKS

Mr. YATES. Mr. Secretary, may we thank you for coming and enlightening the committee. I would like to have you place in the record an overview statement using both your hats if you would, one as Secretary and one as Chairman of the Energy Resources Council.

I would like your comments on what your appraisal is of our natural resources availability in view of the National Academy of Sciences recent report. This report indicated that our oil and gas reserves were considerably lower than the Geological Survey had previously estimated. Also discuss the status of "Project Independence," if Project Independence is still operative.

We would appreciate your submitting that for the record.

[The information follows:]

NATIONAL ACADEMY STUDY

The estimation of mineral resources has always been a highly speculative endeavor. Mineral deposits are for the most part hidden in the Earth, and we can measure only that part of the total which we have actually discovered, and we cannot even do that with exactitude. The dimensions of the undiscovered portion can only be guessed at, through inductive reasoning based on evidence available from the previous record of exploration and discovery, geologic comparisons of explored and unexplored rocks, and a variety of assumptions as to how and where oil and gas accumulations might be formed. Obviously such a process does not yield definitive results, and estimates by equally competent individuals can differ widely because of differing methodology and treatment of the available evidence.

We see nothing out of line in the existence of several divergent estimates, nor apparently did the panel which developed the estimate given in the academy's report. In fact, the panel did not make its own independent study of the Nation's undiscovered recoverable oil and gas resources. Rather, it assembled an array of nine different estimates—five of which were made by scientists of the Geological Survey—and formulated its own estimate based upon its review of these assessments.

I think the really important thing is that while the estimates of undiscovered resources diverge widely, they all carry the same message on three significant points that have implications for national energy policy decisions. One is that large amounts of oil and gas remain to be discovered and developed and that additional exploration and related research on the improvement of extractive technology will be well worthwhile. Another is that the most promising prospect

for the discovery of additional accumulations are in the frontier areas of the Outer Continental Shelves and Alaska, for as pointed out on page 90 of the Academy report, all of the estimates are in agreement on that point. Third, even the highest estimates show that this country will soon need to shift to other sources of energy as the mainstay of its energy economy, particularly if energy consumption continues to increase at rates similar to those prevailing in recent decades. Energy conservation and vigorous attempts to develop other sources of energy should, therefore, be important policy objectives, regardless of whose estimates should ultimately prove to be correct.

STATUS OF PROJECT INDEPENDENCE

The legislative proposals incorporated in the President's energy program are largely an outgrowth of the Project Independence Report. Many of the analyses done for the Project Independence Report were used as the basis for calculations for the near and long term goals in the President's proposals.

With the implementation of the President's program, the goals of Project Independence will be met.

DEPARTMENT OF THE INTERIOR ENERGY RESOURCE LEASING PROGRAMS ARE SUMMARIZED BY ENERGY COMMODITY

	*Actual fiscal year 1974	Estimated fiscal year 1975	Proposed fiscal year 1976
GEOTHERMAL LEASING			
Noncompetitive applications received	4,042	700	900
Noncompetitive leases issued (number)		470	1,800
Competitive lease sales (number)	4	15	20
Applications to drill		25	500
Producible wells		20	250
Revenues (millions)	$0.2	$19.1	$30.8
UPLAND OIL AND GAS LEASING			
Simultaneous filings (thousands)	1,200	1,561	1,655
New leases issued	11,587	17,000	19,000
New wells started	1,775	1,860	2,320
Producing leases	11,375	11,725	12,075
Estimated production:			
Oil (millions of barrles)	211	213	216
Gas (trillions cubic feet)	1.2	1.2	1.3
Revenues (millions)	$199.0	$240.6	$247.6
OIL SHALE LEASING			
Leases issued	4		
Productive leases			
Revenues (millions)	$67.6	$67.6	$67.6
COAL LEASING			
Existing leases	533	(1)	(1)
Existing acreage leased (thousands)	782	(1)	(1)
Recoverable reserves leased (billion tons)	16.1	(1)	(1)
New leases issued	3		
Federal production (million tons)	19		
Estimated Federal resources (billion tons)	169		
Revenues (millions)	$4.2		
OCS LEASING			
Lease sales	3	3	6
Active leases	715	919	1,600
Wells drilled	846	905	990
Production:			
Oil (million of barrels)	392	360	370
Gas (trillion of cubic feet)	3.5	3.6	3.8
Estimated Federal resources:			
Oil (million of barrels)	58–116		
Gas (trillion of cubic feet)	355–710		
Revenues (billions)	$6.7	$2.6	$8.0

[1] Fiscal years 1975–76 pending announcement of Department coal leasing policy.

Secretary MORTON. We will be glad to.

Mr. Yates. Thank you.

The committee stands adjourned.

TUESDAY, FEBRUARY 25, 1975.

OVERVIEW HEARING

INDIAN PROGRAMS

WITNESSES

MORRIS THOMPSON, COMMISSIONER OF INDIAN AFFAIRS
JOHN P. SYKES, ASSISTANT DIRECTOR, FINANCIAL MANAGEMENT SERVICES
FRANCIS M. WILES, DIRECTOR OF BUDGET, DEPARTMENT OF THE INTERIOR
WILLIAM G. DEMMERT, JR., DEPUTY COMMISSIONER FOR INDIAN EDUCATION
JOHN W. EVANS, ACTING DEPUTY COMMISSIONER FOR PLANNING
GEORGE M. CROSSLAND, RIGHTS PROTECTION SPECIALIST, BUREAU OF INDIAN AFFAIRS

Mr. YATES. The committee will be in order.

Mr. Thompson, we are very pleased to welcome you to the committee for this overview hearing of the operations of the Bureau of Indian Affairs. Speaking for myself and the other members of the committee, we have a very high regard and respect for the work that you have done since you have become Commissioner of Indian Affairs and we look forward to your testimony with keen anticipation.

We also have with us this morning Mr. William Demmert, Deputy Commissioner for Indian Education in HEW.

Mr. Thompson, I have read your statement. I think it is a very excellent statement providing the committee with a great deal of factual material.

OPENING STATEMENT

Mr. THOMPSON. Thank you, Mr. Chairman.

Thank you for this opportunity to review with you the responsibilities which the Federal Government has in its role as trustee to the American Indian.

Let me cite some statistics concerning American Indians which give general indication of the magnitude of this responsibility. According to the U.S. Census for 1970, 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. We estimate that in March 1973, there were 543,000 Indians living on reservations or nearby. This includes all rural California Indians in counties containing trust lands. The Federal Government holds title, in trust, for 40.8 million acres of tribally owned land and 10.2 million acres of individually-owned land.

Throughout the United States there are approximately 480 Indian tribal entities which are under the Federal trusteeship and, therefore, under the jurisdictions of the Interior Department. Our latest estimates on the employment status of Indians in the service population of our Bureau is that approximately 23 percent of the labor force are unemployed and actively seeking work, and 16 percent are unemployed but not actively seeking work, for a total of 39 percent of unemployed.

These data are several months old now and the unemployment rate may have increased with the general economic slowdown. The average per capita income identified with Indian population on and adjacent to reservations is estimated to be $1,445 annually. As you know, this is significantly below the national average individual income rate of $4,918.

You may be interested in the organizational structure of the Bureau of Indian Affairs which is comprised of 12 areas, geographically identified, with specific agencies reporting to each area. The central office is located in Washington, D.C., with some field elements in Albuquerque, N. Mex. The BIA maintains and operates over 8,700 individual building containing 28,700,000 square feet of floor area, together with related utility systems to support the facilities at 400 separate locations from Point Barrow, Alaska, to Hollywood, Fla.

There are two very significant pieces of legislation which have been enacted recently: (1) Public Law 93–638, entitled "Indian Self-Determination and Educational Assistance Act," provides the legal means by which the operation of many Federal programs can be transferred to Indian tribes. We are now studying the impact of the legislation and formulating the regulations for implementation; (2) The Indian Financing Act of 1974 has been enthusiastically received. Current projections based on field reported data indicate that loan requests will exceed the resources of the Indian revolving loan fund. The act of 1974 authorized increasing the revolving loan fund by $50 million of which $38 million was appropriated in 1975. We are requesting the remaining $12 million in 1976.

The Indian business development program has been underway since about January 1, 1975. It appears that requests for grants under the $10 million program will exceed the funds available. The loan guarantee and insurance program is about to get underway. Early expressions of interest indicate the authorized loan level may be quickly attained. The 1976 budget provides for full funding of this program at the authorized level.

Indian education remains a most important step toward the accomplishment of the goals of the Bureau. Indian parents have increased their participation in planning, operation and monitoring educational programs involving their children. Instruction is being tailored to individual students and is proving to be more effective than conventional techniques. We are working to develop relevant materials to provide curriculum more attune to the cultural needs of Indian students. Revised regulations for funds to assist public schools enrolling Indian students should produce a more equitable distribution to the States involved. In fiscal year 1976 approximately 53,000 Indian youths will attend Bureau schools. 113,000 will be attending public schools; 17,000 men and women will participate in the scholarship grant program, and an additional 20,500 will be assisted in adult education and vocational training activities.

Increased emphasis is being placed in law enforcement to meet the needs for services to various locations whose jurisdictions have been retroceded by States. Also, a modest beginning is being prepared to provide funding equity among tribes by assuming a portion of the financial costs of tribal law enforcement. The Bureau has recently

completed a study on Indian criminal justice which sets forth the history, projected structure and funding estimate. This is an outstanding study and will undoubtedly require additional funds for implementation.

One of the Bureau's more popular programs is the Indian action team which attempts to alleviate the limited availability of trained and skilled personnel in Indian communities. This lack of trained personnel continues to hamper the organization, ownership, management, and operation of commercial enterprises by Indians. In fiscal year 1976 the Indian action team program will provide for about 50 contracts involving more than 30,000 Indian participants in training and work experience activities.

In preparation of the 1976 budget the involvement and participation of Indians at the local level has been stressed. Priorities were determined on an agency-by-agency basis by means of a priority analysis system. This encompased with the step-by-step Indian review of the budget has certainly brought about a greater involvement and participation of the Indian communities in determining their future. Implementation of the provisions of the Indian Self-Determination and Education Assistance Act will greatly enhance Indian participation.

In fiscal year 1976 we are requesting Congress to appropriate $757 million; a net increase of $28.6 million over fiscal year 1975. However, the gross increase in programs approximates $54 million. The difference of $26 million occurs in the revolving fund for loans—$38 million in fiscal year 1975 and $12 million in fiscal year 1976 which will provide the total authorization of $50 million.

Mr. Chairman, in closing, I congratulate you on your assignment as chairman and look forward to working with you and the old and new members of the subcommittee. We have a difficult but interesting and challenging task ahead. This committee has always supported the Bureau in its efforts for the American Indian and has always provided outstanding and effective guidance—for which I am deeply thankful and grateful.

BIOGRAPHY OF MR. DEMMERT

Mr. YATES. Thank you. Mr. Demmert, since this is your first appearance before the subcommittee, we will insert your biography in the record at this point.

[The biography follows:]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

OFFICE OF EDUCATION, BIOGRAPHICAL SKETCH

Name: William G. Demmert, Jr.
Position: Deputy Commissioner of Indian Education.
Birthplace and date: Klawock, Alaska, March 9, 1934.
Tribal affiliation: Tlingit/Sioux.
Marital status: Married, four children.
Present address: 1229 North Powhattan, Arlington, Va. 22205.
Telephone: (Office) 202-245-8020 (home) 703-533-2245.
Education: 1973—Doctor of education, administrative career program, Harvard Graduate School of Education, Harvard University; 1971—Certificate of advanced study, Harvard Graduate School of Education, Harvard University; 1964-68—Masters degree in education, University of Alaska; 1953-61—B.A. in

Education, Seattle Pacific College; 1951–53—High school diploma from King's Garden High School, Seattle, Wash.

Work experience: 1975—Deputy Commissioner, Office of Education, Office of Indian Education; 1973–75—Program manager, part A, Indian Education Act, 1972; 1972–73—Codirector, planning team for Indian education, Office of Education; 1972—Special assistant, Indian Education for Deputy Commissioner for Development, Office of Education; 1972—Instructor: Harvard University, extension school; 1971–72—Director, American Indian program, Harvard Graduate School of Education; 1971—Consultant for Indian Education Act, U.S. Senate; 1971—Guest lecturer, "Native American: A Cultural and Historical Perspective", School of Arts and Sciences, Harvard University; 1968–70—Chief administrator, Klawock Public School, Klawock, Alaska; 1965–68—Teacher, North Star Borough School District, Fairbanks, Alaska; 1960–64—Teacher, Forks Public School, Forks, Wash.

Related experience: 1971—President, Native American Multi-Tribal Educational Consultants; 1971—Participant, Second Convocation of American Indian Scholars, Aspen, Colo.; 1970–71—Treasurer, National Indian Education Association (also Board of Directors); 1970—Steering Committee, Second National Conference on Indian Education, Minnesota; 1970—Participant, First Convocation of American Indian Scholars, Princeton, N.J.; 1969–70—Member, city council, Klawock, Alaska; 1969—Participant, Warm Springs Conference of Indian Education, Oregon; 1968–69—Vice President, Alaska Native Brotherhood Camp No. 9, Klawock, Alaska; 1968–72—Member, Alaska Native Brotherhood, Alaska; 1969—Delegate at large, State of Alaska Education Association, to National Education Association Conference, Philadelphia; 1968—Member of Board of Directors, Tundra Times (weekly newspaper run by Native Alaskans); 1967–68—Delegate to Alaska Teacher's Association Convention, Anchorage, Alaska; 1966–67—Vice President, Main Junior High, Teacher's Association, Fairbanks Alaska; 1962–63—President, parents-teachers association, Forks, Wash.; 1956–58—U.S. Army Signal Corps, White Sands, N. Mex.

Professional affiliations:—American Association School Administrators; National Indian Education Association; Phi Delta Kappa, Harvard Chapter, Harvard Graduate School of Education.

Mr. YATES. We are very pleased to have you here today, Mr. Demmert. You may present your opening statement at this point.

OPENING STATEMENT OF MR. DEMMERT

Mr. DEMMERT. I am happy to be here today to discuss with you the status of Indian education in the Office of Education.

As you know, an Office of Indian Education has been established to administer title IV of Public Law 92–318 (the Indian Education Act). Since 1974 approximately $97 million has been awarded to public school districts or Indian tribes and organizations under this act.

Currently we are undertaking efforts directed toward addressing the priorities which we feel are reflective of the most pressing needs of Indian education. I would like to briefly describe some of these efforts.

First among these is the development of a policy statement to define the Federal role in Indian education. This will be preceded by a comprehensive history of the legislative and treaty precedents for providing Federal educational support to Indians. Additionally, we are examining alternatives for defining an effective Federal funding system to provide this support in a more coordinated fashion.

We are also developing mechanisms for providing better technical assistance to grantees and parent committees and for monitoring more closely the progress of projects funded under the provisions of the Indian Education Act.

It is hoped that these efforts will significantly contribute to a more effective functioning of Federal programs providing support to Indian education and, ultimately, to the quality of educational services provided to the American Indian.

I would like to briefly address the status of the Joint BIA/USOE Study on the Coordination of Federal Funds to Indian Education, that was requested by your committee. As you know, the study itself has been completed. The study findings related to overlap and duplication of funding from the various Federal programs turned out to be quite complex and this has required us to examine our position on this issue in detail. This process has created a delay in our transmittal of USOE–BIA recommendations to your committee. We hope to resolve this problem in the near future, perhaps in conjunction with the study mandated by Public Law 93–638.

My colleagues and I will be happy to answer your questions.

SELF-DETERMINATION POLICY

Mr. YATES. Thank you. As you know, the committee was very much interested in trying to carry out the program of self-determination for the tribes. Mr. Thompson, can you tell us how this policy is being implemented?

Mr. THOMPSON. Yes; this is a rather broad question and I shall try to be as specific as I can.

In assuming the post of Commissioner, of course, self-determination policy had its origin in the early seventies primarily emanating out of the presidential statement, which indicated that there should be maximum self-determination without termination of the unique trust relationship that exists between the United States Government and the Indian community.

In 1974, after assuming the commissionership, we took a different approach of trying to further that policy, one of trying to transfer from a Federal delivery over to that of the tribal delivery some of the social and educational services that we as a Federal agency were delivering at the reservation level.

The tools we had to complete that task with were primarily a contractural arrangement. This went out as a policy over my signature to the Indian tribes explaining to them they did have the right to take on some of these programs that were to be operated.

We have met with mixed reaction in that area. We have some tribes enthusiastically taking it on. As an example, in my home State, two Indian tribes and one Eskimo organization in the Indian tribe are looking toward taking over the entire operations of an agency office.

Certain tribes have mixed reactions in that they fear that the consequence of the self-determination policy through contracting is a guise for termination. They indicate that once we get the programs contracted out that the United States will cancel the contract and the Indian communities will be left again holding the bag. There is that concern.

We have reiterated wherever that concern comes up that is not the policy of the administration, nor of Congress. Needless to say, it exists and we have to effectively deal with it.

TRIBES CAPABILITY OF MANAGING PROGRAMS

Mr. YATES. Can you tell us whether the tribes have the administrative capability of managing programs effectively in pursuance of the self-determination concept? Is there an adequate accounting of funds and programs so there is maximum effectiveness? What has been your experience so far?

Mr. THOMPSON. The contracts that we have had in the more comprehensive contracting programs have been audited, and to make a generalization of the audit, have been found fiscally, to be very strong. There is a minimum of disruption in the programs. From an auditing point of view no serious consequences have been overturned or found, so we feel pleased about that.

To answer your question though, about the administrative capability of many tribes, that varies again with the locale and with the tribe. Congress, in enacting Public Law 638, gave the Bureau additional tools where a tribe may not have the adequate resources or the aptitude to take on a contract.

We now have authority to make grants to Indian tribes so they can plan in the longer term to take over programs and to better equip themselves. So we see that as strengthening the tribe's hands in the total area.

TRIBES INVOLVED IN SELF-DETERMINATION

Mr. YATES. How many tribes are involved in this concept of self-determination? How many tribes have you had an opportunity to discuss this policy with?

Mr. THOMPSON. When we announced the policy of contracting to bring this greater self-determination, we asked that each of the area and each of the agency offices go out to each of the tribes that they have dealings with to go over in an indepth meeting with them some of the programs the Bureau is providing and try to gauge at that meeting the tribe's interest in assuming it.

We try to make the statement that each tribe we deal with is contacted on the matter. Obviously when you deal with 400 entities, there is going to be a matter of degree as to the amount of contact, but it was specifically the policy to try to get in touch with each tribe to determine their interests.

As I indicated, for example, some of the tribal organizations have called on a moratorium of contracting; others have rejected it. Others have, I think, universally accepted it.

Mr. YATES. Can you place in the record at this point the number of tribes whom you have contacted with regard to this policy and the reaction of the tribes?

Mr. THOMPSON. We will be pleased to do that.

[NOTE.—A detailed report was submitted to the committee.]

FIELD ACCEPTANCE OF POLICY

Mr. YATES. Now, one of the questions which has concerned the committee over the years, as long as there has been a BIA and as long as there has been local implementation of policy, has been the field acceptance of policy decisions. How effectively are your orders carried out in the field?

Mr. THOMPSON. I would like to say that all the orders we send out meet with unanimous agreement in the field, but that is not possible.

Mr. YATES. I am not talking about the tribal reaction or the Indian reaction. I am talking about your employees' reaction.

Mr. THOMPSON. Let me stop and think for a minute.

Mr. YATES. All right.

Mr. THOMPSON. I would say in most instances, most of the policies we have come out with have met with some acceptance. I don't know of any direct cases where Bureau employees are trying to get around and subvert, to use a stronger term I guess, some of the policy pronouncements we have come out with.

I would imagine that would take place. We are in a large organization geographically spread out throughout the country. I think this is one of the traps we fall into. It is very difficult to make national policy on Indian affairs. It takes into account some of the feelings, desires, and lifestyles of the Indian community ranging from Florida to Alaska.

We are going to, in certain sectors of the country, have opposition to our policy.

One of the things I have tried to do as Commissioner is to work closely with both area and agency officials and Bureau employees to try to gain a greater understanding of the directions we are attempting to take Indian affairs.

For example, having more meetings with the area people and the lower level people and the agency people.

I am encouraged there is greater acceptance with some of our policies, but I am sufficiently realistic to say they are not universally accepted.

DEFINITION OF SELF-DETERMINATION

Mr. YATES. Perhaps we should have a definition of Indian self-determination. What is meant by "self-determination?"

Mr. THOMPSON. I am pleased that question came up because we are attempting to do just that working with the U.S. Office of Education, the Office of Native American programs and Indian Health. The term self-determination was used in the President's message of 1970. It was a three-word phrase in a sentence. It is "self-determination without termination" and that was the guiding light to us bureaucrats, if you would, that we are to implement that policy. Not faulting the statement, there really was no definition or a working definition of what the term meant. With that as background then, individuals could put their own definition to it, tribal organizations, inter-tribal organizations, Indian people. One of the things we are attempting to do, working very closely with Indian health, OMB and the Department, is come up close to a working definition of self-determination.

We are trying to do it using the Bureau of Indian Affairs program as a basis, a model, or starting point.

We hope to take each program activity and within the program determine on a tribe-by-tribe basis the amount of self-determination that can be carried out in that program ranging from zero to 100 percent.

I think we are not being fair to the Indian community when we say "Well, here we are in a self-determination era," when certain administrative actions, certain legislative constraints and legal constraints prohibit us from coming in and just having at it.

We are trying to define self-determination on a program by program basis. We have been at this now for 3 to 4 months, working with myself, Dr. Johnson and Dr. Blue Spruce on a committee that is composed of the National Tribal Chairmen's Association, the National Conference of American Indians, Office of Management and Budget, and departmental representatives, mainly program policy and budget personnel within the Department, attempting to, on a plateau-type basis, come up with a working definition of self-determination so when we use the term in Indian country it might have more background or more meaning to it.

I think right now, varying from program to program, it could be something from just a phrase to something an Indian community can really hang their hat on. We are trying to determine the realm of possibility in that.

Mr. McKay. You suggested when speaking of self-determination that you may come up with a definition on a program by program basis. Don't you see inherent in that some conflict that could come back to haunt you in the administration of those various programs?

Mr. Thompson. I think, Congressman, that coming up with a working definition of self-determination on a program by program basis—we, of course, have the broad policy that says we are going to try to attain maximum self-determination, but then the Bureau provides so many different types of services, many times under different administrative acts, under different statutes, that we can't universally apply one policy across the board.

The policy across the board of self-determination.

We would like to take it down one step further so the tribal people will have—we can lay out to each tribal organization or each individual the degree of flexibility that we have in this program. In other words, there are some constraints in delivery of services by the Bureau of Indian Affairs, such as the blood quantum or the length the program can be carried out and we want to share those with the Indian community so all the information is on the table.

Mr. McKay. My only concern was if you don't have a standard definition of self-determination, but rather vary that definition depending on the program that you may wind up with so many different definitions of self-determination that no one will know what direction we are going in this area.

Such multiplicity may not be necessary.

Obviously there are problems. For example, the troublesome decision of defining self-determination on a tribal basis or on an individual basis.

There are all kinds of ramifications you get into. At some point it could mean license to do anything. It should have a consistent definition within which you operate.

For example, in the education field, self-determination may be "I can hopskotch and drop out of five schools and just keep skipping around."

Perhaps you can't allow that under self-determination. If you did it would debilitate your educational programs. There would have to be some guidelines, I am sure.

SELF-DETERMINATION PROGRAM BY PROGRAM

Mr. THOMPSON. That is what we are attempting to do in taking each program activity and listing the self-determination from total and backing off from there to the constraints we have in each program and undoubtedly because of the complexity we have in our Bureau we will run into some internal conflicts. There we will have to make some policy determinations that give direction to the program.

GOALS BY TRIBES

Mr. YATES. Mr. Thompson, I am sure you know that this committee wants to do everything it can to help you carry out the purposes for which you were appointed and to assist you to achieve the goals that are in the best interests of the Indians. The difficulty, of course, is finding what those goals are from the various tribes.

With unanimity we would be a lot better off, of course.

As you know, too, I have been appointed a member of the American Indian Policy Review Commission, which is an opportunity and a challenge to which I look forward with a great deal of anticipation.

I am using this opportunity of your hearings before this committee to get some basic answers. I may sound like I am being very brutally frank and I intend to go at it just that way to try to get some of the answers.

For example—and correct me if I am wrong—I understand the BIA budget is developed at the reservation level usually in the mental framework of a program officer. The outlook is limited in scope therefore, concerned primarily with delivery of the services of a particular program, and while there is no dispute that current BIA programs are necessary—health, education, and so forth, all the way down the list—it fails to take into account the funds necessary for the tribes to meet their national problems in a sense.

The procedure gives the appearance of a self-determination for the Tribal Council but in fact it provides the BIA area directors with enormous influence and power over individual tribal leaders.

In some instances we are told that the Area Director sympathized with off-reservation interests rather than being an advocate for the tribes.

TRIBES' WATER RIGHTS

An example that comes to mind, here is what happened in the Phoenix office when, I am told, the White Mountain, Fort Apache, and San Carlos Apache Tribes were importuned into entering an agreement with the Salt River Water Users Association in 1972 for the purpose of quantifying the tribes' water rights.

Mr. THOMPSON. I am not familiar with that.

Mr. YATES. We are told there was a promise during negotiations that they would not bring suit against the tribes to limit their water rights in judicial proceedings.

The research showed the association spent over $750,000 to try to get the tribes before the courts. The suit was dismissed for lack of jurisdiction. Neither the tribes nor the Congress had consented to be sued and only the strong will of the leaders of the two Apache Tribes to protect their people saved them from an improvident legal arrangement.

The point our staff makes is that BIA has failed to take into account the far-reaching consequences of the matter. That the BIA adviser on the local level was more interested in getting the agreement signed rather than protecting the rights of the tribes themselves.

You say you are not familiar. Would you look into that?

The thing I am concerned about is, how often does such a thing happen on a local level? Do your area directors have an undue influence on the Tribal Councils to the point where frequently the best interests of the Indians are not protected? Have you experienced this?

TRUSTEE OVER INDIAN LANDS

Mr. THOMPSON. Let me respond to the three basic areas.

No. 1, I think the basic mission of the Bureau of Indian Affairs is to be trustee over Indian lands and resources and, as such, we can always disagree, and I think we would probably be the first to say there is more that could be done, Mr. Chairman, in that particular area.

The basic role is to be trustee over Indian lands and resources. I am somewhat amazed that officials of the Bureau would be seeking to insure the rights of metropolitan water users over the rights of Indians. Normally, in my experience, the Metropolitan Water District or the Bureau of Reclamation, who is their advocate, is usually on the other side of the fence very actively from our Bureau.

Mr. YATES. We would hope that would be true.

Mr. THOMPSON. I will get more specifics for the committee with regard to that situation.

[The information follows:]

SALT RIVER WATER USERS

The Salt River water users memorandum stated that the purpose of the agreement was to "resolve operating problems" being experienced by the downstream Salt River Valley Water Users Association and the Salt River Project Agricultural Improvement and Power District without resort to major litigation to determine the water rights of all the parties. The tribes involved were the White Mountain, San Carlos, and Yavapai Apache Tribes.

The elements of the agreement briefly stated were that the tribes agreed to limit their claims to water at specific amounts and that the terms of the agreement would be incorporated into the 1935 Kent Decree in which case certain rights to use water were adjudicated.

The Bureau of Indian Affairs advised the tribes not to enter into the proposed agreement because agreeing to such a proposal would jeopardize the tribes' water rights and provide much less water for the tribes than was required for reservation development.

ROLE OF CENTRAL OFFICE AND AREA OFFICES

Mr. THOMPSON. The question of undue influence of area offices, agency offices or my office in the area of Indian Affairs is a most difficult one, Mr. Chairman, and let me try to explain it.

The Bureau has many hats and many roles to play. One, we're the Indian advocate for getting more Federal resources down to the reservation level, and that is a role we all enjoy playing, and I am sure you and other members of the committee enjoy that role as well, of trying to see that Federal resources are sent down to those areas of greatest need.

Secondly, we are educators on the reservation in that we provide an educational opportunity for Indian people. We are law enforcement people at the same time, carrying out law and order on many reservations. We are also trustees.

One of the areas that brings us into conflict with Indian tribes, we have seen of late where a tribe or Indian organization wanted to take a certain course of action that the Bureau could not approve, immediately putting us into an area of conflict.

But, had we approved, it would be conceivable that the tribe in later years might bring a tremendous lawsuit against the Federal Government for not living up to its trust responsibility.

So the many roles we play I think at times make us the hero, the villain and sometimes the mother-in-law in some cases.

In that situation we do have to exert influence, if you would, in our relations with the Indian community. If we think a proposal is unsound, it deals with the basic trust responsibility of the Department and Congress and the United States. In that light, I am sure while we do not like to see that happen all that much, we find that role we legally have to play.

Mr. YATES. Let's talk about the role of the BIA as a trustee. For example, in connection with the energy problems that we face at the present time, what is the relationship of the BIA to the Indian tribes which have coal and oil and other mineral resources of great value.

CONTRACT WITH PEABODY COAL CO.

For example, I read a piece from the Post about a year ago indicating that the Northern Cheyenne Tribe has drawn up a plan to process a $15 billion lode of coal under their reservation. The problem, of course, is that they now have a contract with the Peabody Coal Co.; contract they are trying to void. What is the status of this case?

Why should BIA counsel suggest or permit the tribe to enter into a contract they are trying to void?

Mr. THOMPSON. Let me refer to the basic role and then go into Northern Cheyenne.

No. 1, of course, the Indian resources, both renewable and depletable resources, are held in trust by the United States for beneficial use of the Indian community. So from a resource point of view, those are private resources. They belong to the tribe.

The role of the Bureau of Indian Affairs and the Department of the Interior of the United States is to see, once the landowner—in this case an Indian tribe—wants to go to lease, sale, rental on their resources, they are the first determinant. They must collectively come to that decision. It is then sent to the Bureau of Indian Affairs asking, in behalf of all the trustors, to determine whether (1) it is a wise leasing ar-

rangement or not. So there is another related and many times unrelated action to approve that arrangement. There is the trustee role where we can approve or disapprove.

Mr. YATES. There is the possibility that the BIA could be placed in a conflict-of-interest situation with respect to the efforts by the Department of the Interior to try to speed up the coal-leasing program. Would you agree with that assessment?

Mr. THOMPSON. Our statutory responsibility is to try to be trustee and, as trustee, we try to get the best possible deal for the Indian tribe.

On northern Cheyenne, as you know, the leases were entered into at a time when coal was not in demand. It is my understanding that the leases that were given at northern Cheyenne were equivalent to other leases that were given on public lands in similar parts of the country. We have people from our trust responsibility office here and I might add just for their edification, if they would like to make any additional comments when I am finished to amplify the record, I hope they have the opportunity to do so.

Mr. YATES. Of course.

NORTHERN CHEYENNE—COAL DEVELOPMENT

Mr. THOMPSON. The leases were entered into and approved by the Bureau. The Bureau has certain policy requirements for coal leases. The tribe at that time requested a waiver to some of those policies of the Bureau dealing with number of acres per lease. That was one of the provisions.

This is a little background.

Then the tribe for many reasons and many justifiable reasons, felt that coal development on their lands may have too negative an impact on them as a people, as a culture, and as a tribe. Both of those items were not sufficiently addressed in the initial lease, I do not believe.

In fact, I don't believe they were addressed at all. So it was a legitimate concern.

Second, the tribe felt that the Bureau improperly waived their own regulations to satisfy the lease.

Again, subject to correction in more detail, it is my understanding that the tribe initially had requested those waivers. That is a legal point and I am sure it would be hotly debated on both sides.

The matter went before the Solicitor and the Secretary. The Secretary ruled that certain leases were canceled, had to be canceled, because they didn't comply, or the Bureau did not comply with their own regulations. That was primarily, I believe, exceeding the acreage limitations.

On other leases, the Secretary ruled no further work can be done until an environmental impact statement is completed, until the coal companies and the tribes sit down and renegotiate the leases. The third portion of the Northern Cheyenne arrangement was that moneys would be made available to the tribe if they wanted to pursue this legally in the courts.

George, would you care to add anything to that?

Mr. CROSSLAND. The status right now is that the Solicitor requested an opinion from the Comptroller General on whether the Secretary had statutory authority to expend BIA appropriations for litigation purposes on behalf of the tribe. In his opinion of last June, the Secretary observed that the tribe would have to go forward against the coal company rather than against him. Obviously he couldn't pay their expenses if they were to sue him. Where it is at now is awaiting an opinion from the Comptroller General on this question of whether authority exists in the regulations.

Mr. YATES. Is the company resisting setting aside the leases?

Mr. CROSSLAND. No. The tribe pursued this matter against the Bureau of Indian Affairs and didn't go against the coal companies.

I think the Commissioner is accurate in this: At the beginning of business as usual, coal was not at that time so salient, you know, in the energy picture. What occurred were the observations made by your colleague, Mr. Hechler, and others, with regard to strip mining—you know, strip mining lands is something like putting lipstick on a corpse. The tribe became alarmed. Once the leases were reviewed and it was discovered the companies could put huge coal gasification plants on the reservation, then everyone became alarmed. I don't think anybody envisioned this other than Peabody Coal or Exxon or what have you.

Mr. YATES. When were they negotiated?

Mr. CROSSLAND. They started around 1964, the initial contract, through 1965, and then exploratory permits were issued in 1966. The leases that are actual leases and not permits were executed in December 1970. That is where it is now. The tribe is waiting in the wings for the Comptroller General's opinion on it.

EFFORTS TO SET ASIDE OTHER LEASES

Mr. YATES. How many other instances are there where the tribes are trying to set aside such leases?

Mr. THOMPSON. The Crow Tribe followed somewhat the pattern of the Northern Cheyenne in asking their leases be overturned and the coal companies subsequently came back and renegotiated the lease with the Crow Tribe. The Crow Tribe then came back to the Department of the Interior and asked that the leases be approved, waivering against certain of our own regulations the tribal requests to do that and they were approved and they are going ahead.

Mr. CROSSLAND. Three affiliated tribes in North Dakota. I think there is one small permit and leasing arrangement there. I am not sure about the Wind River, Shoshone and Arapahos, what they are going to do. We have been in contact with them but tribal councils have not made up their minds yet.

Mr. YATES. How many tribes are there that have substantial coal or oil reserves?

Mr. THOMPSON. George did a paper on the coal resources as they relate to Indian lands. He may be in a better position to respond.

Mr. CROSSLAND. In the case of the Navajos, there are extensive deposits there of coal. You move up into Utah, there are some in the north central part of Utah. Then you move up into Wyoming where the Wind River Shoshone and Arapahos are and then up to the Crow Reservation, which is right next to the Northern Cheyenne on the

border of Wyoming and Montana, and then further to the north there is some lignite underneath Fort Peck Reservation and to the east there is Fort Berkholt with considerable lignite resources there.

All the tribes are kind of in an energy belt with regard to geothermal resources, precious metals, some lignite, some oil and gas.

Mr. YATES. How was it that the full implications of the leases were not explained to the Cheyenne? Your answer indicates they were not aware of the fact that a coal gasification plant might be built on their land. It raises this question in my mind: Who acts as the lawyer for the tribes? Who explains these documents to them so they are aware of what they say?

Mr. THOMPSON. In many instances the tribes have retained private counsel to do that. In some instances, with the limited expertise that we have in coal development, we are able to do that.

In certain instances today, because of the state of the art, industry, governments, nor the tribes could do that.

In things such as gasification, which is a highly unadvanced science—those are the three sources primarily, but we have the responsibility of insuring to the best of our ability, being a prudent trustee—that is, get the best deal we can for the tribe to go ahead with the lease.

Mr. YATES. As a prudent trustee, you tried to get the best advice that you could and George is able counsel and you have him to tell you about the legal ramifications. What about the engineering and accounting aspects and what about other kinds of expert information that should be at hand? Have you hired the necessary people so that you are in a position to advise them correctly?

Mr. THOMPSON. In some instances yes, and in some instances due probably to financial resources, that has not been the case. I can only respond for the last year.

Let me amplify one other point which I think might be helpful to the overall question.

TRIBES INTEREST IN RESOURCE DEVELOPMENT

Certain Indian organizations around the country have held hearings or have met with the energy tribes and some energy resource developers and some people who, from an academic point of view, have an interest in resource development. We have met with principally the representatives, and have met with many tribes who have resources. There seems to be a pattern developing where hopefully we will be able to be of more assistance to the tribes.

We take the general premise that resource development on Indian lands can be—if we move from the general premise how can we make resource development a meaningful development to Indian people and how can we posture ourselves from the financial point of view, technical assistance, cultural and economic points of view? Then what can we, as a Government, do to help the tribes who in almost all instances are very small, from a resource point of view don't have the expertise, background or the knowledge to deal with multinational organizations. That is the arrangement; that is where the multinational concern is pitted against a small tribe.

We happen to believe resource development can have a positive impact on tribal people because it brings a revenue leaseholder to the tribe that comes without many restraints that because of the nature of the Government, the Government money does.

We are hopeful resource development can alleviate some of the ills of the reservations, but only if it is done in a manner that the tribes feel sure about the development and there is full disclosure.

BIA ADVICE TO TRIBES IN CHANGING SOCIETY

Mr. YATES. The decision is the tribes'; especially as to whether they want to undertake the resource development. Having explained to the tribe the implications of resource development, there still remains the problem of whether the tribe wants to remain "traditional" or take a more active role in modern society.

The point I am trying to make is, is BIA in a position to give this kind of advice?

Mr. CROSSLAND. If you look at the Code of Federal Regulations, title 43, Interior, and in title 25 for Indian Affairs, you will find a mentality that has developed over the decades, and you find them surfacing in the regulations and in the language of the regulations.

Now, had a different mentality existed back in the middle sixties had there been an entrepreneural attitude rather than that of a regulatory attitude, I think the tribes would have found themselves in a different position.

One of the things that surfaced in northern Cheyenne, that we discussed at great length, was the possibility of the tribe going into a joint venture; rather than receiving just a royalty, a very small royalty. It was to enter into contracts with the various companies whereby the companies would be controlled under the specifications of the contract and they would assume perhaps management, the turnkey provision, the marketing and whatever. The financing. And rather than just go back to the mentality of my tribe, back in 1897 when the first Indian mineral leases were begun in Oklahoma, and we had a lot of oil, but we were selling the horsehides and buffalo. Now we are in the third quarter of the 20th century and I think the 1897 concept isn't valid today.

The capability which we would like to see on the staff—maybe it is not too late to get it, I don't know.

Mr. MCKAY. You say the policy is to allow the tribes to organize the programs in the manner they want. What protective assistance do you offer the Indians so that out of ignorance they don't act in their best interest.

Are you responsible as a trustee to do more than be simply counsel?

TRUST RESPONSIBILITY CANNOT BE CONTRACTED

Mr. THOMPSON. In the total self-determination effort through contracting—one thing we cannot contract out is the trust responsibility of the United States. That is specifically held with the Department, with our Bureau. All functions other than the trust responsibility.

Mr. MCKAY. Which would relate to the energy negotiations?

Mr. THOMPSON. That is right. Through a contractual arrangement we can't do away with the trust functions of the United States.

Mr. MCKAY. You indicated you did not have resources within BIA to offer legal or engineering assistance to the tribes, but don't you have access to consultants in the Department of the Interior, and the solicitors' office which could be summoned to aid the Indians as they enter into contracts and negotiate with other parties?

Mr. THOMPSON. The best answer to the questions, I guess, would be to speak to things we are now doing. We have met with USGS, the Bureau of Mines, the Assistant Secretary for Energy and Minerals, and we are utilizing, for example, USGA and Bureau of Mines now on inventorying some of the resources on Indian lands. From that we can make better management options.

We have utilized and got full cooperation from these two entities on reviewing a lease that is currently before the Department from an Indian organization. USGA and the Bureau of Mines has done a complete economic analysis which is pending before the Department. We are utilizing them to a greater extent.

Mr. MCKAY. You might look into the programs in Indonesia. They have instituted, for the development of their oil resources a system which holds the resource in trust and thereafter they enter into a contractural arrangement where they receive back about 60 percent.

JOINT VENTURES AND SERVICES CONTRACTS

Mr. YATES. I am told the developing nations no longer agree to lease their lands and resources on a fixed price per ton; that they are engaged in such things as joint ventures and service contracts.

I think you have partially answered my previous question when you said that you will give them a prospective lease for examination. What expertise does the BIA have in this area?

Mr. CROSSLAND. I am called a rights protection specialist and my specialty is Indian water rights law, but I have moved into other areas. We cannot function as council in court. BIA doesn't have the authority. That is in the Justice Department.

What we do is draft a legal theory and try to assemble facts in order to determine which way a tribe can go to protect itself and it saves them a lot of money.

Mr. YATES. Does the BIA have the legislative authority to hire experts to advise it?

Mr. CROSSLAND. Yes.

Mr. YATES. Then here you have George advising you on water rights and related matters. Suppose you come upon somebody in USGS who isn't an expert? Wouldn't you consult outside experts? Why aren't you doing the same thing in your trustee responsibility? Why aren't you hiring outside help?

Mr. THOMPSON. In many instances, Mr. Chairman, we are doing that. We do have economists on staff within the Bureau that we utilize for these purposes.

One of the things we are trying to do in working with the Indian community is to determine what it is we are doing and what it is we are not doing we should be doing to strengthen the hand of the Indian community?

RESPONSIBILITY OF GIVEN TRIBES' ADVICE

Mr. YATES. How do you do it? How does BIA exercise this function? Who gives them the advice in the BIA? Suppose you had the Cheyennes coming in with a prospective lease from Peabody Coal Co.? How do you go about advising yourself as to what the best deal would be for the Cheyennes?

Mr. THOMPSON. It depends on the type of lease. More specifically, it would probably be going down to the responsible director——

Mr. YATES. Do you do it or somebody on the local level does it?

Mr. THOMPSON. It depends on the amount, the type, the length of lease. For example, there is sufficient authority in some instances to approve the lease at the area and agency levels——

Mr. YATES. What kind of a lease can you approve at the local level?

Mr. THOMPSON. Generally the areas can approve a lease if the lease meets all the current regulations that the Bureau has set down for mineral releasing.

Mr. YATES. Such as what?

Mr. THOMPSON. Coal, timber.

Mr. YATES. What amount? Is there a limit? When must a lease be sent to Washington?

Mr. THOMPSON. It must come to Washington when it exceeds some of the manual releases and we get many of those. The tribe—one policy is that we can't lease more than 2,500 acres per unit for lease. Many coal companies and the tribes indicate that "That is too small of an area. It is really not economical. Therefore we would like that particular provision waived."

That must come in to be waived.

On certain types of decisions relating to length of years of the lease, we have to approve and the Secretary has to approve. On certain allocations of water—for example, a gasification plant—we have to enter into a water service contract which must be approved by the Secretary. So it varies.

SUFFICIENT EXPERTISE ON LEASING

Mr. YATES. You haven't fully answered my question. I don't know at what point you consider a lease sufficiently important so that you call George in, so that you call an outside expert in. How much money has to be involved? Why isn't even the smallest tribe entitled to expert advice on what its procedure should be rather than having one of your employees give his opinion?

Mr. THOMPSON. Mr. Chairman, let me try again. I still might not make it.

On certain types of leases we do have a sufficient expertise, such as leasing timber. There is sufficient expertise in the Bureau and at the field level to handle those types of leases. When we get into gasification plants, that is something no one has expertise in. That type of lease goes to the Department with our recommendation and the field recommendations on it.

Then George's office, my office, the trust responsibility office comes into play. On certain leases that require waivers to our regulations, they are brought in here. It depends on I guess the experience of our

Bureau in dealing with that particular lease as to the level of outside or other assistance we go to.

Mr. YATES. I will leave it at that point. The only thing I want to make clear to you is that this committee is interested in protecting the rights of the tribes. If you need money for expert help, I think you ought to ask the committee for it so the rights are protected.

Mr. F. EVANS. George, you said you are the expert for BIA as a lawyer for Indian water rights?

Mr. CROSSLAND. I have worked with and for Mr. Butler for a number of years. He is not here.

Mr. F. EVANS. I will have to rely on you then. We are talking about how Indian rights of one kind or another are protected and how you get the expertise.

EL PASO NATURAL GAS CO.

Let me ask you to expand on your explanation a little further in regard to a specific problem. I am told the Interior Department is going to introduce legislation to authorize long-term contracts for El Paso Natural Gas Co. for water from the Navajo Reservoir and the San Juan River. Are you familiar with this?

Mr. CROSSLAND. Yes.

Mr. F. EVANS. If you irrigate under the Navajo Project in the normal fashion, so many thousands of acre feet will be needed. If you irrigate by sprinkler system, a lesser amount will be needed. The difference, as I understand it, is expected to be taken and used for the production of electrical energy.

The question is, how are you going to protect the Indian rights? What expertise do you have and what in fact are you doing in regard to this legislation as it relates to the Navajo Reservoir and the Navajo water rights?

Mr. CROSSLAND. We will have to back up a little bit, Mr. Evans, to the point of the San Juan project, which was authorized by Congress. It is a diversion from the Colorado Basin to the Rio Grande Basin. I think it is an amount of 110,000 acre feet.

What happened on that situation is that the waters of the San Juan were diverted through a tunnel to the Chama River in New Mexico. The stream flow in San Juan diminished in 1 day. It went from a fairly sizeable flow of water, a comfortable flow of water that supported aquatic life in that area, trout, and it just diminished to an unbelievable extent.

The Apaches upstream from the Navajos were affected by that. Now comes along the irrigation. The Navajo irrigation, the problem is down here. The Jicarillas have to allow water to go by to fulfill requirements for the irrigation system; they feel this is just going to dry them up. What we are looking at is not just the rationing of the Navajos because they are willing to engage in this contract. We had a telegram from the tribal chairman back in the summer saying that they had withdrawn all their objections, the tribal council had, and they were in agreement and suggested legislation required under the Navajo Irrigation Project Act, I think section 11. So at that time we were willing to go further by using a sprinkler system.

But then you have this tribe of Jicarilla Apache who do have a vested interest in there because they have the same native legal right

that the Navahos have. Here you have another where tribes are closed in the same source, such as the Navaho-Hopi situation that I wouldn't dare get in between. Here you have got the Navahos and Apaches on opposite sides.

Mr. Veeder has worked on this more than that. I have worked more on the Upper Missouri Basin in December. I have been more involved in the Upper Missouri Basin area.

Mr. McKay. What do the Jicarilla Apaches do for their help? Does the Commission have anything to do with that?

APPROPRIATION OF WATER

Mr. Thompson. Mr. Evans, if I may back up a bit, there is no plan to say that the water saved by irrigation versus sprinklers will be used for electrical purposes or for purposes on the San Juan project or on the El Paso project. Water has to be appropriated and it just doesn't automatically revert to another use. That water has to be appropriated by the Department. Conceivably it could go to that use but it doesn't automatically revert.

Mr. McKay. It is based upon the savings that will accrue. Sure, you have to have a law passed but that is the way you create the surplus water, isn't it?

Mr. Thompson. That is one of the ways. To get a proper perspective of what the tribal people were thinking on the diversion request for the El Paso needs, which they feel they must have, we sent out language that is being contemplated, only contemplated within the Department, to each of the tribes affected, and there were five tribes in this instance, asking for their views. I understand that we got—and I don't know what their responses have been. That wire has gone out about three or four weeks ago. I don't know that they have all responded, but we are laying the issue out before them, and getting their views on the request of El Paso.

Mr. F. Evans. In line with the questions that Mr. Yates was asking, I would then ask you in this case upon whom are these various tribes relying for advice, expertise in the area of water law particularly?

Mr. Thompson. We can make the experts we have available and the technical assistance and the technical experts that we have available to the tribe. In many instances some of these tribes such as Navaho has a rather large legal staff that they feel, I am sure, will adequately represent their views. On some of the others, they may be coming in for asssistance, but if they do request it, we will have that available either through Mr. Crossland, Mr. Veeder, or Mr. Cork in the central office. So we do have experts available in that area.

I don't know to anticipate a question whether any of them have asked. I don't know that.

Mr. F. Evans. That was going to be my next question.

Thank you.

ENTREPRENEURIAL PHILOSOPHY VERSUS REGULATORY

Mr. Duncan. Mr. Crossland, what were the words you used that you regretted, as you went through the Federal Register, the absence

of an entrepreneurial philosophy as opposed to what was the one that was in there?

Mr. CROSSLAND. Regulatory.

Mr. DUNCAN. Didn't somebody at least have an entrepreneurial philosophy in the 1960's when the Warm Springs rather successfully undertook the operation of the development of their national resources in Oregon?

Mr. CROSSLAND. Yes, sir. I think that can be attributed to one individual though. That was the business manager of the tribe at that time.

Mr. DUNCAN. Mr. Jackson?

Mr. CROSSLAND. Mr. Jackson, who is now passed away. I understand his protege is coming along pretty well. Once again that is attributable to one individual. It doesn't seem to pervade throughout the Bureau, plus, you know, he was a member of the tribe and also on the tribe's payroll.

At Cheyenne they have remarkable individuals, and perhaps one of the proudest histories of all of our tribes, but at that particular time in history they seem not to have had that individual or group thinking in that fashion. It was pretty much the very rural tribe. They didn't have paved roads until after the Second World War.

There is not much communication. They conduct their council meetings in Cheyenne and it is an isolated area. They weren't aware of all the ramifications.

Mr. DUNCAN. What you are telling me is that the success, and let's assume it is a success because I think it is—at least at the moment—of that Warm Springs operation was due in fact to the local initiative of the Warm Springs people themselves.

Is that what you are saying?

Mr. CROSSLAND. Yes. That is my reading.

Mr. DUNCAN. And they have local counsel, as I recall, who represented and guided them through the intricacies of that operation.

Mr. CROSSLAND. You see the counsel at northern Cheyenne—I won't mention any names—but it turns out he was also working for Peabody. It was a terrible conflict of interest. They haven't seen fit to take action with the Montana Bar.

It is pretty clear there was a conflict of interest operating in the situation. Once again on this kind of scale none of the tribes has ever endeavored at that level or that extensiveness of development the idea of financing strip mining operation of 5 million to 50 million tons a year, whatever the tribe could culturally accommodate in rate of production.

WARM SPRINGS' VENTURE

Mr. DUNCAN. Along the lines of Mr. McKay's questions though, the Warm Springs really just didn't enter into a joint venture. They took over the venture. They took it over and contracted out with the sellers to furnish the management and sales and gradually are moving into those managerial responsibilities not only with respect to their wood products but also with respect to the development of the recreational facilities up there. At least one tribe is way ahead.

Mr. CROSSLAND. Mr. Jackson, whom we mentioned at Warm Springs, his son, Charles, retrieved an economics degree from Columbia University just recently.

Mr. DUNCAN. Are you giving us here a somewhat mild indictment of the Bureau for not exerting some leadership in this field?

Mr. CROSSLAND. I can do that because this all happened before the present people.

Mr. DUNCAN. Along that line, I read these statements. I got in a little bit late and I don't mean to be duplicating things, but the statements seem to me to indicate almost an explanation of a new bureau rather than a bureau that has been in existence as long as this one has.

First, with respect to your statement, it says, "First among these"—you are talking about the efforts you are making to address priorities—"is the development of a policy statement to define the Federal role in Indian education."

It seems to me to be quite an indictment that here in 1975 we are finally getting around to developing a policy statement on the role of the Federal Government in Indian education.

You are examining alternatives "for defining effective Federal funding systems to provide support for education in a more coordinated fashion."

I marked several others, and I assume that the answer in response to this rhetorical question of mine is the same. We have got some new people in here now who are trying to rejuvenate a bureau that really has never probably served the Indian people in the fashion that it should.

RATIONALE FOR POLICY CHANGE

Mr. THOMPSON. Some deference and some explanation. That statement wasn't mine, but the rationale for expanded policies or new policies or changing policies emanate, I think, from a realization that education has changed from some legislative acts that require this policy study, and some congressional directives, that required the studies.

For example, Public Law 638, which is the Indian Self-Determination Act, requires this policy study. The last Appropriations Committee in the last Congress requested a USOE joint study. So, in part, while we totally agree, we are responding to some congressional requests specifically to go into this area.

Mr. DUNCAN. Even absent your explanation, I don't mean to be critical. It is better late than never.

One other question only, and that is we have in Portland what is called the Northwest Educational Laboratory.

Did you ever hear of it?

Mr. THOMPSON. Yes.

Mr. DUNCAN. Has it made any contribution towards these new initiatives in education to the Indian people?

Mr. THOMPSON. I can respond personally. I have worked with the Northwest Regional Lab in my home State. They were actively involved in early childhood. They were actively involved in developing the bilingual program that we are utilizing in many communities in Alaska. We have it now bilingually at 17 of our schools, both State and bureau schools. I think the Northwest Regional Lab was also involved in some early childhood development programs, so speaking personally from that resource or that experience, I would say that they have been helpful.

Mr. DUNCAN. They have been.

Mr. THOMPSON. Yes. That is my personal experience.

Mr. DUNCAN. I am pleased. I have heard some contrary opinions that they had neglected to talk to the Indian people before they went about developing their materials, and that some of them have proved to be less than useful, but I am pleased to hear your appraisal.

That is all I have, Mr. Chairman.

Mr. MCKAY. Mr. Regula, do you have any questions?

NATIVE ANCESTRY

Mr. REGULA. Yes, Mr. Chairman, just two.

I noted in your statement that the total of 827,000 Americans claim Indian or native ancestry.

What is the percentage of Indian blood that qualifies you to claim Indian ancestry?

Mr. THOMPSON. Here again, Congressman, it varies from program to program, but within the Bureau it is one-fourth or more for our program purposes.

TRIBAL RECOGNITION

Mr. REGULA. How about the distribution under the Indian claims settlement. Is that program subject to the same rule?

Mr. THOMPSON. It can vary from tribe to tribe, but I think generally it is one-fourth or more. Certain tribes have their own policies for recognizing tribal members.

Mr. MCKAY. Excuse me. And those are recognized by the Bureau?

Mr. THOMPSON. Yes.

Mr. REGULA. The Bureau recognizes that?

Mr. THOMPSON. For certain instances and for a certain program.

Mr. REGULA. How about on the rolls in Alaska?

Mr. THOMPSON. One-fourth or more.

Mr. REGULA. One-fourth or more?

Mr. THOMPSON. Yes.

Mr. REGULA. Do you anticipate, as a result of the recent bill, that there will be many more Indians employed in the activities of the BIA by virtue of contract relationships?

Mr. THOMPSON. That could be a yes and no. We have increased the numbers of Indian people involved in the Bureau. Of course we now have a policy of Indian preference in the Bureau. When we move to tribal contracting, the contractors are not required to follow Indian preference, so I would imagine it would be wise public policy for them to hire many of their tribal members, but they are not under the same mandatory rules that the Bureau is for hiring, for granting preference.

INDIAN UNEMPLOYMENT RATE

Mr. REGULA. Do you have any program or suggestions as to how the nation can cope with this high unemployment rate, which seems to be somewhat of a permanent problem?

Mr. THOMPSON. To answer the question, I see obviously 2 or 3 methods of creating, developing or spurring employment on Indian reservations. One is through your economic development programs or through resource development programs that have a high concentration of labor attendant to that resource, and the type of re-

sources that we have fortunately in most Indian countries is very labor intensive.

We were talking earlier about some of the weaknesses and how we can strengthen the Indian position in resource development, but many studies have been made of emerging nations throughout the world, and it has been fairly universally accepted that those countries that have a resource either to negotiate, sell or to barter are those that really attain true economic independence. We see that having some applicability to the Indian situation. That is one.

Second, I think furthering some of the programs of other departmental activities and other governmental activities, such as EDA through some of their programs on reservations, are having an impact.

Then we have the educational opportunities both through USOE and BIA providing, hopefully, an education sufficient to the Indian youngster so he can either, if he so elects, leave the reservation and seek employment elsewhere and find himself employable in the job markets, or in professional capacities.

Those are not only but a few of the ideas of alleviating unemployment.

Mr. DUNCAN. Would you yield at that point?

Mr. REGULA. Yes.

Mr. DUNCAN. Would a CCC type program putting people to work in developing the natural resources, reforesting the national forests and perhaps your own timber resources be helpful to you?

Mr. THOMPSON. I think it would.

The PEP programs, the emergency employment types of programs that the administration and Congress have funded over the last couple of years I think generally have been fairly successful on Indian reservations.

Mr. DUNCAN. Do you have access to the figures as to what need there is for reforestation among the timber resources that you control?

Mr. THOMPSON. I don't have them at my fingertips but I will be glad to supply them for the record.

Mr. DUNCAN. Would you please?

Mr. THOMPSON. We will be pleased to.

Mr. DUNCAN. If any, and I am sure there are some.

[The information follows:]

BACKLOG OF NEEDED REFORESTATION WORK ON INDIAN LANDS

Area	Acres	Funding required
Aberdeen	12,000	$1,080,000
Albuquerque	14,132	1,271,880
Billings	19,511	1,755,990
Minneapolis	11,839	1,065,510
Navajo	6,914	622,260
Phoenix	22,000	1,980,000
Portland	34,235	3,081,150
Sacramento	8,278	745,020
Eastern area:		
Cherokee	470	42,300
Choctaw	2,672	240,480
Seminole	600	54,000
Grand total	132,651	11,938,590

Note: In addition to the reforestation work, 749,681 acres of timber stand improvement work is needed on Indian lands, primarily the thinning of overly dense stands, which will cost an estimated $44,980,000.

BIA EDUCATION POLICY

Mr. YATES. Mr. Thompson, on what basis do your determine BIA education policy?

Do you understand the import of my question?

What I am trying to say is we are both interested in educating the Indian children. How does the BIA propose to go about it? What do you have in mind; what standards? How can we achieve the good education goals we are after? How do you try to do it?

Mr. THOMPSON. Two or three things. I think it starts primarily from an involvement point of view down at the local school board level. In fact all of our bureau facilities where we operate day schools on reservations we have school boards that have increasingly, over the years, gained more authority and more autonomy, more along the lines of a local school district. We are setting the educational policy at that level.

Mr. YATES. Perhaps I should ask you first what do you consider to be the state of the education of Indian children at the present time?

Mr. THOMPSON. In certain instances we are still a little under the educational attainment of the non-Indian community. In some instances we have surpassed it.

Mr. YATES. You have about 480-some tribes you said?

Mr. THOMPSON. Yes.

Mr. YATES. When you say a few here and a few there, what does a few mean?

PUBLIC SCHOOL ENROLLMENTS

Mr. THOMPSON. You, see, as you know now, a majority of the students are in public schools. A majority of the American Indians are in public schools. I believe the figures—Bill, you might help me on the figures—is what?

Mr. DEMMERT. There are 343,000 Indians in public schools.

Mr. YATES. How many thousand Indian children do we have in the education process? You have 343,000 in the public schools.

How many do you have in private schools?

Mr. THOMPSON. We have 53,000 attending Bureau schools.

Mr. YATES. 53,000 plus 353,000; is that right?

Mr. THOMPSON. Right.

Mr. YATES. Roughly about 400,000.

Mr. DEMMERT. That is correct.

Mr. YATES. Go ahead, Mr. Thompson.

Mr. THOMPSON. The educational responsibility then primarily, as far as "numbers" go have shifted to the public schools sector. There we have the impact aid programs, Johnson-O'Malley programs, your title programs to help Indians and other disadvantaged children. Within the 53,000 that the bureau still provides an education for, we have moved quite a long ways in; one, instilling school boards at the local level; two, increasing educational opportunities at the undergraduate and the graduate levels by quadrupling almost the amount of money being spent in that area; programs such as the American Indians program, the Penn State Habor programs are some examples of improvements we have made in the educational assistance.

EFFECT OF HEW FUNDS ON INDIAN EDUCATION

I think the title moneys we are getting in the Bureau, of getting teacher aides, bilingual education in many instances I think has been a boon to Indian education, particularly where English is yet a second language to many Indian people, and Eskimo people.

Those improvements I think have had a profound increase, a profound effect on the total education of the children. We have moved on an experimental basis into early childhood, preschool programs, Head Start programs, I think both through Bill's operations, USOE, and our bureau have had a significant improvement in bringing the Indian educational ability along rapidly.

DROP-OUT RATE FOR INDIAN STUDENTS

Mr. YATES. In the city of Chicago, I know what the drop-out rate of Latin children is. It is an enormous dropout in high school.

Could you tell me what the dropout rate for Indian children is?

Mr. THOMPSON. In boarding schools unfortunately it is still very high.

Mr. YATES. How high is "very high"?

Mr. THOMPSON. Well, it varies from locale to locale. I don't know the average dropout rate, but I would be pleased to supply it on the school-by-school basis, and then summarize it for the chairman and the committee members so they get a better feel for it.

[The information follows:]

SUMMARY
Dropouts from Schools Operated
by the Bureau of Indian Affairs
F. Y. 1973-1974

Area	Total Enrollment	Total Dropouts	% of Dropouts
ABERDEEN	8,979	759	8.4%
ALBUQUERQUE	3,765	164	4.3%
ANADARKO	2,428	328	13.5%
EASTERN	2,679	93	3.5%
JUNEAU	5,866	253	4.3%
MUSKOGEE	618	88	14.2%
NAVAJO	19,860	1,531	7.7%
PHOENIX	4,779	503	10.5%
PORTLAND	550	107	19.4%
TOTAL	49,524	3,826	7.7%

Dropouts from Schools Operated
by the Bureau of Indian Affairs
F. Y. 1973-1974

Area/School	Total Enrollment	Total Dropouts	% of Dropouts
ABERDEEN			
Flandreau Boarding	663	204	30.8%
Pierre Boarding	155	67	43.2%
Cheyenne-Eagle Butte	1,101	82	7.4%
Wahpeton Boarding	333	85	25.5%
Standing Rock Boarding	599	35	5.8%
Oglala Community	876	59	6.7%
23 Day Schools	5,252	227	4.3%
ALBUQUERQUE			
Albuquerque Boarding	432	119	27.5%
Institute of American Indian Art	261	37	14.2%
Laguna Day School	439	8	1.8%
ANADARKO			
Chilocco Boarding	390	162	41.5%
Concho Boarding	330	87	26.4%
Fort Sill Boarding	276	26	9.4%
Riverside	365	53	14.5%
EASTERN			
Cherokee Central Day	1,253	60	4.8%
Bogue Chitto Boarding	196	5	2.5%
Choctaw Central Boarding	678	28	4.1%
JUNEAU			
Mt. Edgecumbe Boarding	541	124	22.9%
Wrangell Institute	123	9	7.3%
53 Day Schools	5,202	120	2.3%
MUSKOGEE			
Seneca Boarding	211	13	6.2%
Sequoyah Boarding	407	75	18.4%
NAVAJO			
Chinle Boarding	712	68	9.5%
Dennehotso	253	6	2.4%
Dilcon	751	25	3.3%
Greasewood	578	4	.7%
Lower Kaibeto	186	5	2.7%
Kayenta	579	7	1.2%
Kinlichee	254	3	1.2%
Leupp	483	61	12.6%

Area/School	Total Enrollment	Total Dropouts	% of Dropouts
NAVAJO, contd.			
Low Mountain	190	9	4.7%
Lukachukai	538	19	3.5%
Many Farms Elementary	630	104	16.5%
Many Farms H. S.	731	152	20.8%
Pinon	331	15	4.5%
Nazlini	134	2	1.5%
Shonto	1,044	57	5.4%
Pine Springs	62	3	4.8%
Teecnospos	585	20	3.4%
Toyei	656	38	5.8%
Chuska	549	17	3.1%
Tuba City Elementary	1,089	3	.3%
Tuba City H. S.	313	88	29.0%
Crownpoint	690	34	4.9%
Wide Ruins	204	4	2.0%
Tohatchi	370	26	7.0%
Baca	41	1	2.4%
Mariana Lake	101	5	4.9%
Dlo'ay Azhi	102	3	2.9%
Sanostee	499	38	7.6%
Dzilth Na O Dith hle	415	5	1.2%
Shiprock	410	20	4.9%
Nenahnczad	373	2	.5%
Wingate Elementary	744	56	7.5%
Wingate H. S.	984	406	41.3%
Aneth	310	28	9.0%
Intermountain	806	192	23.8%
Alamo Day	60	5	8.3%
Cove Day	139	1	.7%
PHOENIX			
Keams Canyon	251	2	.8%
Phoenix	785	236	30.1%
Santa Rosa	432	45	10.4%
Stewart	517	103	19.9%
Sherman	714	90	12.6%
14 Day Schools	1,845	27	1.5%
PORTLAND			
Chemawa	550	107	19.4%

Mr. YATES. How good is the education you provide in your Indian schools?

Mr. THOMPSON. I think unequivocally we can say in some instances it is better than that provided by the State, by various States. In some instances it is inferior to that of education by the States. One weather vane might be what is going on in my home State where we have an agreement with the State of Alaska that they would assume the educational responsibility of all children within the State.

Mr. YATES. That is the upper 48.

Mr. THOMPSON. The upper one. That was done at a local option. It had to be an agreement between three parties: One, the Bureau of Indian Affairs, the State, and the community involved. In many instances this had an early acceleration going over to state control and then finding some of the shortcomings both with our system and with the State system; many of the Indian communities are opting to stay with the bureau educational system.

One of the other interesting phenomenon I would like to share with you, and I don't know it is indicative of the quality of the education we are providing Indian youngsters, but many Indian youngsters are returning from public schools back to the reservation, and want a Bureau school built on the reservation.

I don't know whether, in fairness to the matter, they feel they are not getting either equal opportunity in the public school sector, or whether they feel there is implied or direct discrimination toward Indian people or whether they feel the school, a Bureau school, is better, I don't know, but there has been a trend developing over the last year or so of Indian youngsters and Indian parents saying that rather than a public school option, we want a Bureau school option.

Whether that is an indicator of things to come, or whether that is an isolated instance we have no idea yet.

Mr. YATES. I encountered that when I was in Albuquerque last year in connection with the Indian school of art. The Pueblos apparently wanted the Indian school for their high school.

How was that controversy resolved?

Mr. THOMPSON. Controversy, I guess, is a good term for that, because the Pueblo people, in fairness to them, they have not stated that they want it strictly as a high school. There have been differences in philosophical thinking between them and some of the board members.

I met with the all-Indian Pueblo Council when they were here in town. They were not making any particular demands as to what that facility should be. They simply wanted to reserve the right of my discussing with them prior to making a decision.

As you know, the OIA board of directors have requested that, one, initially a 4-year college be built there. It is my understanding, and I have not communicated with them and I am not stating their position, that they have reconsidered that possibility and now are looking at a junior college program, and maybe more tying into a 4-year high school-junior college program or some combination thereof.

We have had our director of education meet with both the Pueblo people, the board of directors, in the Albuquerque area. I requested 2 weeks ago a final position on behalf of OIA and the professionals

within the Bureau, and hope to be making a recommendation or a decision on the matter within a week or so.

To answer your question then, the controversy or the matter has not been finally determined.

Mr. YATES. My own feeling when I was out there was that the school of art was a very good institution. I thought that the staff was excellent, and I certainly think that there ought to be some central institution which will give the talented youngsters among the Indian tribes an opportunity to develop in the field of art. There were some very good ones that were there, and I think the schools there offer that opportunity.

While I sympathize with the Pueblos who want their high school, I would, just expressing my own views, hope that the opportunity for the Indian children to become outstanding artists will continue to exist.

I would be very interested in knowing what your decision is when you do get to it.

JOHNSON-O'MALLEY REGULATIONS

The Johnson-O'Malley funds which were first authorized in 1934 have, in many instances, not been used as Congress intended. I know that Indian parents don't have any control over Johnson-O'Malley funds.

How do your new regulations insure that Johnson-O'Malley funds will fund activities in public schools for the benefit of Indian children?

Mr. THOMPSON. I am proud to say, Mr. Chairman, when I came on board we are on our 17th draft of Johnson-O'Malley regulations, and we were either partially successful or wholly successful in getting printed and final, and they are now out. Events usually over take us, and this is another example of events over taking us in that Public Law 638 now requires even further changes to those regulations, so we are back again somewhat to the drawing board, but I think we have made significant progress here, in that, one, the basic intent of the Johnson-O'Malley program was to make funds available to State and public school districts to "meet the educational deficiencies of Indian youngsters."

The intent, as we read it, was to try to meet some of the educational disadvantages that Indian youngsters had; that is, remedial reading and math and so forth.

In many instances in the past these monies have been utilized to fund basic support programs; that is, school construction, busing, airplane flying, this type of thing.

The States argued at that time "Look, unless these monies are made available then we just cannot provide education to the Indian children."

Whether that was valid or not, I don't know. I am stating both sides of the question.

We have, in the new regulations, strengthened the hand of Johnson-O'Malley parents in that they will have now a veto power over that program, if they don't feel the monies are being expended according to the plan. The States must come in with a Johnson-O'Malley plan that will be approved by the parental committee. A certain percentage

of money has to be spent on educational deficiencies versus basic support, and we have broadened the use somewhat of Johnson-O'Malley; so those are the primary changes that have been made in strengthening the Johnson-O'Malley dollars to insure that it really goes I think more toward its intended use.

HEW–BIA EDUCATION STUDY

Mr. YATES. Have you had a chance yet to read the three voluminous volumes of the educational study on Indian education which Mr. Demmert was kind enough to give me the other day?

Mr. THOMPSON. I have not read it in total, no.

Mr. YATES. That is understandable.

I wondered, Mr. Demmert, perhaps you can tell us what recommendations that study has with respect to Indian education and how it will improve.

Mr. DEMMERT. I have read the whole study.

Mr. YATES. Good for you.

Mr. DEMMERT. I think it would be fair to say that the study surfaced the fact that the problems of Indian education are very complex. It points out that legislative overlap exists between what the Bureau of Indian Affairs provides Federal schools and federally recognized Indian students in public schools and what the new bureau of Indian education called the Office of Indian Education, within USOE provides.

It pointed out that there was some overlapping legislative authority and responsibility, but that the services provided did not overlap. It also pointed out that the people the Bureau of Indian Affairs and the Office of Education serve includes an overlap of approximately 100,000 students who are federally recognized tribal students in public schools.

In addition to this group, the Office of Education serves another 234,000 students.

It pointed out, at least to us, that we need to come up with some short range goals, priorities, and possibly levels of funding under existing legislation, while pulling together, because of the tremendous maze of programs for Indian students, a comprehensive plan or some recommendations for what is needed to implement this plan.

Morris and I have talked about some of these issues. We two Commissioners will be meeting in the near future to discuss areas of responsibilities and other subjects that are of importance not only to the two agencies but to the Indian community.

While I think that such studies have a place in providing us information, I think we need to go beyond that study and approach the local Indian community, the chief State school officers, the national Indian groups, the public schools administrations that we serve, the Indian educators who are directly involved with these programs, and some national educational experts before we can come up with some good, concrete recommendations in the long-range effort.

In the short-range effort, we can set priorities.

TITLE IV PROGRAM

Mr. YATES. The Office of Education is asking for $25 million for part A of title IV.

Mr. DEMMERT. Yes, right.

Mr. YATES. Why don't you ask for more money, because that is not enough, is it?

Mr. DEMMERT. In our discussion the other day you asked me to come up with some figures. Maybe before I start it would be appropriate for me to point out that I do have some other gentlemen accompanying me. I would like to introduce Mr. Wilford Forbush, Deputy Assistant Secretary for Budget in HEW.

Mr. YATES. He is the one who puts the level on this?

Mr. DEMMERT. We work with him in developing our level.

Sitting behind me are Mr. John Evans, Deputy Commissioner for the Office of Planning, Budgeting, and Evaluation in USOE, and Mr. Herbert Jacobson, Planning Officer for the Office of Indian Education.

Mr. YATES. Tell us why $25 million is enough or not enough.

Before you start, let me point out to you what I pointed out the other day. The $25 million wasn't enough to take care of my urban Indians in the city of Chicago, for example. I have two schools in my district, one a high school and one a grammar school. Your department discovered that there are almost 100,000 additional Indian children who need education, the funds that had been set aside for the purpose weren't adequate. Therefore, I assume that the $25 million you are asking for, for the next year, is certainly not adequate, because the same condition not only will not exist but it will have become worse. Therefore what amount do you think it ought to be?

Mr. DEMMERT. When we met, you asked me to come up with a figure which indicates our estimate for funding of part A at the fiscal year 1974 level.

Mr. YATES. Right.

Mr. DEMMERT. Part A would have to be funded at the 10.25 percent level. The full entitlement for 1976 for part A we estimate at $387,900,000.

Mr. YATES. As opposed to what now?

Mr. DEMMERT. As opposed to $311 million.

Mr. YATES. That is another $76 million.

Mr. DEMMERT. The amount that we have asked for, or that we were funded for in 1974, was 10.25 percent of the authorization level. When I said $311 million, I was talking about the 1975 level. We estimate that it will take a total of $43,644,397 for fiscal year 1976 to maintain the 10.25 percent level of funding.

Mr. YATES. That compares with the $25 million?

Mr. DEMMERT. That compares with the $25 million.

Mr. YATES. So you need almost twice that.

Mr. DEMMERT. Yes. There are three reasons, one of which is the increase from 5 to 10 percent in the part A, non-LEA set-aside.

Mr. YATES. Right. Tell us why you need almost twice that amount.

Was $25 million an unrealistic figure for this fiscal year in the first instance?

Mr. DEMMERT. The $25 million level has been maintained in part because of the inflation problems in the United States. The official administration position has been not to decrease Indian education as many other programs have been decreased, but rather to maintain the overall $40 million funding level, of which $25 million is for part A.

Several things happened that were not anticipated. One is that the 1974 amendments increased the set aside for Indian controlled schools from 5 to 10 percent. That increase in effect doubles the amount of money they receive, thereby reducing the amount going to public schools.

In addition, we previously served 214,000 Indians being served out of a total of approximately 265,000 Indian students that we had identified. We will now be probably serving 275,000 out of a total of 334,000 identified for fiscal year 1975.

The number of school districts interested in applying for the funding as well as the number of Indian students being identified have both increased.

FUNDING FOR PARTS B AND C

Mr. YATES. Perhaps I should have asked you to state for the record also the funding for parts B and C.

Mr. DEMMERT. The funding for part B is $12 million.

Mr. YATES. What do parts B and C represent?

Mr. DEMMERT. Shall I go through part A as well?

Mr. YATES. Sure.

DEFINITION OF PART A PROGRAM

Mr. DEMMERT. Part A provides money directly to public schools throughout the country that have 10 or more Indian students. However, there are some exceptions to that. If the school is on or near a reservation in the States of Alaska, California or Oklahoma, which for the most part do not have reservations, the eligibility requirement is reduced to one Indian student.

The money can be used for a broad definition called meeting the special educational needs of Indian students.

As you know, the Senate subcommittee report of 1969 pointed out that the special educational needs of Indian students were not being met and that many of the States and/or local districts either could not or would not address that particular problem. We have $25 million directed toward that effort.

There is a 10-percent set-aside that provides money directly to Indian controlled schools. In some cases, these may be schools with which the Bureau of Indian Affairs has contracted for basic support. We provide supplementary support, although we do have the authority to provide some basic support. The special educational needs of Indian students are provided by primarily the local education agency and a parent committee which has absolute authority as to what that money can be used for. In the next few years we hope to identify successful programs, make that knowledge available, and subsequently upgrade not only the quality of programs but begin zeroing in on what some of the problems are.

USE OF PART B FUNDS

Under part B of the law, for the most part we fund Indian tribes, Indian organiztaions, and Indian institutions directly for innovative exemplary kinds of programs, or for services that are not met in sufficient quality or quantity in any other effort. We can even fund

Bureau of Indian Affairs schools for that, although we have not done so.

In addition to exemplary projects, innovative programs, and alternative schools, part B funds can provide support for what we call meeting the special educational needs of Indian students.

Under part B of the law, there is $35 million authorized, and $12 million has been appropriated.

PART C FUNDS

Under part C of the law, we have basic adult educational programs. The authorization is $8 million. The funding level is $3 million. Our two main efforts unde part C are to provide basic educational opportunities for adult Indians, and/or work toward GED's, general equivalency high school diplomas. The law has two other parts.

PARTS D AND E

Part D sets up the new bureau of Indian education as well as a national advisory council appointed by the President.

Part E of the law, which expires this year, authorized somewhere between $200,000 and $450,000, depending on the year for training Indian teachers and other educational personnel who work on reservations.

The 1974 amendments placed that authorization in part B of the law.

Mr. McKay. Is that kind of a Defense Education Act for Indians?

FELLOWSHIPS FOR STUDENTS

Mr. Demmert. The 1974 amendments do two things: they provide training for Indian teachers and administrators for special projects, and they authorize 200 fellowships for training Indian professionals in any field for usually a master's or doctorate level program.

Mr. Yates. How many Indians does this take care of? How many such openings are there in that latter category?

I was wondering whether specially talented children from Indian tribes can get additional help.

Mr. Demmert. We attempt to. There are approximately 32,000 Indian students identified for higher educational efforts at the graduate and undergraduate level. Under the 1974 amendments, we can take care of up to 200. The Bureau of Indian Affairs serves a much larger number than we are able to serve.

Mr. Yates. How many applicants do you get for those positions?

Mr. Demmert. We have not had any. The law was just passed this year.

Mr. Yates. How do they get it under present law?

Mr. Demmert. Before this law was passed, we provided that kind of support through part E of title IV which authorized a 5-percent set-aside for that particular effort.

Mr. Yates. How many Indians were approved under that section?

Mr. Demmert. We don't handle that in our bureau. It is handled out of basic adult education, but I know there were 29 projects funded for $2.4 million this last year. I am not sure about the number of Indians participating.

Mr. YATES. I am told that that is handled by the Labor-HEW subcommittee.

Mr. DUNCAN. What law is that?

Mr. DEMMERT. The Indian Education Act of 1972, Public Law 92-318.

Mr. DUNCAN. The Indian Education Act of 1972?

Mr. DEMMERT. Yes.

Mr. YATES. There was one in 1974 too.

Mr. DEMMERT. There are 1974 amendments that increase the authority and responsibility under part B.

ADEQUACY OF BUDGET REQUEST

Mr. YATES. You have described the provisions of the law. You haven't given your opinion as to the amounts that you have requested, as to whether they are adequate for the purposes.

I know by definition, having come through the Office of Management and Budget, presumably your opinion is set, but this is an overview hearing rather than a budget hearing. We want to know whether or not you think it is adequate for the purposes for each of the sections, for each of the titles.

Mr. DEMMERT. I am thinking of the answer.

Mr. YATES. I know you are.

Mr. DEMMERT. You put me in a very difficult position.

Mr. YATES. I do indeed. Let me put it in another form.

How much money did you ask OMB for?

Mr. DEMMERT. We asked for $42 million in program money, and we settled for $40 million.

Mr. F. EVANS. Will the Chairman yield there?

Mr. YATES. Certainly.

Mr. F. EVANS. Were you told to hold your requests below a certain ceiling before you asked?

Mr. DEMMERT. I would have to turn around and ask for some support for that because that happened before I took over as Deputy Commissioner. I did not become the Deputy Commissioner for this office until January 19.

Mr. F. EVANS. Turn around and ask.

Mr. J. EVANS. I am the Deputy Commissioner for Planning in the Office of Education.

I don't recall the exact dollar amount at this time that we had at various points in the planning and budgeting cycle. In answer to the chairman's basic question, there have been restraints put upon us by both the Department and OMB as there have been on all agencies in the Federal Government during this particular budget cycle.

The other factor in our budget analysis of the Indian education programs was referred to earlier, and it is part of Dr. Demmert's testimony about the need to think through and clarify the Federal role in Indian education.

As the study, which the chairman referred to earlier, indicates, there are a great number of pieces of legislation and budgets attached to them that deal in one way or another with Indian educa-

tion. Among these are title I, Public Law 874, and the Indian Education Act. These have been passed, if I may say so, somewhat incrementally by the Congress over the years, and very often overlap in dealing with many of the same problems.

It is true that the study did conclude that there did not appear to be redundancy in terms of funding because the funds were sufficiently flexible for use by the hard pressed districts. However, our thought has been, and we think it is important for this committee to take up this issue and try to give some guidance in this, is that there needs to be some clarification on fundamental issues with respect to who is responsible for what aspects of education.

For example, in the case of the children in your own district that you referred to before, Mr. Chairman, there have been passed by the Congress and made use of by the administrations over the past 10 or 15 years various pieces of legislation to deal with these Indian children.

To some extent those pieces of legislation are inadequately funded to cover the entire universe needs.

Our thought was that it didn't seem to add to the rationality of this fairly complicated picture to just add on to this latest increment. Therefore, we felt that there ought to be some consolidation and some clarification of the various pieces of legislation that now relate to Indian education rather than just automatically responding to the need.

For example, the division between Federal, State, and local responsibilities is a key issue.

Mr. YATES. Don't we fall between two stools if we wait?

Mr. J. EVANS. We have fallen between two stools and across several stools.

Mr. YATES. That is right, because of the fact that the needs are there and we haven't provided the money to take care of the needs while we wait for that allocation of responsibility.

DEPARTMENT ROLE IN BUDGET DECISIONS

Mr. F. EVANS. Mr. Chairman, as one Evans to another, let me get back to the question.

Were you given a ceiling that you had to confine yourself to?

Mr. J. EVANS. The general way in which the budget process operates is for various agencies and departments to receive a ceiling figure from the Office of Management and Budget.

Mr. F. EVANS. Did you?

Mr. J. EVANS. The first stop is at the departmental level. They then make judgments across HEW and give the Office of Education a ceiling.

Mr. F. EVANS. Did you receive such a ceiling?

Mr. J. EVANS. We did.

Mr. F. EVANS. What was that ceiling?

Mr. J. EVANS. For the current year it was about $6 billion. I have forgotten what the precise figure was. That was for all Office of Education programs. We did not necessarily receive a specific figure from OMB for any given program.

Mr. F. Evans. You didn't receive any for Indian education?

Mr. Forbush. We had a departmental total of $118.5 million in outlays in 1976. That is what the budget actually came out at.

Mr. F. Evans. Did the Secretary break that down and tell the outfit here that you had a ceiling above which you could not make requests?

Mr. Forbush. Yes.

Mr. F. Evans. What was that?

Mr. Forbush. I don't have that with me. I am sorry. It was about $6 billion.

Mr. F. Evans. I am talking about Indian education, not for planning purposes.

You don't hear billions very often when you are talking about Indian education.

Mr. Forbush. We did not provide a number for Indian education in the planning ceiling. I know when we reviewed the budget request from the Education Division there was an amount for Indian education and I think that was the amount we ended requesting from OMB.

Mr. Regula. Will the gentleman yield?

Mr. F. Evans. Certainly.

Mr. Regula. You are really saying that the priority decision within the $6 billion allocation was made internally by the department and not by OMB?

Mr. Forbush. In the first instance, before we went to OMB. OMB, of course, reviews everything in detail, but in the first instance, that is absolutely correct.

Mr. Yates. The figures we have before the committee are a result of the department's deliberation. OMB didn't change that; is that correct?

Mr. Forbush. That is right. I think they reduced us $2 million. We asked for $42 million and got $40 million.

Mr. Yates. You asked for $42 million and you got $40 million of which $25 million is requested for part A.

Mr. Demmert. That is correct.

Mr. Yates. Any further questions on Indian education?

ATTITUDE OF HEW TO SEGREGATED INDIAN EDUCATION

Mr. Duncan. I am new on the committee and this subject has doubtless been gone into many times, but it would help me if you would make a brief statement on the attitude of the department toward segregated education for Indian youngsters. We have got Chemawa in Oregon.

Mr. Demmert. Yes. In fact my parents went there.

Mr. Duncan. It periodically comes under attack as being against the philosophy of nonsegregated educational facilities.

Mr. Demmert. In my understanding the Morton versus Mancari decision, which in part is the policy we are following in the Office of Indian Education, special programs for Indians are not discriminatory or in violation of the Civil Rights Act, as Indians hold a special relationship with the Federal Government.

TITLE IV EXPANSION

In the case of title IV, the Congress has chosen to expand that relationship just a little bit. The Bureau of Indian Affairs provides education directly to approximately 50,000 students, and indirectly to another 100,000 public school students. Title IV of the Indian Education Act accounts for another 234,000 Indian students.

Our money can only be used, our legal counsel tells us and the Office of Civil Rights confirms, for Indian students and for special projects for Indian students.

Mr. DUNCAN. Within the public schools?

Mr. DEMMERT. Either within the public schools or in the Indian community, and this does not violate the Civil Rights Act.

Mr. DUNCAN. What is the name of that case you referred to?

Mr. DEMMERT. Morton versus Mancari, June 17, 1974.

Mr. DUNCAN. What is your judgment, however, with respect to the impact of segregated education on the Indian student and his ability to perform and function in our general society?

Mr. DEMMERT. May I refer to that from a personal philosophy?

Mr. DUNCAN. Please.

Mr. DEMMERT. We are still in the process, internally and officially, of looking at many of the problems.

Mr. DUNCAN. It is a problem.

Mr. DEMMERT. There are many very complex issues centering on Indian education which in part Commissioner Thompson referred to earlier.

EXPERIENCE IN BICULTURAL EDUCATION

We have been told by experts, and I have had an opportunity to talk to some of these, including Jerome Bruner, from Harvard University, that the culture of a people is in part transferred and reinforced by the people who direct it and/or control the school systems.

At an earlier period, the Federal Government officially pushed very hard to move Indians out of a certain climate both physically and mentally and into another climate that was more consistent with the melting pot theory, which of late has been recognized by many experts as not really consistent with what we have in the United States today.

In addition to that, the Indian community is sort of going through a renaissance of strengthening an Indian identity and retaining parts of those cultures that appear to be important.

If that is true, and I believe it is, and if what Bruner tells us is true, and I support that theory, and if Mr. Thompson's statement that the Indian community is beginning to recognize a void and is demanding or at least looking at controlling their own schools, which in part is consistent with Indian self-determination, is true, then we need to look at what kind of impact a school has on Indian children who wish to retain an Indian identity and who wish to retain some of the cultural aspects or reflections of that particular group of people.

We have a tremendously difficult task before us. If the public schools can begin to reflect the cultures of the people who attend that school, that is all right. I think we can succeed, essentially from the point of view of the Indian community, and I think the public schools of the country have a tremendous responsibility to do that.

Mr. DUNCAN. Aren't they contradictory objectives? I agree with everything you have said, but isn't it contradictory to try to preserve a unique cultural heritage from almost another age and yet still integrate the Indian people into the mainstream of the modern economic world?

Mr. DEMMERT. You are talking about concepts that are very hard to talk about generally.

I thoroughly enjoyed my Indian upbringing. I believe the method used to educate me, both formally and informally, was appropriate. Informally, I lived with my grandparents during the summer months for long periods of time and they taught me many of the things important to our culture. I lived in that economy and earned a living in that economy.

At the same time, found it necessary to pursue an academic lifestyle that offered me an opportunity to come before you and testify on Indians and Indian education and work in Washington, D.C. If I was to stay on some of the reservations that have no economic base, I would not be able to work. At the same time, I can appreciate what that culture had to offer and many of the values that culture had to offer, which is still very important.

Since I recognize that I have to earn a living and feed my family, I am willing to work in a broader society and in fact enjoy working in a broader society.

Mr. F. EVANS. Are you married?

Mr. DEMMERT. Yes.

Mr. F. EVANS. Do you have children?

Mr. DEMMERT. Four.

Mr. F. EVANS. I would be interested again in your personal comments about the carrying on of your Indian culture and how you hope to do that with your children.

Mr. DEMMERT. In part, we hope to use part A, title IV, to do that.

I had an opportunity to run a small school in Klawock, Alaska, a public school. In fact, it is a school that is in the community where my family grew up after and during the Russian control of Alaska. After I came in as the chief administrator of that school, it took me 2 years to bring about a change in the curriculum that reinforced the Tlingit tradition and lifestyle of those children in an effort to further their self-image and self-esteem.

My children participated in that effort which unfortunately I have not been able to continue or pursue as enthusiastically while living here. However, many of the things we have at home and many of the things I talk about upon occasion reinforce that particular culture.

I see my children having a choice of either moving back to southeastern Alaska and living in that kind of climate and associating with my grandparents and their peers and my parents and their peers, and with that style of thinking and livelihood or leaving it and moving into the greater economic base.

Mr. DUNCAN. That is the crux of my question. Can we do both or does this choice have to be made? Your children will not have the reinforcement that you had because they are a generation removed from your parents and grandparents.

Mr. DEMMERT. They will not have the same kind of reinforcement although they will have some reinforcement.

Mr. DUNCAN. It can't be as strong because you have moved into a different environment.

That is one question I suppose that can't be answered, but let me ask another that perhaps can be answered:

PRESERVATION OF INDIAN CULTURE AT BOARDING SCHOOLS

The youngsters that go to Chemawa or similar institutions, let's take just the converse of what you have done. What success, if you can measure it or have measured it, do they have in integrating into the economic mainstream as you have?

Do they, concentrating on this cultural preservation, then find themselves handicapped as they go into the job market, as they go into professional schools?

Mr. DEMMERT. I think you have asked a question that sets the stage for my answer and that is, I think in order for them to be able to participate in the economic mainstream you have to firmly establish several things during the very early period of the child's life. One of these is his or her language ability. I will say his in part because my culture is matrilineal and our matrilineal leaders allow us to use either.

Mr. DUNCAN. What does matrilineal mean?

Mr. DEMMERT. We pass the wealth and the family name through the mother.

EARLY CHILDHOOD EDUCATION

We were told by many leading educators that it is very important to lay the language base, the cultural base, the intellectual base, the physical base, and emotional base, during the very early period 0 through 3, or 0 through 5 years of age, and I think in order for us to succeed at a later time that we have to do that.

If we don't do it, we build upon a base that is faulty and we do not allow our children to reach their full potential.

At an earlier time the Indian community concentrated on doing this, from birth through 3 or 4 years, and informally laid the base for each of the five things that I mentioned. At a later time the church schools, the public schools, and the Bureau schools came in to assume these responsibilities. We then said, as an Indian community, "We will let the school take care of that. We no longer concentrate on the 0 to 3 years."

We no longer laid a strong base upon which to build. In order for us to succeed, I think we have to go back to lay that strong base and then begin to build. In order to succeed, we need to reinforce—I think —our home base, because as Indians, we regard the land and the United States much differently than does the non-Indian community.

When I think of home, I think of southeastern Alaska regardless of where I am. If I were to buy land anywhere around here, I wouldn't consider that to be my land. I consider that my land is southeastern Alaska. That is my land.

When most of you look at your cultural heritage or your land, the land that you have purchased and are now living on, in many cases it is the land you recognize as yours, even though you have to pay a tremendous tax on it. But when you think of your great, great, great

grandparents, you don't look to southeastern Alaska, but rather look to a different section of the world in many cases.

Mr. DUNCAN. That is really one of the reasons why our society is in so much trouble today, that we don't have something physical, be it land or a home, to relate to or hang on to.

Mr. YATES. Or a tradition.

Mr. DUNCAN. Yes. I understand exactly what you are talking about. I had occasion to move from one place in Medford to another a few years ago and as we drove across the bridge to the place we were then living, I asked my wife, "Do you feel like you are going home?" She said, "Home is where my family is." But that wasn't my home.

How did the court in Morton get around the *Brown* case where they said that separate educational facilities are not equal?

Mr. DEMMERT. They got around that by saying that the Federal-Indian relationship is not based on race, but is a political relationship based on treaties, the Constitution, judicial review, and congressional action.

Mr. DUNCAN. Thank you, Mr. Chairman.

Mr. YATES. I wanted to follow up your very eloquent and poignant answers and ask what happened to the friends who grew up with you? You came out to this world of Washington. Are they still back in Southeast Alaska?

Mr. DEMMERT. Actually they are scattered all over the country, but we always go back to southeastern Alaska to recharge the batteries.

Mr. YATES. Thank you very much, Dr. Demmert.

Mr. MCKAY. I would like to say I concur with what you have just said. As one who has taught school I am convinced that schools should reflect the culture of the given community. Schools should not impose an outside culture on a community but rather educate them about that outside culture.

Your attitude about roots I think is absolutely necessary if our society is to survive and continue to have direction as to where it is going.

You indicated earlier that you had 344,000 students in public schools?

Mr. DEMMERT. That is correct.

DIFFERENCE IN EDUCATION STATISTICS

Mr. MCKAY. But by your own statistics, "Statistics on Indian Education," compiled in Albuquerque in 1973, it was reported that 131,000 Indian students are in school.

I am curious as to how you arrive at the different figures?

Mr. DEMMERT. I would point out the Bureau serves 100,000 students in public schools and another 50,000 in Bureau schools today. They probably served a few less when those statistics were developed. In addition to that, we served Indians who are recognized as Indians but not served by the Bureau of Indian Affairs.

Mr. MCKAY. The BIA report which I have before me combines all Indians in Federal schools, public schools, and other schools for a grand total of 208,000 Indians in school.

Mr. DEMMERT. We serve all of the 50 States in the country. They go to their local school districts and they tell the State department of education how many Indian students are in that school. The State department then forwards that information to us. Ours is a very, very comprehensive, actual survey. Anything else is probably similar to the census; it is a sample survey and it is probably a stratified sample which includes communities of only a certain population.

Mr. MCKAY. I assume these figures came out of your office? Do these figures come from the Office of Education or your statistical gathering?

DIFFERENCE OF INDIAN ELIGIBILITY REQUIREMENTS

Mr. THOMPSON. I think basically there are several differences here. There are many definitions of an Indian. The 131 are figures that we recognize as eligible for Bureau service. There are other Federal programs, such as OE and ONAB and other agencies who don't use our eligibility requirements.

Mr. MCKAY. How do you arrive at what an Indian is for the purpose of your statistics?

Mr. THOMPSON. From the Bureau of Indian Affairs it is one-fourth or more of the federally recognized tribe.

Mr. YATES. A fullblood, halfblood or quarterblood?

Mr. THOMPSON. He can be anything above a fourth.

Mr. MCKAY. Of the unrecognized tribes, how many unrecognized tribes do we have?

Mr. THOMPSON. Practically all the tribes on the eastern seaboard, the majority of them, are not eligible for services from the Bureau of Indian Affairs. Many of the Federal agencies. ONAB. OE, measure differently than we do.

It can depend on whether you are considered an Indian by your tribe or by your State. This is a reason for the disparity in the figures.

Mr. F. EVANS. If you count a quarter or more, is it by virtue of law or regulations?

Mr. THOMPSON. This is administrative action taken, I believe, in 1939.

Mr. DUNCAN. Why just of the recognized tribes? Why aren't those seaboard tribes recognized?

Mr. THOMPSON. The relationship between the Indian Bureau and the Indian people is one based on treaty in some instances, and based on tribes either determined congressionally, administered judicially or through treaty arrangement with the United States. The Bureau has, stemming from that, the service population of the Bureau. There are many tribes who are seeking currently Federal recognition so they can become eligible for Bureau service.

Now, the lack of Federal recognition does not make them ineligible for services of other entities within the administration such as OE—I shouldn't say OE, but other Federal agencies.

STATUS OF EASTERN TRIBES

Mr. F. EVANS. What happened to the eastern tribes?

Mr. THOMPSON. Many tribes have gone out of existence and they have changed from one culture to another. Others—there are currently

several tribes who are active on the eastern shore seeking recognition. There was a bill in the last session to recognize a tribe. So to answer the question, there are some who never had treaty relations with the Indian community; at one time were not adequately counted.

We are developing or we have had developed over a long length of time certain criteria for determining what a tribe ought to be. There is mixed reaction within the Indian community about recognition. There have been many, many resolutions passed. They are concerned about the financial base particularly where we go to a too liberal policy of Federal recognition; if we do, what that will do.

Mr. DUNCAN. Are the Aleuts and the Eskimos under you?

Mr. THOMPSON. They are, yes.

Mr. MCKAY. I think this points up the reason why we need this overview of Indian policy for an in-depth look at where we are going, why we are going there, and how many white horses we are on. These hearings should help us clarify what programs are for the good of the Indians.

INTERMOUNTAIN INDIAN SCHOOL-GENERAL BACKGROUND

Now, I would like to move to something that might be termed a somewhat parochial matter which we have discussed on previous occasions. Before I go further I would like to convey some background information. First, I think you and I have had an understanding that our concern is the welfare of the Indians themselves. I reaffirm my concern for the overall good of the Indians. If a program no longer is useful to the Indians then I would no longer support it. On the contrary, if a program did prove beneficial to the Indians, I would support such a program.

Indians, of course, need a good education to compete in our society. Presently there are about 8,254 Indians between the ages of 5–18 that are not in educational programs.

There are questions as to the educational status of another 10,000 Indians between the ages of 5 and 18 years of age. Therefore, there may be as many as 18,254 Indians between the ages of 5 and 18 who may not be in educational programs at all.

Compounding this problem the dropout rate is as high as 80 percent in some areas. In Idaho, for example, the dropout rate is at least this high.

Mr. THOMPSON. Is that dropping from public or Bureau schools? That is abnormally high.

Mr. MCKAY. From both public and Bureau schools.

Added to this, other Indians find it difficult to integrate into predominantly white schools.

I think that is generally accepted from your earlier statements about those Indian students who no longer desire to attend predominantly white schools. The enrollment in boarding schools last year was up all over the Bureau school system and may illustrate this point.

Taking all of these facts together it is apparent that special programs designed to meet the particular needs of the Indians is necessary.

This brings me to the Intermountain Boarding School in Brigham City, Utah. This school, IBS, is organized to care for some of these needs.

In fact many tribes have been anxious to send their children to IBS where special training is provided Indian students with learning deficiencies or disabilities. For example, IBS not only offers courses in advanced English but also a course in learning the English alphabet. The school also provides alcohol and drug rehabilitation facilities which points out the special benefit this school can provide Indians. For example the Cimarrons sent a few students to IBS who were in fact dropouts in their local areas. They believe IBS has served their student's needs well.

Preliminarily I might add that my efforts to communicate with and work with the BIA on IBS have been complicated by noncooperation.

While I believe you and I have had good communications, and we want to continue that, this has not been the case with other persons in the BIA working for you.

HISTORY OF INTERMOUNTAIN SCHOOL

Now, let's focus our attention on the history and background of IBS.

IBS was originally a Navajo school used exclusively for Navajo students. Navajo leadership—but not necessarily the Navajo students—decided that Navajos should be educated closer to home.

The Navajos have a right to withdraw from the IBS, especially under the self-determination doctrine if they so choose. In fact, where it is possible it is better to educate children as close to home as is feasible.

Apparently, the Navajo decision to no longer use the school was responsible for the BIA's position to close down IBS. About that time I got into the picture when I was called on to appear at a hearing at Brigham City concerning IBS.

Tribal chiefs and others were involved but the group who really got to me, and which sparked my interest in the whole matter was the testimony of some of the students. One Navajo girl who, after we had all completed the interchange between Government and other leaders, stood up and began to plead her cause. This girl said, "Now, you talk about the community. You talk about the tribal chiefs. But who cares about me?" With tears streaming down her face she pleaded her cause and said: "The tribal chief is saying to my mother, 'Your child is being abused at IBS' and my mother can't speak English; she doesn't know. But who cares about me? I am up here and I am getting an education, and I have a chance to relate with my people and also the world I have to live in. Now, who is asking me?"

At that point, I decided that I would take an active interest.

As the Navajos continued to cut back on student enrollment, other tribes expressed an interest in using the facility, and it was then decided, last year, that it should be converted into a multitribal school.

There was a general feeling to go ahead with that plan.

I can understand why other tribes expressed interest. First, IBS is closer to home for some of the tribes. For example, the Utes, a Utah tribe, who are sent to Phoenix for their education, now could come to IBS which for them is closer to home. Second, IBS is an exceptional facility. You have got $50 million in the building there; to replace it would cost double or triple that now.

Yet you are planning to build new facilities or expand facilities at Shaloks and Chemawa.

Third IBS could meet the needs of dropouts and Indians with other learning disabilities, as well as the needs of other students without problems. All of these considerations made IBS an attractive place for other students to send tribes.

We have had tribes as far away as Florida who are interested in keeping the school open. The National Tribal Association, the National Congress of the American Indian, and the National Coalition of Indian Controlled School Boards are among those expressing support of the school. These groups represent virtually all Indians.

As a result of this impressive showing of Indian support, this committee wrote into its report that IBS be funded during 1973–4.

The language required $3.4 million be spent on IBS and another $300,000 for NITC. We are waiting on a report from the investigation staff of the House Appropriations Committee to determine whether or not this money has been spent as directed. I have no evidence to the effect that the money has not been so used at this point.

DECISION ON FUTURE OF IBS

What action has been taken by the BIA to determine whether or not IBS should be continued?

Mr. THOMPSON. I think you have laid the groundwork excellently. The fact that there are dropouts in other facilities throughout the country. Undoubtedly there are students out of school who should be in school.

One thing that was left out was that we did appoint and fund an All-Indian Study Review Commission to look at three basic premises for the study and to come up with recommendations.

One as to whether it should be continued and what other uses—if it shouldn't be continued, whether uses might be made of the facilities, what are the Bureau uses and what are the departmental uses.

Inter-Mountain is a school that used to house in excess of 2,000 students, with an enrollment now of 800, and I understand as of January it is 661. In that range. There was concern expressed that, one, if the enrollment is declining, which at that time it seems was a national trend of lowering enrollments in all Bureau schools because of school facilities constructed closer to home, or facilities built in the public school sector. Then the concern came in 1973, I believe, about when does it become economically unfeasible to run a large facility for a very few number of students and whether the economics are getting to us, also considering the education of the youngster.

I am a product of the Bureau boarding school. Various other committees of Congress have come under a lot of question over the last couple of years. In fact, it is one of the key areas studies by the Senate Subcommittee on Education. For two or three reasons. It places a great responsibility on the administering agency, any boarding school does, whether it is a State school, or the Bureau of Indian Affairs in this case, because we are pseudoparents in that we are taking youngsters at a very early age and raising them, if you would, in a Federal facility, hopefully providing all of the needs of the Indian youngster.

For all intents and purposes, that child lives in that dormitory. We counsel him and take care of him.

The concern was that should Inter-Mountain continue, (1) is there an educational need for the facility? I am sure the Congressman would agree we have pretty much discounted the economic theory in the local area as not really a very high consideration. It certainly had been a consideration.

Mr. McKay. The Indian should come before the economics of the locality.

Mr. Thompson. The education should. We have stuck by that.

The study commission worked from March of 1974, submitted their report in September, and I believe the recommendation in that report was that Inter-Mountain should continue as a multitribal facility, opening it up and continuing it for a period of 5 years and then it would subsequently be reviewed.

I believe that is their position, subject to correction.

That report then was submitted to us in September. They did an excellent job, and the report is a very thick document.

We have successively turned that report over to the Director of Education, Dr. Sockey; he in turn is having that reviewed in-house; we have had it reviewed by two professional outside consultants to get their educational opinion of the report. Dr. Sockey and I are scheduled to meet next week on his rcommendations and findings both from the outside consultants and his own professional views as to what a recommendation should be on the future management operation of Inter-Mountain.

We have the report of the Commission that supports it, the all-Indian study review commission. I am waiting on a report from the in-house people. They have a little different view of the matter.

Mr. McKay. At this point you haven't arrived at a policy as far as the BIA is concerned?

Mr. Thompson. No, I have not.

Mr. McKay. You had two earlier IBS studies which were submitted. In the light of that, would you like to reiterate why the all-Indian Task Force was brought together?

Those reports, I believe, were the evaluation report of 1973 and the opportunity cost savings report.

Mr. Thompson. There were two previous studies done on Inter-Mountain. One by the Office of Survey and Review which is a departmental review effort, and that is an auditing function very much like GAO, somewhat independent of the Department. They did a study and it was their recommendation that the facility be closed.

The Bureau of Indian Affairs then did its own study in-house, which we have had some disagreement over. They also recommended that the facility be closed. There then was a meeting, I believe, in January, following the disclosure of those reports following some confused communication between the Navajo area, the Navajo Tribe and the Washington office about the future management and operations and the Navajo area recommended that the facility be closed, I believe.

There was a meeting in January where a lot of tribal people came forth and said they would like to see the facility continued, that there was a great need—strengthening some of your statements—that there had to be a facility because it wasn't working elsewhere.

In the light of those comments and discussions, I decided to form the All-Indian Study Committee with the three charges. No. 1, looking for its future management and operation, whether it be an educational facility or whether we should use it for other Bureau activities if it was not to be a school, or whether there were other governmental uses for it. The report came back then that it should be a school.

Mr. McKay. This All-Indian Study Commission determined that IBS be operated for at least 5 years. Has the BIA met with and discussed IBS and NITC with the All-Indian Study Commission?

Mr. Thompson. I don't know whether it was a full committee meeting, Congressman. There was a followup discussion. Either it was full committee or members of the committee, between Dr. Sockey and someone on the committee; a subsequent report.

Mr. McKay. The information I have is that the All-Indian Study Commission has not received full cooperation from groups within BIA, although that was your instruction that they should. For as I understand it the BIA was to jointly reach a decision with the study commission and make a joint recommendation to you. My staff men reported to me when the study commission met in Albuquerque to discuss these matters with the BIA that your representatives were not willing to enter into a meaningful discussion.

In fact Abe Zuni, the person assigned to coordinate the joint efforts of the Commission and the BIA was not even in attendance. Mr. Sockey was scheduled to be present but was unable to attend. Mr. Benham directed the meeting and made it clear that he was not in a position to discuss the pros and cons of IBS and come to a joint recommendation.

On several previous occasions meetings which were set up with the Commission were canceled. For example, meetings on November 7, December 9, December 16, were canceled. This disturbs me. It makes me think that the BIA really did not want this outside imput.

INDIANS IN BIA EXECUTIVE POSITIONS

Mr. Yates. How many Indians do you have in the BIA in executive jobs?

Mr. Thompson. Let me answer this way: We have six directors who are above the 15 level, some up to the 17. Of the six, five are Indians. Below that, most of the deputy directors and office directors are of Indian extraction. I can give you a percentage breakout all the way down. I have that.

Mr. Yates. Put that in the record, not the breakdown but a chart showing how many officials of Indian extraction you have working for you.

[The information follows:]

In the Washington Office we have 86 officials GS–14 and above. Of these, 19 are enrolled Indians meeting the requirements for Indian preference; 67 are non-Indians.

At the present time we are recruiting for 27 additional positions (GS–14 and above) to be filled by Indians.

In our twelve areas we have seven Indian area directors, two non-Indian area directors, and three vacancies. Of the 78 agency superintendent positions we have 38 Indians, 35 non-Indians and five vacancies.

As of January our total permanent employment for the Bureau was 13,662. Approximately 60% of this total are Indian.

The attached tables reflect these data.

BUREAU OF INDIAN AFFAIRS, SUMMARY

	Total	Indian	NonIndian	Vacancies
Area directors	12	7	2	3
Agency superintendents	78	38	35	5
Washington, D.C. headquarters	113	20	66	27
Total	203	65	103	35

BUREAU OF INDIAN AFFAIRS
CENTRAL OFFICE
Washington, D. C.

Grade	Title	Incumbent	Indian	Non-Indian
Commissioner's Office (8)			2	6
Level-V	Commissioner	Morris Thompson	X	
GS-18	Deputy Commissioner ...	Harley Frankel		X
GS-15	Legislative Development Officer	Ralph Reeser		X
GS-14	Legislative Coordinator	Robert Bruce		X
GS-14	Congressional Relations Specialist	John Ale		X
GS-14	Public Information Officer	William Engles	X	
GS-14	Public Information Specialist	Vince Lovett		X
GS-14	Public Information Specialist	Thomas Oxendine		X
Trust Responsibilities (11)			3	8
GS-17	Director	Martin E. Seneca	X	
GS-15	Water Rights Specialist	William H. Veeder		X
GS-15	General Engineer	Charles P. Cooke		X
GS-15	Trust Facilitation Officer	William S. King		X
GS-15	Trust Services Officer	Kenneth J. Fredericks	X	
GS-14	Hunting & Fishing Rights Specialist	Sam St. Arnold	X	
GS-14	Research Specialist ...	John F. Gordon		X
GS-14	Soil Conservationist	Wesley R. Booker		X
GS-14	Environmental Specialist	George C. Quist, Jr.		X
GS-14	Trust Services Specialist	Donald E. Maynard		X
GS-14	Minerals Officer	Tommy Riggs		X

BUREAU OF INDIAN AFFAIRS
CENTRAL OFFICE
Washington, D. C.

Grade	Title	Incumbent	Indian	Non-Indian
Tribal Resources Development (13)			2	11
GS-16	Director	Daniel D. McDonald	X	
GS-15	Supv., Loan Specialist..	Bobby Selvey		X
GS-15	Supv. Highway Engineer..	Robert W. Fleak		X
GS-15	Manpower Program Officer	John Jollie		X
GS-14	Economist	George Lynn		X
GS-14	Industrial Development Specialist	Gordon Evans		X
GS-14	Recreation & Tourism Development Specialist	David Brown		X
GS-14	Business Development Specialist	Prentiss Mooney		X
GS-14	Industrial Development Specialist	Lawrence Schneider		X
GS-14	Loan Specialist	Benjamin F. Turgeon	X	
GS-14	Manpower Program Specialist	Edward Lentz		X
GS-14	Supv. Industrial Engineer	Robert A. Hemmes		X
GS-14	Special Projects Officer	William Miller		X
Indian Services (14)			1	13
GS-16	Director	Theodore C. Krenzke		X
GS-15	Program Planning Specialist	John Geary		X
GS-15	Housing Services Officer	Ronald Peake		X
GS-15	Law Enforcement Officer	Eugene Suarez		X
GS-15	Supv. Social Worker	Raymond Butler		X
GS-15	Tribal Government Services Officer	Theodore B. White	X	
GS-15	Planning Services Officer	Phillip L. Acker		X
GS-14	Housing Services Specialist	LaMonte McMichael		X
GS-14	Law Enforcement Specialist	William Meredith		X
GS-14	Social Worker	Joseph W. Holmes		X
GS-14	Social Worker	Clare Jerdone		X
GS-14	Tribal Relations Officer	Leslie N. Gay, Jr.		X

BUREAU OF INDIAN AFFAIRS
CENTRAL OFFICE
Washington, D. C.

Grade	Title	Incumbent	Indian	Non-Indian
Indian Services - Continued				
GS-14	Tribal Enrollment Officer	Janet Parks		X
GS-14	Tribal Services Officer	Robert Pennington		X
Indian Education (7)			3	4
GS-15	Director	Clennon E. Sockey	X	
GS-15	Supv. Education Specialist	S. Gabe Paxton, Jr.	X	
GS-15	Program Planning and Analysis Officer	Jerry N. Waddell		X
GS-14	Education Specialist	James Freelon		X
GS-14	Interagency Education Coordinator	George D. Scott	X	
GS-14	Administrative Officer ...	Edward G. Marich		X
GS-14	Education Specialist	Donald Fosdick		X
Administration (32)			9	23
GS-17	Director	Jose A. Zuni	X	
GS-16	Assistant Director, Financial Management.....	John P. Sykes		X
GS-15	Supv. Auditor	Milton C. Boyd		X
GS-15	Supv. Contract Specialist	Donald F. Asbra		X
GS-15	Statistician	Louis Conger		X
GS-15	Program Analysis Officer..	Glen McLaren		X
GS-15	Assistant Director, Management Services	Carl Cornelius	X	
GS-15	Management Analysis Officer	Harold Cox	X	
GS-15	Personnel Officer	Ignacio Billy	X	
GS-15	Supply Management Officer	Clarence Tanner		X
GS-14	Equal Employment Officer	James Gabbard	X	
GS-14	Federal Women s Coordinator	Evelyn Pickett	X	
GS-14	Contract Specialist	Ronald Cramer		X
GS-14	Contract Specialist	Peter Campanelli		X
GS-14	Information Systems Specialist	Wilson Brady		X
GS-14	Accounting Officer	Barton Wright	X	
GS-14	Computer Systems Analyst..	Lawrence Palmer		X
GS-14	Program Analyst	Katherine Henebry		X

BUREAU OF INDIAN AFFAIRS
CENTRAL OFFICE
Washington, D. C.

Grade	Title	Incumbent	Indian	Non-Indian
Administration - Continued				
GS-14	Program Analyst	William Searcy		X
GS-14	Program Analyst	Paul Cournoyer		X
GS-14	Program Analysis Officer ..	Donald Maurer		X
GS-14	Program Analysis Officer ..	Thomas Stangl		X
GS-14	Engineer	Ned Russell	X	
GS-14	Management Analyst	William Evans		X
GS-14	Management Analyst	Earl Anderson		X
GS-14	Personnel Management Specialist	Irene Fisher	X	
GS-14	Supv. Employee Development Specialist	Daniel Daughhetee		X
GS-14	Supv. Empl. Devel. Spec....	Douglas Rabel		X
GS-14	Supv. Personnel Management Specialist	Pattie Fulgham		X
GS-14	Supply Management Officer..	Robert Malone		X
GS-14	Civil Engineer	Joseph Wilkie		X
GS-14	Personnel Officer	Ellen Lew		X
Arts and Crafts (1)				1
GS-15	Manager	Robert Hart		X
Total Central Office - Washington, D.C. (86)			20	66

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Employment of Indians as of January 31, 1975

	Total Permanent Employment	Number of 1/ Indians	% Indians
Education	7,553	4,531	59.99
Indian Services	982	608	61.91
Tribal Resource Development	1,612	921	57.13
Trust Responsibilities	681	408	59.91
General Management and Facilities Operation	1,757	1,228	69.89
Subtotal, OIP	12,585	7,696	61.15
Irrigation Systems	82	32	39.02
Buildings and Utilities	78	24	30.77
Subtotal, Construction	160	56	35.00
Road Construction	387	245	63.31
Other Funds	483	281	58.18
Subtotal, BIA	13,615	8,278	60.80
Job Corps	47	8	17.02
Total	13,662	8,286	60.65

1/ This report reflects enrolled Indians in full-time permanent positions who have claimed Indian Preference.

INDIAN HOUSING PROGRAM

Mr. YATES. The BIA recently executed a contract with the National American Indian Housing Council for $87,668 to study the housing production reporting methods of the various federal agencies, and to develop criteria and methods for monitoring reporting and evaluating housing production in Indian areas.

What is the purpose of the contract other than what I have stated? Is there a deficiency in housing in Indian areas?

Mr. THOMPSON. In my travels over the last year, one of the hottest issues that I have found in Indian country is the housing need of the Indian community, and whether we are really addressing ourselves properly to it.

It was a subject of a national conference that lasted 2 days with the Secretary of Housing and Urban Development. Many Indian people were rather upset over the housing starts that that particular agency had gotten underway. We are in a tripartite arrangement with Housing and Urban Development and Indian Health Service on home construction.

The report is trying to assess, from our point of view, its assets for the Indian community, a role in which I think we need to play a little bit more, as to whether other federal agencies are living up to their commitments, or what can they or we do to help them to live up to their commitments.

I don't see it as anything more than many people getting rather nervous saying the Bureau of Indian Affairs is starting to look over your shoulder, and we don't think that is a proper role.

Mr. YATES. You raise an interesting point.

What does BIA do to assure that Indian tribes are receiving what they are entitled to under various federal programs?

Mr. THOMPSON. If I may answer that by a story, generally in my appearances before the Indian community, this post has been viewed by the American Indians as "their advocate in Washington for other federal resources." In many appearances I make before the Indian communities, I am asked public health questions, housing questions, educational questions, and a lot of questions that are not related specifically to my function.

We view our functions as being somewhat hopefully a good Indian advocate for the Indian people here. To do that, we see a report like this playing a good function for that.

We are establishing the position of intergovernmental liaison with other federal agencies so that we can have a good interchange between other federal agencies and our bureau, so we keep abreast of each other's programs.

Mr. YATES. Mr. McKay.

INTERMOUNTAIN BOARDING SCHOOL

Mr. MCKAY. Thank you, Mr. Chairman.

One of the major findings of the All-Indian Study Commission is that the BIA has inadequate criteria for the evaluation of IBS. Data

apparently concerning the needs of the educational system is sketchy, and, therefore, does not offer a sufficient base for a decision regarding IBS, or for that matter, any other off reservation boarding school.

The All-Indian Study Commission could not find statistics or at least, reliable information.

My staff has also attempted, without success, to get good data on off-reservation boarding schools. Others concur on this point.

How can you, the BIA, make decisions when my staff, the National Advisory Council on Indian Education, the All-Indian Study Commission, and the CRS cannot find reliable statistics on enrollment, attendance, dropouts, upon which an intelligent decision can be made concerning the future of the Intermountain Schools?

Would you like to respond to that?

Mr. THOMPSON. Sure. I think, No. 1, Congressman, that one of the reasons we empowered the All-Indian Study Commission was to look at its future use in operation. I think some of the statistics themselves, when you drop from 2,000 to 800, should cause some concern as to future direction of the facility. If it was a minor drop, I would say we need more accurate data as to why the drop occurs, but when it is of that magnitude, I think the drop itself is indicative that we ought to reevaluate our position.

The reliability of dropout information is a concern. It is a valid point. To try to gain accurate statistics on why Indian youngsters drop out of school is very complex, particularly in a boarding situation, where you could attempt, and I am sure there have been attempts, to obtain that information.

The reliability of it is always going to be questionable because a student dropping out either for medical, social or other reasons, is going to generally indicate a reason that he feels is socially acceptable for dropping out of school. So the reliability will always be questionable as to dropout statistics. That is true both for public and Bureau schools really.

Mr. MCKAY. First, the fact that an all-Navajo school with an original enrollment of 2,000 which later dropped to 800, reflecting a conscious decision on the part of the Navajos to pull out, has nothing to do with whether or not there is a multitribal need for the school. Of course enrollments dropped. The Navajos no longer wanted to use the school. Now the question is whether non-Navajo Indians need the school. It would appear from the Langone report, a CRS report on the adequacy of BIA data, that there is a lack of information and statistics to provide a data base for good decisionmaking. Mr. Langone confirms that while this report was compiled in 1969 that it is still an accurate assessment. Since Indian statistics are in question it makes it even more important to personally ask the Indians what they want. In any case, the concept of self-determination makes it more important than ever to listen to what the Indians have to say.

In general is the BIA getting Indian input?

Mr. THOMPSON. They are members of the same committee that the Government people are members of, with some exceptions. The NTC and NCAI are under an advisory committee act that has been passed. It is considerably difficult to get Indian people on advisory boards with-

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out getting months of clearances, so they are serving in kind of an ex officio capacity but for all intents and purposes are participating.

Mr. McKay. Have you, in your own mind, determined the wishes of the Indian people concerning Intermountain School?

Mr. Thompson. We have, to the best of our ability, I imagine, Congressman. A rather exhaustive report was done over an 8-month period. We are having that evaluated now.

I have committed to the chairman of that committee that I would meet personally with them prior to making a final decision to give them at least another opportunity at the highest level in our Bureau any way of making sure that their report is presented to me in a manner that they would feel would be the best. That would be by themselves.

Mr. McKay. You personally haven't arrived at a decision. That will be forthcoming, I assume.

Mr. Thompson. No. We haven't, hopefully, prejudged it.

McKay. There is evidence that there is considerable support for IBS. This committee has numerous telegrams from Indian tribes in support of IBS—from Indian groups representing the majority of Indians in this country.

It sems to me that a decision on the Intermountain School has to be made pretty soon, because one of the problems, is that preparations for the next school year must begin now. Applications need to be solicited so that the school can plan its budgetary operations for next year.

I think they had only about 2 months after the decision was made to keep the school open last year. This is not enough time.

Mr. Thompson. One of the concerns we have is, again, that the reliability of the information may be questionable, and I take that into acount, but on the off-reservation and the reservation boarding schools, we have, in our evaluation of the matter, an excess of 2,000 seats. The part of the criteria that is going to go into the selection is: Is this the best facility to educate these youngsters in when we have this type of surplus and other situations?

I just throw that out as another determinant in coming up with an answer.

Mr. McKay. If that is the case, why are you building additional boarding schools?

Mr. Thompson. If I may, Congressman, some of those facilities are not additional facilities per se, but major repairs and maintenance.

Mr. McKay. Yes, but additional seating capacity is going to be added in both Chemawa and Oklahoma. I think the plan is to build an increased extension, and to increase the number of seats by something like 600, if I remember the figures correctly.

Mr. Thompson. I am in a similar position. I don't have the numbers of new seats by expansion, but if that is the case, and it is far down the road, that would even cause us to question it further, I would imagine.

Mr. McKay. There are some other statistics that play on that. Your figures don't jibe, but I won't take time to go into that.

Mr. Duncan. If you will yield?

Mr. McKay. Yes.

Mr. Duncan. I didn't see anything in here for Chemawa but if there is and I have overlooked it, I will assume it is highly justified.

Mr. McKay. I am grateful for my fellow Congresman's parochial interest.

Mr. Thompson. There is no decision to go with Chemawa yet and it is not in the budget.

Mr. McKay. I think it has been authorized previously.

Mr. Duncan. It isn't in this one.

Mr. McKay. Not that it is funded but I think it has been authorized. We went through that I think in conference a couple of years ago with Mr. Hatfield.

NATIONAL INDIAN TRAINING CENTER—BACKGROUND

The BIA has placed emphasis on Indian tribes taking a greater part in their own affairs. Since many tribes have need for additional training of their leaders, the National Indian Training Center was established in 1971. Since its establishment, the NITC has served over 4,000 Indian people. In the last 2 years the BIA has vacillated and proposed (1) a complete abolishment of the NITC program, (2) a transfer of that function to Haskell Indian Junior College without a transfer of any staff positions, and now (3) a transfer to Haskell with an increase in personnel.

Does the BIA consider the type of program offered by the NITC to be valuable to the Indian people?

Mr. Thompson. Yes.

Mr. McKay. Is there another way that you see that this NITC function ought to be taken care of?

Mr. Thompson. There are several considerations in the transfer of the National Indian Training Center, Congressman. One, Haskell is a bona fide junior college seeking accreditation. Several of the concerns that the accreditation people have indicated to that facility is that, one, they do not have an outreach capability and, two, that they do not have a sufficient library.

While we have the resources within the Bureau to obtain accreditation for Haskell, the decision was made to transfer NITC and its library functions over to Haskell, hopefully, thereby assisting that school in receiving accreditation. That was the background justification.

Mr. McKay. My information doesn't concur with that. There are other schools that have outreach programs with the adult education programs, which programs are taken into account by the accreditation committee.

Namely the North Central Association of Colleges and Secondary Schools which I believe is the accreditation agency for Haskell. The fact that you have to have the additional library resources doesn't mean they have to be on the facility. The cost of doing that, if you transferred NITC totally, could reach $100,000. This amount could buy on awful lot of books for Haskell.

It seems to me that if you transferred the administration only of NITC to Haskell, leaving the staff in Brigham City along with the facility, that this would recommend Haskell for accreditation as much as if the entire operation and facility were transferred.

Why would not an administrative transfer only, as mentioned, achieve the same result as far as accreditation goes for Haskell?

In fact, wouldn't that be a superior situation for Haskell to have an outreach program in the West? To my knowledge this possibility has not been fully explored.

Is accreditation of Haskell contingent upon its library obtaining a new set of volumes?

Mr. THOMPSON. I don't know the answer to that.

Mr. MCKAY. Accreditation guidelines indicate that it is quality, not just quantity that is important to the accrediting committee. It would therefore be important to study the question of whether the NITC library has the kind of material that the accreditations committee feels would truly enhance Haskell's operation. I will insert in the record at this point additional information in regard to accreditation.

[The information follows:]

ACCREDITATION OF HASKELL

Pursuant to the directive to obtain from the North Central Accrediting Association certain information relative to the criteria for accrediting junior colleges, our conversations with Dr. Randall L. Thompson, Assistant Executive Director and Dr. Isaac K. Beckes, Chief Consultant on the Haskell accrediting process have revealed the following:

1. Haskell Indian Junior College has been moved from a correspondence status to a candidacy role in its quest for accreditation by the North Central Accrediting Association.

2. There are no established criteria as such that must be met by a junior college in order to meet the requirements for accreditation. Rather, these standards are tailored by the accrediting team to the individual needs of the institution which are based on the objectives and purposes of the specific college as stated by that college.

3. The community to be served by Haskell Indian Junior College is the Indian community which is nationwide in scope. "Outreach" is a term often verbalized by the accrediting team and it has determined that Haskell should have a strong outreach program because of the nature of its constituency.

According to Dr. Beckes, Chief Consultant on the Haskell Accrediting Team, the necessary strengthening of Haskell's outreach program might be provided by placing the NITC under the administration of Haskell and leaving it in Brigham City. This would, however, result in an extremely awkward administrative situation and would not be nearly as satisfactory as having the NITC located on campus.

4. Haskell is attempting to become a comprehensive college and to provide comprehensive services to Indian people nationwide. The North Central Association is encouraging it to strengthen, not only its outreach potential, but also its comprehensive capacity through its library. The present library does not, according to the accrediting team, meet the standards necessary to provide a level of comprehensive service that is in keeping with the purpose of the college. Most certainly, the transfer of the 15,000 volume library at the NITC with its approximately 9,500 titles containing a significant number of ethnic and Indian history related materials would considerably strengthen the potential service of the institution to the Indian community.

Mr. MCKAY. Your letter of January 30, 1975, to Chairman Mahon indicated that one reason for transferring NITC to Haskell was that NITC only had 12 employees.

I find the fact that there are only 12 employees irrelevant. NITC's main office only has four employees.

Are you considering it for abolishment?

I would expect that the basis for the transfer of NITC would be (1) would it enhance the NITC program and (2) could NITC operate more economically if transferred.

CONCLUDING REMARKS ON NON-COOPERATION OF BIA

Finally let me conclude by commenting on the lack of cooperation I have received from the BIA.

At my first meeting with the commissioner it was determined that an All-Indian Study Commission should be organized to study the Intermountain School. I was assured that the BIA would cooperate fully with the study commission. This has not altogether been the case.

At the same meeting representations were made to me that IBS had too few students per teacher ratios to make it economical to continue operation. An examination of the facts showed that statement was false.

I was told by the BIA that the average student per teacher ratio was 18 to 1 while IBS's was 3.4 to one. This was used as justification for closing the school. The fact of the matter is that the average student-teacher ratio for off reservation boarding schools is 3.8 to 1. Intermountain student-teacher ratio was 3.4 to 1, almost average for similar institutions.

Of course if you reduce those students by arbitrary means, obviously that is going to change.

Mr. YATES. May I interrupt there?

Is that true that the ratio of pupils to teacher is 3.4 to 1? Is that possible?

Mr. THOMPSON. That is not factual. It is not 3.8 teachers to pupils. It is 3.8 employees. There is a difference.

Mr. MCKAY. In either case the figures given me of 18 to 1 did not accurately reflect the actual situation at IBS. IBS is about average for off-reservation boarding schools—in terms of the number of employees needed to support students.

Mr. YATES. In Chicago classrooms there are about 30 students to a teacher.

Mr. THOMPSON. We funded 30 to 1 in actuality, and in a teaching situation it is about 20 to 1, but when we go to the off reservation boarding schools, because of the extra care, the janitorial, maintenance, the matrons, the supervisors, the laundry, it comes down to that. Seven days a week it is a hospital arrangement, 7 days a week, 24 hours a day.

Mr. MCKAY. The commissioner is correct on that.

Dr. Hall came to my office and argued that NITC had to be moved to Haskell Junior College in order for the school to be accredited. The facts show otherwise. Mr. Hall also said that the Civil Service Commission would not allow employees to continue performing their services at NITC in Brigham City.

In conferring with Mr. Jim Beck of the Civil Service Commission, he said that just is not true.

At an Albuquerque meeting between the BIA and the All-Indian Study Commission it was represented there were 2,400 empty seats on off reservation boarding schools. You mentioned a similar figure today. Our staff called each of the off reservation boarding schools and established there were only 684 empty seats.

When checking these figures with the BIA version, it was discovered that there were supposedly 249 empty seats.

Mr. Chairman, may I submit the following data for the record?

Mr. YATES. Without objection it will be placed in the record.

[The information follows:]

Enrollments and Staff for Off Reservation Boarding
Schools with Secondary Education Programs

FY 1973

	Total Enrollment	Educational Staff[a]	Ratio of Total Enrollment to Staff	Average daily attendance (ADA)	Ratio of ADA to Staff	Grades
Flandreau	705	93	7.6:1	376.8	4.0:1	9-12
Pierre[b]	122	24	5.1:1	67.3	2.8:1	S
Albuquerque	401	72	5.6:1	228.5	3.2:1	7-12S
IAIA	340	70	4.8:1	236.0	3.4:1	10-14
Chilocco	453	90	5.0:1	266.2	3.0:1	9-14
Fort Sill	284	51	5.6:1	163.9	3.2:1	9-12
Riverside	402	71	5.7:1	283.9	4.0:1	9-12
Mt. Edgecumbe	423	98	4.3:1	367.7	3.8:1	9-12
Wrangell Inst.[b]	145	39	3.7:1	132.7	3.4:1	S
Sequoyah	482	57	8.4:1	303.2	5.3:1	9-12
INTERMOUNTAIN[c]	801	204	3.9:1	688.9	3.4:1	9-12S
Phoenix	735	115	6.4:1	461.8	4.0:1	7-12
Stewart	546	96	5.7:1	363.7	3.8:1	9-12
Sherman	700	111	6.3:1	568.8	5.1:1	9-12
Chemawa	647	120	5.4:1	536.6	4.5:1	9-12
Total	7,186	1,311	5.5:1	5,046.0	3.8:1	

[a]Data for January 31, 1974 - Comparable Employment data for Fiscal 72-73 not available. Does not include maintenance personnel. Data on number of maintenance employees was not available from the BIA Office of Indian Education Programs.

[b]No identification as to grades served.

[c]1973 enrollment not applicable due to phase out, total enrollment and ADA for First 3 quarters of 1974 were substituted for comparison purposes.

Note: Haskell Inst. and S.I.P.I. were not included because their programs are basically post high school.

Source: Statistics Concerning Indian Education Fiscal Year 1973, Dept. of Interior, Bureau of Indian Affairs, Office of Indian Education Programs, Washington, D.C.; and Current Employment Record, Office of Indian Education Programs, Washington, D.C.

CAPACITY AND ENROLLMENTS FC OFF RESERVATION BOARDING SCHOOLS
WITH SECONDARY EDUCATION PROGRAMS

School	Grades	Authorized Capacity[a] ('74)	FY 1973-74 Enrollment[b]	ADA[a]
Flandreau	9-12	635	663	449
Pierre[c]	S	200	155	74
Albuquerque	7-12 S	350	432	241
IAIA	10-14	661	261	152
Chilocco	9-14	400	390	253
Fort Sill	9-12	250	276	252
Riverside	9-12	325	365	244
Mt. Edgecumbe	9-12	450	541	456
Wrangell[c]	S	150	123	93
Sequoyah	9-12	510	407	270
Phoenix	7-12	750	785	698
Stewart	9-12	450	517	406
Sherman	9-12	700	714	642
Chemawa	9-12	597	550	342
TOTAL		6,428	6,179	4,572

AVAILABLE CAPACITY: (249)

[a]Ken Haynes, Division of School Facilities; Albuquerque, New Mexico
[b]Alice Hildebrand, Office of Indian Education, Washington, D.C.
[c]No identification as to grades served

Note: Haskell Institute and S.I.P.I. were not included because their programs are basically post high school.

CAPACITY AND ENROLLMENTS FOR OFF RESERVATION BOARDING SCHOOLS
WITH SECONDARY EDUCATION PROGRAMS

School	Grades	Person Contacted	Title	Authorized Capacity	1974 Fall Enrollment	Current Enrollment
Flandreau	9-12	Richard Whitesell	Superintendent	600	557	522
Pierre[a]	S	Mrs. Mike LeBean	General Clerk	70	70	72
Albuquerque	7-12 S	Keith Lamb	Superintendent	600	342	328
IAIA	10-14	Lloyd New	Director	na	na	na
Chilocco	9-14	Claudine King	Registrar	350	247	243
Fort Sill	9-12	Kathy Munoz	Registrar	256	193	193
Riverside	9-12	Carol Tallent	Registrar	360	274	234
Mt. Edgecumbe	9-12	Albert Nielson	Registrar	450	506	376
Wrangell[a]	S	-----	-----	na	na	na
Sequoyah	9-12	Juanita Saunders	Registrar	300	280	244
Phoenix	7-12	Mr. Ellis	Ass't. Principal	838	750	727
Stewart	9-12	Howard Brunje	Superintendent	450	421	369
Sherman	9-12	Audrey Cerrone	Registrar	700	773	605
Chemawa	9-12	Ed Lonefight	Superintendent	597	474	317
TOTAL				5,571	4,887	4,230
AVAILABLE CAPACITY				(684)	(1,341)	

[a]No identification as to grades served.

Note: Haskell Institute and S.I.P.I. were not included because their programs are basically post high school.

Na: Not Available

Mr. McKay. Therefore data given me as justification for the closure of the school has not been accurate either intentionally or accidentally for lack of reliable data.

I have received calls from the Albuquerque central office by staff members who said they had been asked to prepare inflated figures to be better able to support the BIA's reported position that IBS should be discontinued.

When I requested the Bodman report, a report setting forth OMB's recommendations for reorganization of the BIA, I was given this 5-page operation here, which compared to the same report which I received from other sources is obviously considerably more, some 2 inches thick more.

The Appropriations Committee investigation has concurred with the All Indian Study Commission, that the school has not been given a fair trial, last year for the following reasons:

(1) Need for an intertribal school board;

(2) Which need for funds to be sent through an intertribal area office, not a Navajo area office; and

(3) Need for more preparation time last year to prepare for the upcoming school year which resulted.

In inadequate staffing, staff were looking for alternative jobs because they felt that IBS's days were numbered.

There was also inadequate time for enrollment, solicitation and screening of students.

These findings agree substantially with the All-Indian Study Commission.

Let me conclude with this statement, Mr. Commissioner: I realize that the Commissioner may be having as many difficulties as I am in getting accurate information. We went through this dialog a year ago when you were here for your hearings, about which facts were which. You had made a statement here in the morning, and in the afternoon the area office had issued an opposite statement, and that kind of thing has persisted.

It is my desire to cooperate with the BIA, as I know it is the All-Indian Study Commissions desire also. I hope today will mark the beginning of such cooperation for the mutual advantage of the Indians themselves. I hope we will be able to arrive at a conclusion that will finally help the Indians, rather than continue the wrangling which seems to be going on.

Would you like to now take a shot at me?

Mr. Duncan. He would like to but he doesn't dare.

Mr. Thompson. With that, I rest.

Mr. McKay. I didn't mean to intimidate, only to emphasize.

Mr. Yates. Mr. Evans?

INDIAN FINANCING ACT OF 1974

Mr. F. Evans. Let me get you into another area of conversation and get your description of where we are, how we are coming along and how valuable it is. I am talking about the Indian Financing Act, what its capitalization is now, how many people you have on board?

Mr. Thompson. The act passed in 1974, came out in December. We were very successful within the Bureau, within the Office of Manage-

ment and Budget, within the Department, and within Congress, in getting the act principally funded. There were three basics, a $10 million grant fund, a $20 million interest subsidy and loan guarantee, and a $50 million revolving loan fund. All elements that I mentioned earlier agreed to almost full funding. We received 20, 10 and 38 of the 50, which means that from a funding point of view, we got off rolling very well.

I think everybody put their shoulder to the wheel, and we fully funded it for all intents and purposes.

Second, moving to implementation of the act, we have got all of the regulations out on the revolving loan fund and the grant portion. All the regulatory writing and approval and so forth is on the street.

We have worked with the American Bankers Association, meetings with all of the Federal lending institutions, early on meetings to try to get their strengths and weaknesses. We subsequently sent drafts of our regulations to all of these entities asking for their comments.

There have been two major meetings, large meetings, where well over 300 people in attendance came, sponsored by, in this case, the National Congress of American Indians in Denver and Albuquerque to discuss the Indian Financing Act and discuss the regulations and so forth. We feel there has been a good interchange between the Indian community and the Bureau on that portion of it.

We are slow admittedly on loan guaranty and insurance fund in getting the regulations out for that, for several reasons. One, the program is relatively new to the Bureau. We have had no previous experience. In the other two we had some previous operating experience, and could revise and update and generally crank out the regulations.

We have applications, as an example, under the IBDF, the grant portions. We have received 250 applications to date in the amount of $4 million. We have just started approving these. We have gotten about $150,000 now out on the street. We have disapproved some and we have got about 200 cases pending.

Mr. F. EVANS. How and who approves or disapproves? What personnel do you have?

Mr. THOMPSON. On personnel, we were successful in getting I believe 36. I would like to supply the exact number.

I am sorry, I am told it is 72 additional positions within our Bureau to fund and carry out the povisions of the act.

Mr. F. EVANS. What kind of people do they have and where did you get them? What skills do they have?

Mr. THOMPSON. Primarily we sought people with some credit background or some financing background, went to the universities and sought people who were in economics and who had degrees in economics, and sought people who had some familiarity with the credit program of the Bureau or the revolving loan portion of it.

COOPERATION OF LENDING INSTITUTIONS

Mr. F. EVANS. Are any lending institutions working with these people in helping you process these applications?

Mr. THOMPSON. We were successful in getting a man cleared through the Solicitor's Office, I am proud to say, from Bank America

to work with us here in the Washington office for about a year to pull the regulations together.

Mr. F. EVANS. I am not talking about making the actual decisions on a grant or a loan.

Mr. THOMPSON. There are some minor complications in that, we are going to the lending institutions seeking funding from them. We have got at a national level a tie-in with ABA and got them involved. At the local level we have asked each of our local people to go to the local lending institutions to familiarize them with the act.

There has been a problem there. One of the things we found in our initial go around was that the lending institutions in the tight money situation were not looking for new markets, and in many instances were saying "Fine, that is a great act but we are staying with the markets we have because of the tight money." That obviously was something that the Bureau couldn't control.

STAFFING FOR LOAN PROGRAM

We got 76 positions on board. We have got a director. One of the things that I have under consideration, and have been advised that we may need not additional people but a project director to make sure that the program moves.

Mr. F. EVANS. Are you going to have all these people in one location?

Mr. THOMPSON. Oh, no.

Mr. F. EVANS. Or will they be scattered? Will they have regional offices?

Mr. THOMPSON. Excuse me, Congressman. We have a very small central core staff. The people are assigned to various areas and agency offices throughout the country. We have 11 area offices in various parts of the United States, and then some 80 subdivisions under them.

Mr. F. EVANS. In regard to grants, guarantees, and loans, are these area offices given authority in the regulations to make loan decisions in conjunction with local institutions?

Mr. THOMPSON. Yes.

Mr. F. EVANS. Or do they just make initial recommendations and is it brought back here for final determination?

Mr. THOMPSON. No; in certain of the programs the revolving loan program up to a certain amount, and I am sorry I don't have that figure before me, are made at the local and area level. IBDF regulations put it out that certain decisions can be made there.

On the loan guarantee and interest subsidy provisions, since that is relatively new, we are trying a combination of local control and some central office control.

Mr. F. EVANS. How many grants have you made? Have you been able to make grants, make guarantees, make loans?

Mr. THOMPSON. We are on the street now on revolving loan and on the IBDF portion.

Mr. F. EVANS. What do you mean by "on the street"?

Mr. THOMPSON. We are operational.

Mr. F. EVANS. Could you supply for the record or do you know now offhand how many grants, guarantees and loans have been made?

Mr. THOMPSON. I will be pleased to supply that. I don't have that information at my fingertips but I will get it.

[The information follows:]

GRANTS, GUARANTEES AND LOANS

Since the grant program has been in operation for only a short time, only nine grants have been approved. There are many potential applicants in the process of completing applications and arranging sources for the additional needed financing. However, our field offices have furnished the following estimates of activity as of February 28.

	Number	Amount
Applications	250	$4,125,000
Approved	9	150,000
Disapproved	6	110,000
Pending	235	3,865,000

We expect considerable increased activity in grant approvals during the next few months.

For the revolving loan fund, thus far in fiscal year 1975, 33 allotments have been made totaling $2.1 million. This is equivalent to a year's operation under $390,000 are in process of approval. Three new loans have been approved totaling the previous revolving loan fund. In addition, three other allotments totaling $1.2 million and three others totaling $2.9 million are in review process. Activity in the revolving loan fund has primarily been in processing requests from tribes for advances of our outstanding unallotted commitments. These commitments totaled $11.1 million on February 28, 1975. We do expect increased activity in new requests for revolving fund loans.

The guarantee and insurance program is not in operation at this time. The regulations for this program are in final form and will be published in the Federal Register very soon. By the end of March we expect to be in operation. We have received inquiries from tribes with proposals totaling about $12.5 million which they propose to have guaranteed. In addition, the American Indian National Bank has received approximately 30 inquiries for loans totaling $8 to $10 million which the bank expects to request a guarantee. Since the money market is easing somewhat we also expect considerable activity in this program.

FISCAL YEAR 1976 FUNDING FOR LOAN PROGRAM

Mr. F. EVANS. Are you coming in this year with any additional requests for capitalization?

Mr. THOMPSON. Yes. We are coming in to get the remaining $12 million under the revolving loan fund, and the 3-year authorization will be on the second year of the 10 and 20, the $10 million grant portion, and the $20 million interest subsidy and loan guarantee portion.

Mr. F. EVANS. Have you broken down these allocations of grants, guarantees, and loans geographically or tribewise? How are you handling this, first come–first served?

Mr. THOMPSON. What we have done is try to allocate some of those resources on a regional basis with flexibility to move in between areas in case there is an activity or more activity in one area than the other, and, second, have tried to put some priorities as to the types of things we will fund.

The principal priority is that centered around tribal programs, so that we are trying to institute here the strength of the tribal unit, that is several of the priorities.

PROSECUTION OF INDIANS FROM SALE OF FEATHERS

Mr. F. EVANS. I have another area I would like to turn to, just in terms of oversight.

Recently you know there has been a great deal of Indian attention being centered on feathers, on the sale of feathers, the prosecution of Indians and others, arising out of the sale of feathers. You are very familiar with this subject, I am quite sure.

What are you doing to help the Indians get the laws and regulations changed to correct this in one way or another, so that those tribes of Indians that have feathers involved in their religious and historical background, the works of art and what-have-you, can continue to use them in their traditional ways, without fear of harassment, without fear of being prosecuted, without fear of being fined or put in jail?

Mr. THOMPSON. Two things we have done. No. 1, there has been—the name escapes me immediately—a cultural review commission composed of about five to six or eight Indian people chaired by Howard Tommy, a Seminole of Florida; the vice chairman, Mr. Henry Old Coyote of Montana. We have funded two or three meetings of that organization, have retained counsel. We have been able to fund their activities. They have both met with us in two or three situations, and we have had extensive sessions with the Assistant Secretary for Fish and Wildlife, Nat Reed, in this instance and Director Lynn Greenwalt who are charged with implementing the Migratory Act, have explained to them at a national conference and at a specially called meeting here, some of the concerns of the Indian community.

As you know, there was another go around of arrests. BCF called and asked how we thought we ought to proceed. I said, don't do anything until we get the committee together and you bring your facts before them, so that they can either support your actions or take other actions they feel appropriate.

That was done. There has been concern, and I just note it as that, by some of the Indian community over some of the practices. Some of the enforcement people may not be the best. In fact there were reported cases, and I don't know the facts behind it so I will just report it, that there was some entrapment in the sale. I don't know that that is factual.

We are working with this committee of knowledgeable people, trying to seek a solution. We have met on three occasions now with the Bureau of Sports Fisheries. We have got some agreements that Indians will not be prosecuted if the intercourse is strictly for tribal purposes.

Mr. F. EVANS. If I can interrupt here, recently the Secretary of the Interior sent out a letter on this very subject, in which he was trying to give assurance to the Indians and tribes that they weren't going to be harassed, that there were certain things they could do intratribe and intertribe that should set them at peace in terms of their use of feathers, and so forth.

What I get is that he may have been well intended but he didn't make the Indians feel any better about it at all.

Has this been your experience too, that the letter didn't lay this to rest and make the Indians lie back in comfort, and that the whole thing didn't turn out to be the best of all possible worlds?

Mr. THOMPSON. That release that did go out was cleared with this commission. They had an opportunity to review that release, and it was discussed at quite some length with them, but it is such an emotional issue, you know, that press releases, radio pronouncements, and assurances probably are not going to do for a while in the Indian community.

Mr. F. EVANS. So we are both getting the same kind of reaction that the council and the Secretary meant well and used maybe appropriate records but it is such an emotional thing that the words do not satisfy the people in the tribes.

Mr. THOMPSON. Actions are going to be what will satisfy them. In many ways, you know, some of these costumes they use are heirlooms that have been handed down for generations, and the fear of losing those things is really terrific.

Mr. F. EVANS. When do you expect to come up with recommendations that can be acted upon?

Mr. THOMPSON. I am meeting with the council again, with this cultural committee that has legal counsel. We are continuing to work with Fish and Game. When we can finally get something resolved, I don't know. I don't have a time frame on that.

Mr. F. EVANS. May I make a suggestion to you? Under the circumstances why don't we do like we are trying to do with the Congress today in the energy and economic situation? Just pick a deadline and say, "We are going to have a recommendation by this date" and by hook or crook, get some recommendations by that date. Do you think you could do this and would this be advisable?

Mr. THOMPSON. Yes; and I would like to submit that for the record when we can come up with definite recommendations.

[NOTE.—No recommendations were submitted to the committee.]

NATIONAL RESOURCES

Mr. DUNCAN. Aside from tribal properties, does the Bureau have natural resources that are being managed such as producing oil wells?

Mr. THOMPSON. The Bureau of Indian Affairs as an operating entity doesn't own any resources.

Mr. DUNCAN. In other words, it manages tribal resources?

Mr. THOMPSON. Save for one experience. I saw a pumping well down at Chilocco that was producing some income but that was on Government land.

Mr. DUNCAN. I noticed in your budget justification you sold about $70 million worth of timber last year. Is that money covered into the Treasury or does that go directly to the trust fund?

Mr. THOMPSON. That goes to the tribe.

Mr. DUNCAN. It is then subject to appropriation?

Mr. YATES. He said it went back to the tribe.

Mr. THOMPSON. It goes back to the tribe.

Mr. DUNCAN. It says the funds are available for tribal use in accordance with approved budgets under permanent annual or indefinite authorization.

Mr. THOMPSON. We will hold a lease sale, say, on timberlands. The monies derived from the sale go into a special account. The tribe comes in then applying for disposal of those assets which are both tribal assets and individual Indian assets. They belong to the tribe and each tribal member has an interest share. So when the tribal council comes in with a distribution plan for that well, for the monies, we must insure it is in the best interests.

Mr. DUNCAN. So the authorization is one by the Bureau and not by the Congress?

Mr. THOMPSON. Do you mean the authorization of the plans?

Mr. DUNCAN. I am looking at page 134 of your justification in the second paragraph, the last line. Subsequent are a series of tables itemizing the various authorizations and the amounts for the various years involved. I was on page 134, the second paragraph, the last line.

Mr. THOMPSON. Yes. We would approve the expenditure of those funds at the Bureau level.

Mr. DUNCAN. I found in here the $70 million you generate from the sale of timber. Would it be possible for you to put in the budget the total by categories of the wealth that is produced by the tribal properties? I am thinking of how much you derive from minerals, how much from timber, how much from water, how much from whatever activities you may be engaged in.

I would like to know about this expenditure we are making to the Bureau, what it is producing in terms of wealth.

Mr. THOMPSON. We will be pleased to do that.

[The information follows:]

TRIBAL TRUST INCOME a/

Receipt Symbol	Receipt Account Title	FY 1974 Actual	FY 1975 Estimate	FY 1976 Estimate
14-8364	Alaska Native Fund b/			
14-8364.1	Federal Payment	$ 70,000,000	$ -0-	$ -0-
14-8364.2	Interest and profits on investments in public debt securities	5,283,395	-0-	-0-
14-8364.3	Mineral income, revenues from public land	980,212	-0-	-0-
14-8364.4	Mineral income, revenues from State of Alaska	156,478	-0-	-0-
14-8364.22	Interest on uninvested funds	62,380	-0-	-0-
	Subtotal--Alaska Native Fund	$ 76,482,465	$ -0-	$ -0-
14-8365	Indian Tribal Funds			
14-8365.1	Awards of Indian Claims Commission	$ 53,699,917	$ 37,600,000	$ -0-
14-8365.21	Interest on investments in Federal securities and funds on deposit in UST	1,487,286	2,000,000	2,500,000
14-8365.22	Interest--Other	9,160,470	8,500,000	10,200,000
14-8365.31	Fines, penalties & forfeit forfeitures	86,782	90,000	90,000
14-8365.32	Rent of land	7,925,960	8,000,000	8,400,000
14-8365.33	Royalties	30,013,642	30,000,000	30,000,000
14-8365.34	Sale of timber	47,722,635	44,777,800	60,377,800
14-8365.35	Sale of minerals	30,368	30,000	30,000
14-8365.36	Fees	4,117,381	4,000,000	4,000,000
14-8365.37	Sale of real property	217,046	-0-	-0-
14-8365.38	Miscellaneous recoveries and refunds	1,485,402	1,000,000	1,000,000
	Subtotal--Tribal Trust Funds (except Alaska Native Fund)	$155,946,889	$135,997,800	$116,597,800
	TOTAL TRIBAL TRUST FUNDS	$232,429,354	$135,997,800	$116,597,800

a/ Income earned on tribal trust property and deposited into the UST in trust for the individual tribes on whose behalf it is collected.

b/ Removed from trust status in FY 1974 pursuant to the Act of December 18, 1971 (85 Stat. 688).

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Mr. DUNCAN. I have this additional question: You have an itemization by area and by tribe. That is on 139. There is nothing in there for Warm Springs. What happens to all the money they produce over there? They operate under what is called a "tribal enterprise."

Mr. SYKES. My name is John Sykes. I might try to answer that for you, sir.

This $3 million we talk about here is just mainly for tribes that we put money in for to cover them that don't have the expertise Warm Springs would have. In other words, they can get theirs through their ordinary budget and not through this process.

Mr. DUNCAN. This is Federal money?

Mr. SYKES. This is still the $3 million within the trust fund and not appropriated money. This is for the special things needed by that tribe. For those that can handle their own accounts and can come in with their own budgets, we do not have to list those here.

Mr. DUNCAN. That is not a trust fund in Colorado, for example, for the Southern Utes; that is not a Southern Ute trust fund? That is a general trust fund from which you are taking funds for the Southern Utes, is that right?

Mr. WILES. There are three types of trust funds. There is the annual one, which is the $3 million we are talking about. This money belongs to tribes who are not organized under the Indian Reorganization Act. They do not have an elected governing body and they do not have a bonded tribal treasurer, but it is their money. The money cannot be advanced to them because they can't meet one or more of these specifications, so the Secretary spends it for them.

Mr. DUNCAN. But it is their money?

Mr. WILES. That is right. Some 50 tribes have permanent legislation. That money is advanced to them under the permanent legislation.

There are certain tribes that come in under a provision in the language where we advance the money to them annually because they do not have permanent legislation, but all of that money is in trust funds belonging to the tribes.

Mr. DUNCAN. This committee has this information in here for informational purposes only, but we do not authorize or deauthorize these expenditures to those tribes?

Mr. WILES. Basically you are authorizing the $3 million and that part of tribal funds authorized for use annually. The permanent is already authorized in permanent law. In the 1976 budget I believe there is $31 million of indefinite authorization and $88 million of permanent authorization. In your bill you authorize the $3 million and the $31 million. All the money belongs to the Indian tribes. It is their money.

Mr. DUNCAN. The authorizing bothers me. We are not an authorizing committee; we are an appropriating committee.

Mr. WILES. You are appropriating it. Maybe that is a better way to say it.

Mr. DUNCAN. We are appropriating it out of trust funds that belong to those specific tribes.

Mr. WILES. That is right, sir. We are appropriating this money.

Mr. DUNCAN. Is Warm Springs in one of these permanent authorizations, do you know?

Mr. WILES. I am not sure. When we talk about Warm Springs Industrial Enterprise, their recreational facilities, I believe that money goes directly to them and it doesn't go into the trust fund. The funds in the Appropriation Act are raised from trust lands and not from things that the tribe does to raise their own money.

Mr. DUNCAN. Will you supply something for the record on that? They operate under what is called Warm Springs Enterprises. That is a very strange animal.

Mr. WILES. I believe that money goes directly to Warm Springs rather than coming to the Treasury. If we sell Indian timber, that would come into the Treasury. But they raise this money through enterprises, such as, restaurants, motels and that sort of thing.

Mr. DUNCAN. They also have a timber-processing operation there too where they are using their own Bureau of Indian Affairs timber.

Mr. WILES. We can check that out for you, which part of that money goes where.

[The information follows:]

DISPOSITION OF WARM SPRINGS TRIBAL ENTERPRISES INCOME

1. KANEETA VACATION RESORT

Enterprise income is used for operating costs and debt repayment. Income has not as yet been sufficient to meet all costs. Other tribal funds are being used to meet enterprise deficits.

2. FOREST PRODUCTS INDUSTRIES

Income from tribal timber sold to the enterprise is deposited to the Tribes' account in the U.S. Treasury.

Income from the timber processing operations of the enterprise is used primarily for operating costs and debt repayment. Income in excess of costs is deposited in the Tribes' local general fund. In 1972 more than one-half million dollars, and in 1973, more than $1 million were deposited in the Tribes' local general fund.

AMERICAN INDIAN MOVEMENT

Mr. YATES. We haven't discussed the American Indian Movement. We did discuss the Wounded Knee incident last year. Now we have the monastery in Wisconsin and yesterday a takeover in Shiprock, New Mexico. What is the relationship of the BIA to the American Indian Movement? Are you an arbiter for their actions?

Mr. THOMPSON. It is the violent side everybody hears about.

Mr. YATES. Is there a nonviolent side of the organization?

Mr. THOMPSON. We are running a program in Minneapolis helping Indian people who were less fortunate. They had some Government contracts—I don't know that they were Government contracts per se, but they solicited funds from charitable organizations to try to help the less fortunate Indians in the community and were doing a rather successful job. I don't know the extent of the amount of money they raised, or how many people they have employed in their operations.

I know they had that as a program.

As far as the activities with Bureau of Indian Affairs and the American Indian Movement in some of the more violent situations, it depends on the situation.

For example, with the abbey up in Wisconsin, the Bureau played no role. It was off-reservation and the criminal-civil jurisdiction vested with the State.

They were somewhat involved in the situation in New York. Again, a very similar position. The recent activities down in Shiprock, it is my understanding that a group of people took over the Fairchild Electronics Manufacturing facility there. That is on reservation and we have criminal and civil jurisdiction. It may be a different matter. It kind of depends on where the activity takes place. We don't fund them, we don't contract with them.

Mr. YATES. When I was in Albuquerque last year, I talked to some of the people with the American Indian Law Institute and I was impressed with the fact that they were trying to train Indians to become lawyers and presumably to help handle some of the Indian legal problems.

Are there similar organizations for the assistance of Indian doctors? Are there many Indian doctors? What happens to them? Do they just stay on the reservations or do they go to the cities to make money?

Mr. THOMPSON. The American Indian lawyers program, in Albuquerque. We were financing a similar program for education of administrators at Penn State. We are working with Dr. McKinsey and a couple of other people to try to get more doctors, trying to get a specific program.

Mr. YATES. We are talking about positions in contrast to the educator.

Mr. THOMPSON. Yes.

Mr. YATES. Are there any Indian physicians that you know of?

Mr. THOMPSON. Oh, yes. I personally know seven. There are very few.

Mr. YATES. Where do they work?

Mr. THOMPSON. Well, Dr. McKinsey is back on Navajo, and another doctor friend of mine is back in Alaska. The majority of them are out practicing.

Mr. YATES. Among the Indians?

Mr. THOMPSON. Practicing in non-Indian communities.

Mr. YATES. Are there any problems that we haven't discussed today which you would like to bring up?

LAW ENFORCEMENT

Mr. MCKAY. May I ask another question about law enforcement? I think you made the point in the original statement about law enforcement problems on the reservation. Are you getting a handle on that? At one time it was indicated you couldn't handle law enforcement on your own reservations.

Mr. THOMPSON. Here we get into an exceedingly interesting arena. We have, under the Office of Management and Budget, for the last several years, been undertaking a comprehensive program of law enforcement activities where we have jurisdiction. We have gone forward with some plans. We have several activities going on in law and order.

Some municipalities who took these police powers from us are ceding them back. This means, if we accept it, then we have to take on the responsibility of providing law and order functions on those reservations within that State. There have been other court cases that have recently come down that state the Indian tribal councils have jurisdiction over non-Indians residing on trust property within the boundaries of reservations and that has pro and con there.

Some people are enthusiastic about it and some people fear it. That has impacts.

Third, LEAA, another administrative agency of the U.S. Government, funded the short-term programs of taking Indian tribes for a limited number of years, building facilities and payrolls and when that runs out they come to the Bureau and say, "How come you haven't helped us?"

A legitimate concern. I don't mean to make light of it. They indicate, "We have got to staff these continuous operations."

Mr. McKay. In our State the Ute people came to us and indicated that the outside community was not providing for law and order on the reservation because the courts wouldn't allow them to on a Federal reservation. At the same time the Utes had no effective way of charging outsiders for murder and other crimes committed against their own people. They have no way to bring them to trial on their own reservation.

Mr. Thompson. This is a very serious problem. Major problems on Indian reservations are very slow in being prosecuted because we have to convince the U.S. marshall and convince FBI to come and investigate. We are trying to arrange to have us go directly to FBI and come in. Once we get the FBI to come in, there appears to be an inordinate delay of getting the Justice Department to either prosecute that individual or let him go free.

Mr. McKay. Is there a proposal to create within the tribal structure law enforcement? Is there a policy to move to let them administer their own law enforcement on the reservations or what?

Mr. Thompson. That is something we really want to debate very strenuously. For example, whether this Bureau should be in the law enforcement activities. We wear many, many hats and that was my opening statement, we're policemen in one instance, we're the trustees, we're the advocate, we're the social worker involved, and it is very difficult and confusing to try to relate positively with people when they have this multifaceted role that we play.

The other function is that there is going to be changes and more demand made upon the Federal establishment for greater law and order funds and activities on Indian reservations and who shall best undertake that. Right now it all emanates from our Bureau.

Mr. McKay. When do you expect an answer from your study?

Mr. Thompson. The study was completed about 4 or 5 months ago. We have had numerous back and forth meetings with the Administration on it, and we have certain departmental approval and we are going back and forth with the Administration on it now. I hope it will come out any day.

Mr. Yates. How many crimes are going unprosecuted on Indian reservations?

Mr. THOMPSON. It is not that as much as it is the inordinate delay of getting them prosecuted.

Mr. YATES. How long does it take?

Mr. THOMPSON. Up to a year, 7 or 8 months.

Mr. YATES. Because you can't get the kind of evidentiary gathering?

Mr. THOMPSON. The FBI facilities and the reservations are not right next door to each other. By the time they get to it, much of the evidence has disappeared or been lost. That is the problem.

Mr. DUNCAN. Mr. Chairman, the more I listen, the more I am convinced that, just as in many other fields the Nation could very well emulate Oregon, so could they with respect to the Indian problems. It seems there are many of these problems, preservation of the culture, economic development, law enforcement, education where Warm Springs is way ahead of the rest of the bloody Nation.

Thank you.

Mr. YATES. There may be some truth in what you say. At any rate, we are very pleased with your statement today Mr. Thompson and Dr. Demmert. I am sure there are some things we haven't covered in this hearing, but I am sure we have covered a great many things the committee wasn't fully aware of before.

We look forward to your budget hearing.

Thank you very much for your cooperation with the committee today. We appreciate it.

Mr. DEMMERT. Thank you.

MONDAY, FEBRUARY 24, 1975.

OVERVIEW HEARING

FISH AND WILDLIFE AND PARKS

WITNESSES

NATHANIEL P. REED, ASSISTANT SECRETARY FOR FISH AND WILDLIFE AND PARKS
JAMES G. WATT, DIRECTOR, BUREAU OF OUTDOOR RECREATION
LYNN A. GREENWALT, DIRECTOR, FISH AND WILDLIFE SERVICE
GARY E. EVERHARDT, DIRECTOR, NATIONAL PARK SERVICE
FRANK WILES, DIRECTOR OF BUDGET

Mr. YATES. The committee will come to order.

The committee is pleased to have with us today its old friend Mr. Nat Reed, who is the Assistant Secretary for the Fish and Wildlife and Parks.

INTRODUCTION OF WITNESSES

Mr. Reed, would you introduce the others with you this morning?

Mr. REED. With pleasure. On my right, Director Gary Everhardt of the National Park Service; on his his right, Mr. James Watt, Director, Bureau of Outdoor Recreation, on my left, Lynn Greenwalt, Director, Fish and Wildlife Service, and seated behind us are my two Deputies, Curtis Bohlen and Douglas Wheeler.

Mr. YATES. I think in view of the fact that this is Mr. Everhardt's first appearance before the committee, we ought to have a biography of Mr. Everhardt for the record.

Would you supply one?

Mr. EVERHARDT. With pleasure, sir.

[The biography follows:]

BIOGRAPHICAL DATA.—GARY EVERHARDT

Born: July 8, 1934, Lenoir, N.C.

Education: Elementary and high school, Lenoir, N.C., Bachelor of Civil Engineering, North Carolina State University, June 1957.

Career: Entered on duty June 1957 at Blue Ridge Parkway as engineer trainee.

Dates	Park	Job title
June 10, 1957 to Mar. 18, 1961	Blue Ridge Parkway	Engineer (civil).
Mar. 19, 1961 to Apr. 23, 1966	Southeast region, Richmond, Va	Engineer (general).
Apr. 24, 1966 to May 17, 1969	Southwest region, Santa Fe, N. Mex	Supervisor, civil engineer.
May 18, 1969 to Jan. 8, 1972	Yellowstone National Park	Assistant Superintendent.
Jan. 9, 1972 to Jan. 12, 1975	Grand Teton National Park	Superintendent.
Jan. 13, 1975 to present	National Park Service, Washington, D.C.	Director.

Description of experience: Entered on duty at Blue Ridge Parkway as engineer trainee in the division of maintenance. Duties were of civil engineering in nature with major assignments involving surveying, design, construction layouts, and supervision on various projects that included utility systems, roads, and trails, campgrounds, residences, and minor facility rehabilitation.

During assignments at both Southeast and Southwest regional offices, primary responsibility was assistance to parks in all phases of maintenance operations. At Santa Fe, was promoted to Regional Chief of Maintenance position with staff responsibility to Regional Director for all maintenance programs within the region and directly supervised a staff comprised of professional, technical, and secretarial personnel.

At Yellowstone National Park as Assistant Superintendent, was directly responsible for all park operations including resource management and visitor protection, interpretation, maintenance, administration, and construction.

At Grand Teton National Park, had complete responsibility for all phases of park management.

Family: Wife, Nancy Poovey Everhardt, daughter, Karen Lynn, 15, son, Philip Todd, 11.

Military: Active Duty June 1958—December 1958 Forts Belvoir and Bragg. Army Reserve December 1958–April 1966 80th Division at Roanoke and Richmond, Va. Resigned with reserve grade of captain.

Awards: Department of the Interior—Meritorious Service Award, 1973.

Mr. YATES. Mr. Reed, we will leave to your judgment whether you want to read your statement or place it in the record and summarize it.

STATEMENT OF ASSISTANT SECRETARY REED

Mr. REED. Mr. Chairman, with your permission I would like to submit my statement and just touch on some of the highlights which I think are of acute interest to the committee.

Mr. YATES. That will be done.

The statement will be made a part of the record.

[The statement follows:]

Mr. Chairman, I am delighted to have the opportunity to come before you and members of this Subcommittee for a discussion of the programs in my jurisdiction in the Department of the Interior. With me today are representatives of my three Bureaus -- the Bureau of Outdoor Recreation, the Fish and Wildlife Service and the National Park Service.

Last year I introduced Lynn Greenwalt as the new Director of the Bureau of Sport Fisheries and Wildlife. This year he comes before you as Director of the U. S. Fish and Wildlife Service. As you may recall, Congress enacted legislation that changed the name of the Bureau.

This year I am privileged to introduce Gary Everhardt as the new Director of the National Park Service. He is the ninth person to hold the position since Stephen T. Mather first assumed it 58 years ago. Gary's National Park Service career began right after his graduation from college as a civil engineer on the Blue Ridge Parkway in North Carolina, Virginia and Georgia. He also served in engineering positions in the Park Service's Southeast Regional Office, and the Southwest Regional Office, where he was regional chief of maintenance. In May 1969 he was appointed Assistant Superintendent for Operations at Yellowstone National Park where he was directly responsible for all park operations including visitor protection, interpretation, maintenance and administration. He was appointed Superintendent at Grand Teton National Park in January 1972. He is young, dynamic and possesses great leadership ability. Secretary Morton and I feel that the National Park Service is in good hands.

Former Director Ronald Walker's tenure was highlighted by a strengthening and broadening of responsibilities at the National Park Service's nine regional levels because he decentralized policy making to the field to the extent possible. Under his leadership significant strides were made in protecting the natural environment and in providing for the enjoyment and education of people throughout the National Park System.

Mr. James Watt continues as our talented Director of the Bureau of Outdoor Recreation. I am impressed with his leadership and uncanny ability to complete assignments within almost impossible deadlines. The administration of the Land and Water Conservation Fund continues to be a model of partnership with the States and participating Federal agencies.

Inasmuch as this is my first appearance before the Committee since you were selected as its chairman, I would like to express my great pleasure in that selection. I am also very happy to see the addition of Congressmen Murtha, Duncan and Regula to the Committee as well as the retention of Congressmen McKay, Long, Evans and McDade. We look forward to working with you toward the mutual objective of providing for the Federal programs associated with the conservation, development and utilization of fish, wildlife, recreation, historical and National Park System resources of the Nation.

We will miss Mrs. Hansen, Mr. Wyatt and Mr. Veysey. They were especially helpful in the consideration of our problems and budgets. I want to express our sincere appreciation for that help and also wish them well in their future endeavors.

The formulation of our budget for Fiscal Year 1976 has been a difficult experience. The Nation was faced with simultaneous run-away inflation and growing recession. The attention of the Administration and the Congress has been focused on such major problems as well as the need for energy. Consequently, the importance of protecting our Nation's flora, fauna, natural habitat and cultural resources is of necessity relegated for resolution later. We are accordingly maximizing our efforts in a few of our most critical program areas.

My program jurisdiction in the Department of the Interior covers the protection, conservation and utilization of the natural environment entrusted to the National Park Service and the Fish and Wildlife Service as well as the planning, coordination and development of effective outdoor recreation programs. With respect to your request that I give you a brief overview of my program responsibilities, I would like to present them to you on a Bureau basis starting with the National Park Service.

The sum total of the Fiscal Year 1976 budget requests for my three Bureaus is approximately $784 million, or 0.2% of the total Federal budget of approximately $350 billion. Our part is small but nevertheless important and decidedly essential.

National Park Service

The National Park Service, established in 1916, today manages and protects 287 units in the fifty States, the District of Columbia, Puerto Rico and the Virgin Islands. Legislative enactments have shaped the National Park System into three different categories -- natural, historical and recreational.

Natural areas are the oldest category, reaching back to the establishment of Yellowstone National Park approximately a century ago. The natural areas managed are 74 in number and consist of the national parks and monuments established primarily for their scenic and scientific values.

A little later historical areas came into being as a part of the system. These are 167 in number and are those sites associated with important movements, events and personalities of the American past.

Then in recent decades, recreational areas were included in response to increasing demand for recreation. These are 45 in number and include scenic parkways, reservoirs, seashores, lakeshores and riverways.

The park system of the National Capital is a separate area also administered by the National Park System.

For Fiscal Year 1976, the National Park Service appropriation request is $346.8 million, an overall increase of $3.7 million. It places major emphasis on operating programs and provides especially for Bicentennial activities. There is a dramatic decrease of $15 million in the capital improvement program recognizing the completion of funding in Fiscal Year 1975 of the Bicentennial developments and the need for the Service to readjust after the workload associated with the Bicentennial to a sequential planning, design, construction schedule necessary for future general National Park Service development programs.

The Bicentennial activities are intended to provide a follow-through on the 3-year, $110 million construction program in designated Bicentennial park units. With your assistance, the National Park Service will be ready throughout the System to provide for special events commemorating the growth and development of our Nation. We expect increased visitation and will be ready to handle our part in this significant celebration.

We are cognizant, of course, of our responsibility to manage the use of National parks, monuments and other units in the System so as to conserve the scenery, natural and historic objects, and the wildlife. At the same time we must provide for their enjoyment in such a manner as will leave them unimpaired for the enjoyment of future generations.

Director Everhardt is particularly sensitive to the delicate balance which must be struck between preservation and use, and the need of maintaining that balance at individual units of the National Park System.

The Service administers a matching grant program to the States and the National Trust for Historic Preservation for the acquisition and preservation of significant historic, architectural and archeological resources in the United States. It is a program that I suggest warrants a close look by the Committee. Many of the historic treasures reach a jeopardy stage and I dare say that more and more of them are close to that situation. Since 1966, a total of $52.3 million has been appropriated for direct grants to help preserve the historic fabric of this Nation.

The National Park Service also maintains the National Register, a device by which properties, sites, and district of historic significance are given appropriate recognition. Federal agencies are required by law to consider the effect of any Federal or federally assisted program on properties identified in the National Register. Upon request of the Federal agency involved, or of other appropriate archeological authorities, the National Park Service undertakes archeological salvage in connection with Federal or federally assisted projects which may result in alteration of the natural terrain.

Fish and Wildlife Service

The U. S. Fish and Wildlife Service as presently constituted was established on July 1, 1974. However, its history as an effective organization goes back to 1871. It proposes a Fiscal Year 1976 appropriation request of $131.2 million, an increase of $300,000.

The Service's budget places major emphasis on biological services, endangered species, anadromous fish grants, and rehabilitation at nine wildlife refuges with a decrease in capital improvement and wetland acquisition programs.

The Fish and Wildlife Service has the Federal responsibility for wild birds, mammals (except for whales, seals and sea-lions), inland sport fisheries and specific fishery research activities to assure maximum opportunity for the American people to benefit from fish and wildlife resources as part of their natural environment. Within this framework, the Service assists in the development of an environmental stewardship ethic for our society based on ecological principles, scientific knowledge of wildlife, and a sense of moral responsibility. It guides the conservation, development, and management of the Nation's fish and wildlife resources, and administers a national program which provides opportunities to the American public to understand, appreciate, and wisely use these resources. The service enforces the many critically important Federal wildlife laws, for example those involving illegal hunting and endangered species.

The Fish and Wildlife Service has concentrated its request for increases on areas which can most effect fish and wildlife from the national perspective. I would like to emphasize three specific examples.

The National Wildlife Refuge System is vital to the attainment of many of the objectives of four of the Service's major programs. Refuges, in general, are operating at levels far below their capacity to produce wildlife benefits to the public. Furthermore, maintenance funding has not kept pace with cost escalation. The situation has led to diminished public use benefits, safety hazards, and generally lowered operational efficiency. As we have seen recently, this situation must eventually lead to a level of management and maintenance below caretaker status. Therefore, I believe it is vital that an increase of $423,000 be appropriated to enable the Service to maintain these facilities as we believe they need be.

A second topic which I specifically want to bring to your attention is the Biological Services program. Last year the appropriation included an increase of about $4 million to begin this important program. This year the Service has requested an increase of $4.2 million for this program. I believe this reflects the judgment by many of the professionals in the field that the long run threats to the viability of fish and wildlife populations may result more from loss of habitat caused by massive developments, such as energy research and development, than from any other single cause. The additional funds requested for Fiscal Year 1976 will be specifically targeted on investigations of the ecological consequences of energy development. The emphasis will be on providing basic data or methodologies which have broad applicability.

Some examples of the work started in Fiscal Year 1975 are:

(1) Power plant siting -- beginning with an estuary and a projected power demand over several decades; spawning grounds, distributions of young fish, and other factors will be mapped and then sitings will be proposed to minimize harmful effects. At present it seems that we locate a site and then engineer-out the environmental factors.

(2) Geothermal leasing -- studies will begin to identify the environmentally sensitive areas within the geothermal areas.

(3) Outer Continental Shelf development - the Service is conducting major seabird surveys to determine distribution and abundance in those areas which may be affected by future oil drilling activities. Also, important basic research on the chronic effects of small amounts of hydrocarbons on bird physiology are being conducted.

(4) Western coal development -- the Northern Great Plains Resource Program, a multi-bureau endeavor, has recently developed an interdisciplinary study of the broad effects of coal development in this area. The Service will follow-up with a more intensive evaluation of the representative ecosystems . For instance, infra-red remote sensing techniques will be used to determine the location of environmentally sensitive habitat on the Fort Union coal deposits so that this habitat will be given a low priority for leasing.

An important aspect of the Biological Services program is that it is and will be managed to influence decisions. The Fish and Wildlife Service has very strong responsibilities under NEPA, the Fish and Wildlife Coordination Act and the Endangered Species Act to review the effects of projects on fish and wildlife. Other agencies look to the Fish and Wildlife Service to provide information such as the distribution and habitat requirements of various populations, even where these agencies are doing their own research.

Similarly, using vehicles such as NEPA and various permit processes the Fish and Wildlife Service is able to provide valuable information to those who have the regulatory responsibility.

Another very important obligation of the Service is the protection of endangered species. A little over 14 months ago Congress passed a very complex and comprehensive law providing very exacting procedures to be followed. The procedures have been developed and we feel we are now on firm foundation to make great strides in this program in the near future. The additional $1.7 million in this budget is essential to maintain the momentum of this program.

The Fish and Wildlife Service has an important role within the Department of the Interior because so many of the Department's activities have such a significant effect on fish and wildlife. In addition the programs touch 33 million fishermen, 14 million hunters, 7 million bird watchers, 5 million photographers and 27 million nature walkers.

Bureau of Outdoor Recreation and the Land and Water Conservation Fund

The Bureau of Outdoor Recreation was established in 1962. Its Fiscal Year 1976 Salaries and Expenses appropriation request is $5.6 million to administer the Bureau's planning and research, Federal coordination and technical assistance programs. This appropriation request poses an increase of $265,000.

The Land and Water Conservation Fund budget request for Fiscal Year 1976 is $300 million, the same amount as in Fiscal Year 1975.

The Bureau is responsible for promoting coordination and development of effective programs relating to outdoor recreation. It serves as the Federal focal point to assure prompt and coordinated action at all levels of government for coordinating, planning and financing public outdoor recreation; and encouraging and assisting all governmental and private interests to conserve, develop, and utilize outdoor recreation resources for the benefit and enjoyment of present and future generations.

Under the Land and Water Conservation Fund Act of 1965, as amended, the Bureau administers a program of financial assistance to States and their political subdivisions for comprehensive planning, land acquisition, and facility development. The Fund also helps finance the acquisition of Federal lands and water areas for recreational purposes.

It is important to reiterate that sound outdoor recreation policies and programs enhance the quality of our national environment and contribute materially to the happiness and well-being of our citizenry.

In a typical year's Land and Water Conservation Fund programming, 40% goes for Federal land acquisition and 60% for State land planning, acquisition, and development. That State share is further broken down for division among States: 40% is apportioned equally among the States; 30% goes to States based on their total population; another 25% is apportioned on the basis of urban population; and 5% is put in the Secretary of the Interior's contingency fund for projects of regional or national significance or of emergency nature.

$300 million is covered annually into the Land and Water Conservation Fund. As I mentioned previously, the budget request for Fiscal Year 1976 is for $300 million, of which $175,840,000 would provide assistance to the States; $117,920,000 would provide for Federal land acquisition; and $6,240,000 would provide for the administration of the Fund by the Bureau.

A great strength of the State portion of the program is that the Federal Government does not manage the areas and facilities thereby created. They are managed by the State or local units of Government and do not add further to the burden of Federal administration. Through the Fund, some 16,000 park and recreation projects have been approved in the 50 States, Puerto Rico, Guam, American Samoa, the District of Columbia and the Virgin Islands.

Over the ten-year life of the Fund, which incidentally expires in Fiscal Year 1989, the Bureau has directed over $3 billion toward increasing recreation opportunities for Americans on 2.5 million acres of new recreation land acquired under the program.

Almost $1.2 billion has been made in grants to the States. These dollars, equally matched with non-Federal money, have been the seed money or the trigger that inspired the State and local governments to raise several additional billions of dollars for recreational areas or projects which are compatible with and complement the State-Federal projects.

In short, Mr. Chairman, the impact of the Fund in terms of its ability to generate State and local recreation spending has exceeded the $1.2 billion actually apportioned to the States. It has led to the acquisition of over one million acres of State and locally managed recreation lands and almost 10,000 additional projects to develop recreation facilities on these lands.

The Federal side of the Fund is no less impressive. During the life of the program through June 1974, the last year for which we have completed statistics, nearly $700 million has been divided among the principal Federal land managing agencies for the acquisition of nearly 1.5 million acres. Specifically, $494,205,000, including $72 million for acquisition at Redwood National Park, has helped the National Park Service acquire 509,332 acres; $170,240,000 has enabled the Forest Service to acquire 782,059 acres; $19,224,000 has helped the Fish and Wildlife Service acquire 40,297 acres; and the Bureau of Land Management has received $2,223,000 for the acquisition of 3,238 acres.

Last year I mentioned the procedural delays that were involved in the acquisition of inholdings in the National Park System units authorized prior to 1960. The "Opportunity Inholding Purchase Program", as we describe it, has undergone many modifications since its inception in Fiscal Year 1969 when a lump sum was provided by the Congress for the acquisition of private lands in the older areas of the National Park System on a willing buyer-willing seller basis. During the period from 1969 through 1974, $51.5 million was made available to acquire such lands. With these funds, we acquired approximately 56,000 acres.

This program is a most successful one but it was plagued with inordinate delays and consequent cost escalation. Your quick response to my suggestion that procedures might be simplified was most gratifying and I am here today to say that there has been material expedition. I would like to mention some of the time-saving steps.

(1) One region has instituted procedures whereby all offers must be accepted within five working days. This requirement also includes notifying the landowner of acceptance and requesting the Treasurer's check.

(2) Preliminary title evidence is being ordered at the same time the appraisal is ordered.

(3) Most importantly, realty specialists assigned to field offices are now being given authority to accept offers to sell on the spot with prescribed guidelines.

The total program for Fiscal Year 1975 amounted to $19 million, which included $891,043 carried forward from Fiscal Year 1974. From that we have assessed $2 million for pertinent costs associated with the acquisition of lands (appraisals, title surveys, etc.) and $25,000 was reprogrammed to Virgin Islands National Park. As of December 31, 1974 all but $3.1 million of the $16.7 million had been committed. You can see that the program is in high gear. I want to assure you that all of the safeguards essential to prudent action are still in full force and effect. We are extremely pleased with its success and continue to receive every indication that this program will continue to progress under these greatly improved and streamlined procedures.

Members of this Subcommittee and those members of our legislative subcommittees have asked periodically what the dollar needs are to acquire the land authorized by Congress. On February 11, 1975, Director Watt appeared before the Senate Interior Subcommittee on Parks and Recreation and testified that after Fiscal Year 1975, the land acquisition authorizations for the National Park System total $572 million. This figure includes $254 million attributable to the authorizations for Cuyahoga Valley National Recreation Area, Big Thicket and Big Cypress National Preserves, recently enacted in the 93rd Congress. In the legislation authorizing these three areas, the Congress directed that the land acquisition program be substantially completed in six years. This figure also includes $76 million for privately-owned areas within parks authorized prior to 1960.

Under the current appropriation level for the National Park Service from the Fund, it gets approximately $75 million annually. At this rate it will take eight years to eliminate the current backlog in authorized land acquisition assuming no additional authorizations and no increase in land values. The legislative direction that the land acquisition program for the three areas be substantially completed within six years necessarily will raise them to a priority level during that period.

The other Federal land managing agencies also have substantial specific land acquisition authorizations which create demands on the Fund.

	($ millions)
Forest Service	
-- Specially authorized areas	124
-- Wilderness and primitive areas	47
	171
Fish and Wildlife Service	
-- Specially authorized areas	22
-- Wilderness	2
	24
Bureau of Land Management	
-- Specially authorized areas	8

In addition, there are many opportunities under existing general authorizations for each of the Federal land managing agencies to use the Fund for land acquisition. For example, the Forest Service acquires specifically designated recreation areas at this time. The Fish and Wildlife Service acquires lands for recreation purposes within or adjacent to existing refuges and hatcheries. The Fish and Wildlife Service is presently formulating a plan for acquiring land essential to the performance of their responsibilities under the Endangered Species Act.

Mr. Chairman, in addition to administering the Land and Water Conservation Fund, the Bureau of Outdoor Recreation carries out the basic functions I described earlier. In this regard, I want to mention that they are actively engaged in studies of proposed Wild and Scenic Rivers and National Scenic Trails.

Mr. Chairman, I realize that I have given a rather brief overview. You will be holding hearings shortly to review in much greater detail the programs of each of my three Bureaus. In the event that I did not touch upon any program or policy that may be of interest to you and the other members of this Committe, I want to assure you that my associates and I will be happy to respond to any questions that you have.

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OPENING REMARKS OF SECRETARY REED

Mr. REED. Mr. Chairman, I am delighted to have the opportunity to come before you and the members of this subcommittee for a discussion of the programs in my jurisdiction in the Department of Interior.

With me today are the distinguished Directors of my three Bureaus —Lynn Greenwalt, Director of the Fish and Wildlife Service; Gary Everhardt, Director of the National Park Service; and Jim Watt, Director of the Bureau of Outdoor Recreation.

Last year, Lynn appeared as Director of the Bureau of Sport Fisheries and Wildlife. Congress enacted legislation that changed its name effective July 1, 1974 to the U.S. Fish and Wildlife Service. Lynn is continuing admirably in broadening the mission of the Service started by his predecessor, Spencer Smith.

In his 3d year as Director, Lynn is beginning to unravel the many problems faced by his Service, due to serious overcommitment.

Gary is our newly appointed Director of the National Park Service. He has a most impressive background and experience in the Service. He is young, imaginative, dedicated and decidedly capable to lead the Service in the early stages of its second century. Secretary Morton and I feel that the Service is in good hands.

Jim Watt is well known to the committee and has the reputation of running one of the best examples of State-Federal cooperation with his administration of the Land and Water Conservation Fund.

I am indeed proud of my three Bureau Directors and the professionals that support and assist them in the planning and management of their important natural resource programs. One of the great pleasures of my tenure has been the opportunity to be associated with the capable employees in these bureaus who in my judgment are the singularly most dedicated of the Federal Government.

Mr. Chairman, inasmuch as this is my first appearance before the committee since you were selected by what I understand was a most impressive vote, I would like to express my pleasure in that selection.

I am also very happy to see the addition of Congressmen Murtha, Duncan and Regula to the committee as well as the retention of such stalwarts as Congressmen McKay, Long, Evans and McDade.

We look forward to working with you toward our common objective of providing for the Federal programs associated with the conservation, development and utilization of fish, wildlife, recreation, historical and National Park System resources of our great Nation.

We will miss, as I am certain you and the other members of the committee will, the pleasure of working with Mrs. Hansen, Mr. Wyatt and Mr. Veysey. They were especially helpful in the consideration of our problems and budgets. I want to express our sincere appreciation for that help and also wish them well in their future endeavors.

FORMULATION OF FISCAL YEAR 1976 BUDGET

The formulation of our budget for fiscal year 1976 has been a difficult experience. Quite frankly, one of my great disappointments during my tenure thus far is the necessity to cope with austerity budget years.

When I was appointed, I quickly learned that my programs seriously needed a transfusion of blood—in the form of additional money

and manpower—to bring them up to what I believed was necessary for normal or standard operational levels. To complicate the situation, we have been given additional responsibilities in the form of new or expanded programs.

In no way am I complaining that I haven't been treated fairly in the formulation of our budgets. I realize that in the formulation of the budget before you, for example, the Nation was faced with simultaneous run-way inflation and growing recession.

The attention of the administration and the Congress has been, and should be, focused on such major problems as well as the need for energy. Consequently, the importance of protecting our Nation's flora, fauna, natural habitat and cultural resources is, of necessity, being assigned a lower priority. We are, accordingly, maximizing our efforts in a few of our most critical program areas. And in my opinion, prioritizing is the way we must go. Our job is to detail to you what we can and should do and what we cannot do.

JURISDICTION OF ASSISTANT SECRETARY

Briefly, my program jurisdiction covers the protection, conservation and utilization of the natural environment entrusted to the National Park Service and the Fish and Wildlife Service—approximately 60 million acres—as well as the planning, coordination and development of needed outdoor recreation programs. The total spectrum includes enforcement, research, Indian and State assistance, hatcheries, coastal zone, predators, wildlife disease, to name just a few.

The sum total of the fiscal year 1976 appropriation requests in our budgets for the three Bureaus is approximately $784 million, or 0.2 percent of the total Federal budget that approximates $350 billion. Our portion is small but nevertheless important and decidedly essential. Our obligation is to the American public for the proper management of the parks and refuges and to the wildlife that shares our air, land and waters.

You have asked me for a brief overview of my program responsibilities. With your permission, I would like to discuss them on a Bureau basis starting with the National Park Service.

National Park Service

The National Park Service, established in 1916, today manages and protects 287 of the 302 units in the 50 States, the District of Columbia, Puerto Rico and the Virgin Islands. Legislative enactments have shaped the National Park System into three categories—natural, historical and recreational.

For fiscal year 1976, the Service appropriation request is $346.8 million, an overall increase of $3.7 million. In fiscal year 1976, the Service will be placing major emphasis on operating programs with particular emphasis on Bicentennial activities. In order to do this we decided to reduce our capital improvement—or development, and construction—program, in recognition that we needed to readjust our planning, design and construction schedules necessary for future general Service development programs. For the past three years, we have been concentrating on a $110 million construction program in those National Park Service units that were designated Bicentennial units.

With your assistance, we will be ready throughout the System to provide for the special events commemorating the growth and development of our Nation. We expect increased visitation and will be ready to handle our part in this significant celebration.

Foremost in our minds is our responsibility to manage the use of national parks, monuments and other units in the System so as to conserve the scenery, natural and historic objects, and the wildlife. At the same time we know that we must provide for their enjoyment in such a manner as will leave them unimpaired for the enjoyment of future generations.

INCREASED OPERATIONS FUNDS

Fifteen million dollars net reduction from capital improvement to operations does not sound like a major decision, but the National Park Service is desperately lean. If they are to manage properly and protect the System as they have in the past, this transfer of emphasis is a necessity which I had to face.

Secretary Morton, Gary Everhardt and I are particularly sensitive to the delicate balance which must be struck between preservation and use, and the need for maintaining that balance at individual units of the National Park System.

The Service administers a historic preservation program that warrants your specific attention. Many of the historic treasures reach a jeopardy stage. I dare say that more and more of them are close to that situation.

We share the responsibility for preservation with the States and the national trust for historic preservation. In this regard, the Service administers a grant program on a matching basis with them. In fact, since 1966, a total of $52.3 million has been appropriated for direct grants to help preserve the historic fabric of this Nation.

Fish and Wildlife Service

The U.S. Fish and Wildlife Service has an organizational history that goes back to 1871. For fiscal year 1976, the Service appropriation request is $131.2 million, an increase of $300,000.

Faced with overcommitment in almost all areas of its activities—enforcement, refuge management, research, coastal zone, endangered and exotic species, and waterfowl management—Director Greenwalt and I had to prioritize. We chose to radically reduce the capital improvement appropriation from $11.4 million to $3.2 million and wetlands acquisition from $13 million to $12 million. The $12 million figure represents receipts from the sale of Duck Stamps. We did not request the use of advance authority which amounted to $1 million in fiscal year 1975.

The Service's budget increases are proposed for biological services, endangered species, anadromous fishery grants to the States, and rehabilitation at nine wildlife refuges.

Basically, the National Wildlife Refuge System is vital to the attainment of many of the objectives of the Service's major programs. Refuges, in general, are operating at levels far below their capacity to produce wildlife benefits. Furthermore, maintenance has not kept

pace with the normal schedule. We all understand that it is easy to postpone a paint job or minor repair during austere budget years.

However, the day of reckoning approaches and the catchup work is more extensive and also more expensive. This year we propose an increase of $423,000 for such maintenance.

Deferral of maintenance leads to diminished public use benefits, safety hazards, and generally lowered operational efficiency. This situation should not be allowed to continue. To realistically quantify real needs in comparison to a wish list, I have instructed Director Greenwalt to assemble a hard nosed task force to examine legitimate needs and to report their findings to Director Greenwalt and to the Secretary.

BIOLOGICAL SERVICES

I would like to mention briefly the important biological services program. Last year, the appropriation included an increase of about $4 million to begin this essential work. This year the Service has requested another increase of about $4.2 million. This reflects the judgment by many of the professionals in the field that the long run threats to the viability of fish and wildlife populations may result more from the loss of habitat caused by massive developments, such as energy research and development. than from any other single cause.

The funds requested will be specifically targeted on investigations of the ecological consequences of energy development, and ways to minimize or mitigate that impact on wildlife populations and habitat.

An important aspect of the biological services program is that it is, and will be, managed to influence decisions. The Service has strong responsibilities, for example, under NEPA, the Fish and Wildlife Coordination Act and the Endangered Species Act to review the effects of projects on fish and wildlife. Other agencies look to the Service to provide information such as the distribution and habitat requirements of various populations, even where these agencies are doing their own research.

Mr. Chairman, you and Mr. Long are particularly aware of the Fish and Wildlife Service's responsibility to review over 35,000 Corps of Engineers' permit applications for work in the Great Lakes and the coastal zone areas. If this Nation's invaluable marine resources, totally dependent on the coastal ecosystems are to be preserved, this vital FWS mission must be given a greater emphasis.

Similarly, using vehicles such as NEPA and various permit processes, the Service is able to provide valuable information to those who have the regulatory responsibility.

ENDANGERED SPECIES

Another very important obligation of the Service is the protection of endangered species. A little over 14 months ago the Congress enacted a very complex and comprehensive law that provides very exacting procedures to be followed.

The procedures have been developed and we believe that we are now on firm foundation to make great strides in this program. The additional $1.7 million requested in this budget is essential to maintain the momentum of this program.

Mr. Chairman, the Fish and Wildlife Service has a most important role within the Federal Government because so many activities have such a significant effect on fish and wildlife.

In addition, the programs touch 33 million fishermen, 14 million hunters, 7 million bird watchers, 5 million photographers, and 27 million nature walkers.

Bureau of Outdoor Recreation

The Bureau of Outdoor Recreation was established in 1962. Its fiscal year 1976 "Salaries and expenses" appropriation request is $5.6 million, an increase of $265,000 to administer the Bureau's planning and research, Federal coordination and technical assistance programs with regard to outdoor recreation.

The Land and Water Conservation Fund appropriation request for fiscal year 1976 is $300 million, the same as in fiscal year 1975.

The Bureau serves as the Federal focal point to assure prompt, coordinated action at all levels of government for coordinating, planning, and financing public outdoor recreation. It encourages and assists all governmental and private interests in the conservation, development, and utilization of outdoor recreation resources for the benefit and enjoyment of present and future generations.

I would like to emphasize that sound outdoor recreation policies and programs enhance the quality of our national environment and contribute materially to the happiness and well-being of our citizenry.

Land and Water Conservation Fund

The Land and Water Conservation Fund program is generally split 60 percent State and 40 percent Federal. The States use their portion for land planning, land acquisition, and development. Furthermore, the States match the Federal grants. The Federal portion is used for land acquisition and is shared by the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management, and the Department of Agriculture's Forest Service.

A great strength of the State portion is that the Federal Government does not manage the areas and facilities thereby created. They are managed by the State or local governments. Some 16,000 park and recreation projects have been approved for funding. These are located in the 50 States, Puerto Rico, Guam, American Samoa, the District of Columbia, and the Virgin Islands.

Almost $1.2 billion has been made in grants to the States. These dollars, equally matched with non-Federal money, have been the seed money that inspired the State and local governments to raise several additional billions of dollars for recreational areas or projects which are compatible and complement the State-Federal projects. In fact, over 1 million acres of State and locally managed recreation lands have been acquired.

The Federal portion of the program is also impressive. Through June 1974, the last year for which we have completed statistics, nearly $700 million has been divided among the National Park Service, the Fish and Wildlife Service, the Bureau of Land Management and the Forest Service. Nearly 1.5 million acres have been acquired.

Specifically, $494 million, including $72 million for Redwood National Park, has helped the National Park Service acquire 509,332 acres; $170 million has enabled the Forest Service to acquire 782,059 acres; $19 million has helped the Fish and Wildlife Service acquire 40,297 acres; and $2 million has helped the Bureau of Land Management acquire 3,238 acres.

INHOLDING ACQUISITION

Last year when I appeared before this committee, I mentioned my desire to eliminate certain procedures that were delaying the acceptance of offers to sell in the "opportunity inholding purchase program." You will recall that this program consists of the acquisition of inholdings in the National Park Service areas authorized prior to 1960. Your quick response enabled us to expedite these "willing seller-willing buyer" transactions materially.

I want to assure you that all of the safeguards essential to prudent action are still in full force and effect. We are extremely pleased with its success and I am here to say that the landowners wanting to sell have been pleasantly impressed with our ability to close the transactions so quickly compared to the past. Once again, I want to express our appreciation for your assistance in helping us streamline and simplify the process.

SPECIFIC AUTHORIZATIONS TO L&WCF

Members of this committee and members of our legislative committees ask me periodically what the dollar needs are to acquire land authorized by the Congress to be financed by the land and water conservation fund. As you know, we have specific authorizations as well as general authorizations.

Specific authorization needs amount to $775 million, as follows:

National Park Service—$572 million, including $254 million attributable to the recent authorizations by the 93d Congress for Cuyahoga Valley National Recreation Area, Big Thicket, and Big Cypress National Preserves. Incidentally, in the legislation authorizing these three areas, the Congress directed that the land acquisition program be substantially completed in 6 years.

Forest Service—$171 million.

Fish and Wildlife Service—$24 million.

Bureau of Land Management—$18 million.

Over and above the $775 million for specific authorizations, the needs to accommodate general authorizations and pending and possible legislative additions would add approximately $2 billion making the estimated grand total $2.8 billion.

GENERAL AUTHORIZATIONS

In the general authorization category, the Forest Service acquires specifically designated recreation areas. Furthermore, the Fish and Wildlife Service acquires land for recreation purposes within or adjacent to existing refuges and hatcheries. Under the Endangered Species Act, the Fish and Wildlife Service is presently formulating a plan for acquiring land essential to the performance of the responsibilities specified in that act.

Mr. Chairman, in addition to administering the Land and Water Conservation Fund, the Bureau of Outdoor Recreation carries out the basic functions I mentioned earlier. In this regard, I want to mention that they are actively engaged in studies of proposed Wild and Scenic Rivers and National Scenic Trails.

Mr. Chairman, this completes my rather brief overview. You have scheduled hearings on the budgets for each of my three Bureaus at which time I understand you will discuss them in detail. My associates and I will be glad to discuss with you any program or policy that may be of interest to you and the other members of this committee.

Thank you.

Mr. YATES. Thank you, Mr. Reed, for a very fine statement.

The committee appreciates the detail with which you presented your oversight statement. The committee is very much impressed with the administration of your bureaus, Mr. Reed.

I have heard from my colleagues in other committees of their respect and admiration for the way in which you have conducted the Agencies. We share that viewpoint. One of the purposes of this oversight hearing is to have a frank discussion with you about what your problems are.

PERSONNEL CEILINGS

You have given us some statistics and some figures as to what the basic needs of all your activities are. The committee has heard from outside witnesses and from other sources the results of the ceilings, the personnel ceilings, that have been placed on you. They have not presented a very good picture. There is said to be a great disparity between the authorized and funded positions and the actual ceilings imposed by OMB.

We would like your frank discussion of this. How are the ceilings hurting you? Are they really hurting your operations? Can you provide a breakdown by bureau and account which would show for 1974, 1975, and 1976 the number of positions funded and the end of year ceilings?

Mr. REED. I can, sir.

[The information follows:]

AUTHORIZED AND END-OF-YEAR EMPLOYMENT CEILINGS, FISCAL YEARS 1974-76

Bureau/appropriation	1974 actual	1975 estimate	1976 estimate
National Park Service:			
Operation of the National Park System	6,766	7,057	7,119
Planning and construction	370	393	393
Reimbursement accounts	45	45	33
Road construction (LCA)	126	136	136
Preservation of historic properties	139	147	147
Planning, development and operation of recreation facilities	195	195	195
John F. Kennedy Center for the Performing Arts	87	87	87
Consolidated working fund			
Trust funds	6	6	6
Miscellaneous permanent			
Transfer funds:			
White pine blister rust control and forest pest control			
Land and water conservation fund	273	273	273
Job Corps	157	157	157
Youth Conservation Corps			
Total, authorized permanent positions	8,164	8,496	8,546
Positions to be unfilled, June 30	903	1,378	1,378
Personnel ceiling, permanent positions	7,261	7,118	7,168
Actual employment, permanent positions, Jan. 31, 1975		7,440	

AUTHORIZED AND END-OF-YEAR EMPLOYMENT CEILINGS, FISCAL YEARS 1974-76—Continued

Bureau/appropriation	1974 actual	1975 estimate	1976 estimate
Fish and Wildlife Service:			
Resource management	3,335	3,421	3,492
Reimbursables	167	227	141
Construction and anadromous fish	88	88	88
Migratory bird conservation account	175	164	164
Miscellaneous appropriations	170	175	187
Consolidated working fund	9	9	9
Contributed funds—Sea lamprey	57	68	75
Allocation accounts:			
Bureau of Reclamation, general investigations	12	15	[1] 90
Land and water conservation fund	23	30	40
Corps of Engineers:			
General investigations	54	82	94
Construction	56	102	100
Operation and maintenance	27	32	32
Job Corps	76	75	76
Total, authorized permanent positions	4,249	4,488	4,588
Positions to be unfilled, June 30	209	353	382
Personnel ceiling, permanent positions	4,040	4,135	4,206
Actual employment, permanent positions, Jan. 31, 1975		4,224	
Bureau of Outdoor Recreation:			
Salaries and expenses	219	227	227
Reimbursement accounts	6	6	6
Land and water conservation fund	296	296	277
Consolidated working fund	15	13	13
Donations			
Total, authorized permanent positions	536	542	523
Positions to be unfilled, June 30	64	109	90
Personnel ceiling, permanent positions	472	433	433
Actual employment, permanent positions, Jan. 31, 1975		463	

[1] This figure was changed to 16 on an amended schedule to Reclamation, too late for correction in the budget.

Mr. REED. First, we have to recognize the need and interest by Congress and the administration to hold down the size of employment in the Federal Government. This has been a major concern of the Congress and administrations for a number of years. When we get down to dividing the decided upon total Federal employment, the tremendous emphasis on energy in the past year resulted in a priority for energy-related programs.

There has been and still is a large gap between the total number of permanent positions authorized by the Congress and the total permanent employment ceiling. These are end-of-year ceilings and during the fiscal year bureaus can and do occasionally exceed their ceiling. The National Park Service, the Fish and Wildlife Service and the Bureau of Outdoor Recreation are faced with a potential problem. In the next 30 days we have to make a very hard nosed decision with regard to how we are going to come down to the ceilings.

RECESSION'S EFFECT ON PERSONNEL

We expected an attrition rate similar to our experience of the last 5 years, that is retirements and the normal turnover of manpower in the National Park Service and Fish and Wildlife Service. We estimated earlier in the fiscal year that we could come down to our ceiling by June 30th. However, we now realize that this is not a normal year and we have imposed a hiring freeze, except for emergency situations. The deepening recession and inflation have caused a great reduction in the number of retirements. Those who did not have to retire did not and are not going to. It is difficult to find a job in private industry.

Those who went into Federal service early in life, and who are now in their mid-50's and eligible to retire and who wanted to work 10 or 15 years in private industry, are staying in the Federal service.

I am not prepared at this moment to say what we are going to do. A reduction in force, in my opinion is a rough cure. I think everybody at the table knows what it does. It gets your lowest level. All the bright young people we have attracted and hired are the most vulnerable when it comes to a reduction in force.

In the Park Service and Fish and Wildlife Service these young employees are talent for the future. The last time I experienced a reduction in force and lost those young people, it was a tremendous setback. Reductions-in-force result in the loss of the 25-year-old biologists, 25-year-old rangers, who are going to be the sustaining force in the Service 20 years from now.

The Park Service is 322 positions over ceiling now and the rate of loss is very, very slight.

Fish and Wildlife is 89 over. That figure is going down very slowly. In the Bureau of Outdoor Recreation, the figure is only 30 but when you are dealing with a total force of 463 people, the loss of 30 can be very hard to accomplish. I am not sure actually that the Bureau might not have the hardest time reaching its ceiling—30 out of 463 is a very tough percentage.

CONGRESSIONALLY AUTHORIZED POSITIONS

Of course, I guess Mr. Wiles would be the best one to speak because I have never understood the disparity between the Congress' authorization of permanent positions versus this Administration's, or any other administration's personnel ceiling. After 4 years I still remain in the dark as to the disparity in those two figures. No administration apparently feels obligated to Congress' figures and yet Congress charges the Administration to be responsive on that total number of figures.

I am sort of caught in the middle in no man's land. I really have never understood the process which developed two different sets of figures.

Mr. YATES. But the positions you are talking about have been funded by the Congress.

Mr. REED. Yes, sir, budgeted and funded.

Mr. YATES. Why are the ceilings imposed? Why does OMB tell you that?

Mr. REED. To hold down Federal employment.

Mr. YATES. What effect does it have on your operations?

EFFECT OF CEILINGS ON NPS

Mr. REED. The fact in the Park Service is that we are not going to be able to open any of the installations authorized by the Congress last year.

Of the parks authorized in the last 10 or 12 years, like Pictured Rocks, Sleeping Bear Dunes and down through the South, a period of enormous growth in the number of Park Service areas, we are simply not able to provide more than a very small field force. I have just come back from Isle Royale and other units in that area. The whole force

there and in Grand Portage, Sleeping Bear Dunes, is reduced to a five- or six-man permanent force and the rest are hired for the summertime.

You can barely hold on to one of the most significant national parks we have with a five-man force.

Mr. EVANS. Is that for the entire area?

Mr. REED. Isle Royale has five, Sleeping Bear and Pictured Rocks are down to about the same level. We don't need much of a force there in the wintertime but it is so lean that they cannot make their reporting schedules on payrolls, for example. There is not enough staff.

We are being asked to open the newly authorized area in Boston this summer, for example. There is no way. The Director would have to transfer people from areas such as Yellowstone and Grand Teton if he opened Boston.

Mr. YATES. What is Boston?

Mr. REED. The Boston Historical Park area authorized by the Congress last year.

I think this situation applies to Big Cypress and Big Thicket National Preserves and every other area authorized last year. There is no way I can man those new areas to give them even temporary protection without stripping someplace else. If we were to take staff from Mesa Verde I know who I am going to hear from. We are down to a minimum down there as you well know. This is the juggling act the Director faces right now. It is a tough one.

Mr. YATES. What is the difference between the authorized funding and the ceiling for the Park Service?

Mr. REED. The total positions authorized for the National Park Service by the Congress is 8,496.

Mr. YATES. Now, how does that compare with last year?

Mr. REED. That is for fiscal 1975.

Mr. YATES. Is that more or less than the previous year?

Mr. REED. That is more than fiscal year 1974 which was 8,164.

Mr. YATES. So you have 330 more bodies.

Mr. REED. Right.

Mr. YATES. What ceiling did they put on for this year? Did they have a ceiling for 1974?

Mr. REED. Yes, 7,261 full time permanents.

Mr. YATES. How much this year?

Mr. REED. 7,118.

Mr. YATES. That is a pretty significant difference, is it not? Your appropriations were increased and yet you had fewer bodies.

Mr. REED. In full-time permanent personnel.

Mr. YATES. How much of your overall appropriation was frozen?

Mr. REED. None.

Mr. YATES. What happens as a result of this?

What happens as a result of not having the 1,000 people you said you needed and Congress gave you?

What is going on in the Park Service and other services as a result of not having the positions?

USE OF CONTRACTURAL SERVICES

Mr. EVERHARDT. One other thing that has happened, Mr. Chairman, is that we have been able to help some of that situation with less than

permanent people. We have also been exploring the utilization of contractual services to meet some of the needs.

Mr. YATES. What is the advantage of that over a permanent force?

Mr. REED. For many needed services there is no need for permanent employees. Contracting for services generally results in a higher cost to the Service because of isolation of areas, because of travel, et cetera. But we are able to accomplish the work without people on the rolls to do it.

Mr. MCKAY. They just shifted the area where the dollars come from.

Mr. REED. That is true. It holds down the Federal employment figure.

Mr. MCKAY. But it is a phony hold-down.

Mr. REED. It is not a saving in money, but it makes a big difference on our manpower figure.

Mr. YATES. How much did you spend in contractual services last year on work that is usually done by permanent staff?

Mr. EVERHARDT. Can we furnish that for the record?

Mr. YATES. Do you have any idea at all as to what it is?

Mr. REED. $21.5 million total contracts.

Mr. YATES. What would you have been able to save had you had a permanent force?

What was the nature of the outside contracting work?

Mr. EVERHARDT. They do such things as painting buildings, generally the maintenance area of work would be contracted services. There are other administrative services, a very minimal few that may be contracted.

Some parks have tried the operations of certain kinds of facilities with contractual services, guard services, for example, providing protection of a building facility.

Mr. YATES. Does OMB give you the money for these contractual services knowing at the same time that it is going to cost more than it would have cost had you retained staff?

Mr. EVERHARDT. Yes, sir. We have funding in the National Park Service budget to cover those positions expected to be filled during the year, including other than permanent employees and contractual services.

COSTS OF CONTRACTING

Mr. YATES. Were you able to furnish OMB with any kind of a statement which would indicate what the savings would have been if you had been permitted to hire people rather than having to resort to outside contracting?

Mr. EVERHARDT. I don't think so, sir.

Mr. REED. I am not sure that that analysis has been made. I think it is a very good idea. I think that is a figure we probably owe both this committee and the OMB.

Mr. YATES. This committee would like to have that information. It does not make sense to cut down the number of jobs and still pay more money than was authorized.

I'll yield to Mr. McKay.

Mr. MCKAY. Along with that, although you did not list full-time employees, how does that affect the number of part-time which are not listed as full-time?

What kind of ratios have you used as you have lowered the permanent numbers versus the part-time figures?

Mr. EVERHARDT. For 1975 there was an increase of 300 in less than permanent over 1974.

Mr. YATES. That is an increase from what base, though?

Mr. EVERHARDT. In 1974 we had an end-of-year ceiling for other than permanent of 6,866.

In 1975, the estimate is 7,169 and in 1976, 7,854 budgeted.

Mr. REED. It is sufficient to say that without these fantastic "other than permanent employees," we would not be able to operate the system. I am not saying that we would ever want our total employment to be permanent positions.

Obviously we have many parks only operated a limited part of the year.

Mr. MCKAY. Do you pick up one and a half to one permanent employees for use? Are they cheaper?

Mr. EVERHARDT. On the basis of average permanent salary, yes.

VOLUNTEERS-IN-THE-PARKS

I think it is also fair to mention, Mr. McKay, the other aspect that has been helpful to get some of the job done and that is called the volunteers-in-the-parks program. Last year we had somewhere in the neighborhood of 5,000 people participating as volunteers. Speaking as a recent superintendent, I can tell you this has done much to continue the programs like living history, some of our interpretive programs and some of our demonstration programs of that type. There have been thousands of people, young people, senior citizens, that span the entire age gamut who wish to volunteer their services.

Mr. MCKAY. We had many examples in last year's testimony. That is a commendable program.

Over the last 5 years I assume that your total permanent employees have constantly raised, is that true?

Mr. EVERHARDT. Yes, sir.

Mr. MCKAY. How is that related to additional parks authorized and put into service?

What I am trying to get at, have we increased the number of park administrative needs over that same period faster than we have increased the number of employees and therefore by spreading the butter so much thinner that you cannot get the administration done?

Mr. EVERHARDT. Certainly. I think Secretary Reed mentioned we have had to take people away from the long-established areas like Yellowstone and Yosemite.

Mr. MCKAY. Do you have figures to make that comparison and show that?

Maybe you ought to also have visitor figures.

Mr. REED. I had a study of that done 2 years ago. It can easily be updated showing permanent manpower ceilings in the park. I would be delighted to furnish the information.

Mr. YATES. I think he is trying to find out where you transferred your people from and where they went.

Mr. EVERHARDT. We have a summary of employment in the Park Service we would be glad to submit for the record. This will show 1974

staffing compared with 1960, for those areas established prior to 1960 and those established since 1960, along with the increase in visitation by area.

Mr. YATES. That can be put in the record at this point.

[The information follows:]

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

February 19, 1975
AB

Comparison of Employment in Permanent Positions
1974 with 1960 between Park Operations,
Central Office and Other Functions

	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increase over 1960
Direct Park Operations						
Older Park Areas (1974 includes 210 employees in Regional Offices performing direct park support functions)	3,661	77%	4,359	60%	698	19%
Park Areas Placed In Operation Since 1960 (82)	x		897	12%	897	
Subtotal, Direct Park Operations	3,661	77%	5,256	72%	1,595	44%
Indirect Park Operations						
Planning, Design Service Centers and Archeological Centers:						
Eastern Service Center	120		x	)		
Western Service Center	166		x	)	-15	
National Capital Parks Service Center	51		x	)		
Denver Service Center	x		322	)		
Eastern Museum Laboratory	37		x	)		
Western Museum Laboratory	21		x	)	+70	
Harpers Ferry Center	x		128	)		
Archeological Centers:						
Southwestern Center	7		x	)		
Arizona Center	x		11	)		
Chaco Center	x		6	)		
Midwest Center	x		13	)		
Southeast Center	x		5	)	+28	
Subtotal, Indirect Operations	402	8%	485	7%	83	21%
Total, Park Operations	4,063	85%	5,741	79%	1,678	41%

	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increase over 1960
Central Office Functions						
Washington Office	276	6%	338	4%	+62	22%
Older Regional Offices: Northeast, Midwest, National Capital Parks, Southeast, Southwest and Western	439		476		+37	
New Pacific Northwest Region Established in 1970	x		44		+44	
New Regional Offices Established under President's FAR Program:						
North Atlantic and Rocky Mountain	x		105		+105	
Subtotal, Regional Offices	439	9%	625	9%	+186	42%
New Responsibilities Legislated or Othwerwise Assigned to NPS Since 1960:						
Land Acquisition under (Land and Water Conservation Fund Act of 1964)	x		169		169	
Job Corps Centers	x		144		144	
Historic Preservation Act of 1966	x		125		125	
National Environmental Policy Act of 1969	x		49		49	
Wilderness Implementation Act of 1964	x		7		7	
Equal Employment Opportunity Coordinators (Civil Rights Act)	x		18		18	

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	1960 Staffing		1974 Staffing		Change	
	Permanent Positions	% of Total	Permanent Positions	% of Total	Permanent Positions	% of Increase over 1960
New Responsibilities Legislated or Otherwise Assigned to NPS since 1960 (continued):						
Labor Relations Officers	x		9		9	
Alaska Planning Group and Task Force (Alaska Native Claims Settlement Act)	x		15		15	
Inter-Governmental Personnel Activities	x		4		4	
Bicentennial Coordinators	x		5		5	
NPS Science Center (Appropriation Act of 1972)	x		12		12	
Subtotal, New Responsibilities	x		557	8%	557	12%
TOTAL	4,778 1/	100%	7,261	100%	2,483	52%

1/ Includes employment in permanent positions as follows:

Within NPS ceiling	4,036
Within District of Columbia ceiling, funded by transfer from D.C. government through Fiscal 1970	742
	4,778

Analysis of Permanent Staffing from Fiscal 1960 to 1974

Older Park Areas. Areas that were operated by the National Park Service in 1960.

Park areas placed into operation since 1960. Areas authorized during the period, Fiscal 1960-1974.

Indirect Park Operations: In 1960 there were three design and construction centers (WODC in San Francisco; EODC in Philadelphia and NCDC in National Capital Parks) and two Museum Laboratories, one in San Francisco and one in Washington. The five units have been replacted by two, the Denver Service Center and the Harpers Ferry Interpretive Center.

Central Office Functions. The Washington Office and six regional offices were in operation in 1960. Three additional regional offices have been added since 1960.

New Responsibilities. A considerable level of additional responsibility has been legislated to NPS in its park areas, central offices and to other functions. The most prominent ones are listed in the preceding table.

1. Following is the allocation and percent of total of the 2,483 increase in permanent employment during this 14-year period:

Older Park Areas	698	28%
Newer Park Areas	897	36%
Indirect Park Operations	83	3%
Central Offices:		
Washington Office	62	3%
Regional Offices	186	8%
New Responsibilities	557	22%
	2,483	100%

2. In Fiscal 1960 permanent staffing in older parks amounted 3,661 and increased to 4,359 in 1974. This 698 increase amounts to 19 percent or roughly 1.4 percent average increase per year. A rather lean increase considering that in this same period a very extensive MISSION 66 construction program added millions of dollars in park facilities requiring additional staffing to handle operations and maintenance. During this period park visitation to these older parks was approximately 144 percent. Also extensive boundary adjustments were authorized by the Congress for which an unknown but relative high portion of the increase can be attributed.

3. During the Fiscal 1960-1974 period, 82 operating areas (Newer Park Areas) were added to the System. A total of 897 permanent positions have been allocated for the management and operation of these new areas.

In 1960 the ratio of staffing in parks to total was 77 percent. In 1974 the ratio drops by 5 percent to 72 percent.

4. Indirect park operations staffing increased by 83 positions during the 14-year period, however, percentagewise this is a decrease of one percent of the total in 1974 compared with 1960.

5. Staffing in central offices decreased by 2 percent of the total in 1974 compared with 1960. This comparison excludes the portion of staffing as a result of the new responsibilities mandated since 1960.

6. During the 1960's, demands (legislative, Executive and other responsibilities) were placed on NPS. These demands are extremely significant in that 557 employees or 12 percent of the total increase since 1960 had to be hired to handle the required workloads.

UNITED STATES
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NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

SUMMARY OF EMPLOYMENT IN PARK OPERATIONS

FISCAL 1960 END OF YEAR EMPLOYMENT AND
VISITATION COMPARED WITH FISCAL 1974

REGION	Established Prior 1960 1960 Staffing PERMANENT		Established Since 1960 1974 Staffing PERMANENT		ALL AREAS 1974 Staffing PERMANENT		OLDER AREAS Change (+ or -) PERMANENT		VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Rocky Mountain	448	1,467	61	109	595	1,839	+ 86	+ 263	22,641.4	11,403.9	+ 8,524.0
North Atlantic	164	112	125	683	289	902	0	+ 107	11,719.1	3,774.3	+ 2,132.8
Mid-Atlantic	248	272	52	126	373	690	+ 73	+ 292	19,636.7	10,271.9	+ 7,571.1
National Capital	1,229	247	132	162	1,515	693	+ 154	+ 284	26,039.8	6,941.2	+ 17,730.0
Southeast	658	585	54	146	833	1,308	+ 121	+ 577	73,836.2	20,950.8	+ 51,250.4
Midwest	58	122	96	278	183	524	+ 29	+ 124	6,671.9	523.5	+ 2,791.4
Southwest	192	173	122	323	381	640	+ 67	+ 144	14,609.7	3,775.6	+ 5,993.7
Western	447	731	222	370	780	1,486	+ 111	+ 385	23,018.0	8,971.5	+ 4,170.4
Pacific Northwest	217	425	33	82	307	673	+ 57	+ 166	7,148.3	4,234.0	+ 1,967.6
TOTALS	3,661	4,134	897	2,279	5,256	8,755	+ 698	+2,342	205,321.1	70,846.7	+102,131.4

NOTE: Staffing levels for other than permanent employment includes employment not subject to EOY ceilings, such as Student Assistance Program.

N/R - Not Reporting Visitation

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON, D. C. 20240

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

ROCKY MOUNTAIN REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS PERMANENT	NEW AREAS OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Badlands NM	11	24				12	25	+ 1	+ 1	1,333.8	878.6	+ 455.2
Bent's Old Fort NHS	--	--	1962	2	6	2	6			24.5	----	----
Bighorn Canyon NRA	--	--	1966	15	29	15	29			238.2	----	----
Bryce Canyon NP	11	25				13	35	+ 2	+ 10	408.2	272.0	+ 136.2
Canyonlands NP			1966	25	28	25	28			60.5	----	----
Arches NP	5	4				4	13	- 1	+ 9	218.5	71.6	+ 146.9
Natural Bridges NM	--	2				2	6	+ 2	+ 4	35.3	6.5	+ 28.8
Capital Reef NP	3	2				13	22	+10	+ 20	277.4	102.5	174.9
Cedar Breaks NM	1	5				2	7	+ 1	+ 2	244.8	115.8	+ 129.0
Colorado West Group:												
Headquarters Office						9	5	+ 9	+ 5			
Black Canyon NM	1	8				5	13	+ 2	+ 5	226.6	122.5	+ 104.1
Colorado NM	7	11				7	15	0	+ 4	573.7	123.5	+ 450.2
Curecanti RA	--	--	1966	6	18					714.1	----	----
GROUP TOTAL	8	19		6	18	25	51	+11	+ 14	1,514.4	246.0	+ 554.3
Custer Battlefield NM	5	8				5	10	0	+ 2	290.4	146.5	+ 143.9
Devil's Tower NM	4	12				4	13	0	+ 1	133.1	117.0	+ 16.1
Dinosaur NM	12	24				13	36	+ 1	+ 12	372.7	142.4	+ 230.3
Florissant Fossil Beds	--	--	1971	2	5	2	5			22.6	----	----
Fort Laramie NHS	4	9				12	15	+ 8	+ 6	104.5	45.6	+ 58.9
Glacier NP	59	242				56	242	- 3	0	1,351.1	724.5	+ 626.6
Glenn Canyon NRA) Rainbow Bridge NM)	7	1				55	39	+48	+ 38	1,239.7	208.8	+1,030.9
Golden Spike NHS	--	--	1967	7	14	7	14			58.1	----	----
Grand Teton NP	41	113				43	221	+ 2	+108	2,963.5	1,429.9	+1,533.6
Fossil Butte NM			1974	2	2	2	2			7.0	----	----
John D. Rockefeller Junior Memorial Parkway			1974	2	2	2	2			1,586.1	----	----
Great Sand Dunes NM	3	4				7	14	+ 4	+ 10	186.6	52.7	+ 133.9
Mesa Verde NP	33	63				30	106	- 3	+ 43	464.1	225.7	+ 238.4
Hovenweep NM												
Yucca House NM	1	1				1	1	0	0	N/R	----	----
Mount Rushmore NMem	6	18				9	38	+ 3	+ 20	1,876.3	1,067.0	+ 809.3
Pipe Springs NM	2	3				3	5	+ 1	+ 2	20.0	7.3	+ 12.7
Rocky Mountain NP) Shadow Mountain NRA)	54	195				34	163	0	- 32	2,468.6	1,532.5	+ 936.1
Theodore Roosevelt NMem	11	42				11	48	0	+ 6	743.5	223.2	+ 520.3
Fort Union Trading Post NHS	--	--	1968	--	3	--	3			2.4	----	----
Timpanogos Cave NM	3	11				5	13	+ 2	+ 2	188.9	110.1	+ 78.8
Wind Cave NP	11	27				11	41	0	+ 14	892.0	864.6	+ 27.4
Jewel Cave NM	1	7				4	21	+ 3	+ 14	80.4	31.7	+ 48.7
Yellowstone NP	114	560				94	505	-20	- 55	1,934.9	1,443.3	+ 511.6
Big Hole NB	1	1				1	4	0	+ 3	32.6	10.7	+ 21.9
Grant-Kohrs Ranch NHS			1974	0	2	--	2			N/R	----	----
Zion NP	37	45				29	48	- 8	+ 3	1,024.1	575.8	+ 448.3
Regionwide Park Support						32	6	+22	+ 6			
Subtotal Rocky Mountain Region	448	1,467		61	109	595	1,839	+86	+243	22,641.4	11,403.9	+8,524.0

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NORTH ATLANTIC REGION	OLDER AREAS 1960 Staffing PERMANENT	OTHER	NEW AREAS Established Since 1960 YEAR	PERMANENT	OTHER	ALL AREAS 1974 Staffing PERMANENT	OTHER	Change (+ or -) PERMANENT	OTHER	VISITATION (000) ALL AREAS 1974	Older Areas 1960	CHANGE (+ or -)
Acadia - NP	16	48				17	56	+1	+8	2,794.7	1,638.2	+1,156.5
Saint Croix Island NM	--	4				0	1	0	-3	N/R	----	.
Adams NHS	3	10				3	8	0	-2	23.8	11.8	+ 12.0
Cape Cod NS	--	--	1963	31	122	31	122			4,322.2	----	
Fire Island NS	--	--	1964	16	35	16	35			566.5	----	
Fort Stanwix NM			1973	2	3	2	3			6.8		
Gateway NRA	--	--	1974	33	438	33	438			N/R	----	
Home of Franklin D. Roosevelt NHS and Vanderbilt Mansion NHS	56	10				37	26	-19	+16	285.2 236.5	281.9 138.5	+ 3.3 + 98.0
Longfellow NHS	--	--	1974	6	10	6	10			5.9	----	
John Fitzgerald Kennedy NHS	--	--	1969	1	4	1	4			30.6	----	
Manhattan Properties:												
Headquarters Office	--	--				5	3	+5	+3			
Castle Clinton NM	5	--				5	5	0	+5	0.0	----	
Federal Hall NM	7	--				8	5	+1	+5	82.4	60.8	+ 21.6
General Grant NM	3	--				5	5	+2	+5	76.0	253.2	- 177.2
Hamilton Grange NM	--	--	1965	2	3	2	3			5.5	----	
Theodore Roosevelt Birthplace NHS	--	--	1964	2	3	2	3			15.5	----	
GROUP TOTAL	13	0		4	6	27	24	+8	+18			
Minute Man NHP	--	--	1962	15	30	15	30			660.4	----	
Morristown NHP	17	4				17	21	0	+17	613.5	481.2	+ 132.3
Edison NHS	9	--				17	21	+8	+21	68.5	23.8	+ 24.7
Saganore Hill NHS	--	--	1964	11	10	11	10			153.3	----	
Salem Maritime NHS	4	5				4	10	0	+ 5	339.9	55.8	+ 284.1
Saratoga NHS	6	12				8	16	+2	+ 4	293.8	60.1	+ 233.7
Saint-Gaudens NHS	--	--	1966	3	8	3	8			13.0	----	
Saugus Iron Works NHS	--	--	1970	3	17	3	17			32.3	----	
Statue of Liberty NM	38	19				23	42	-15	+23	1,112.8	769.0	+ 343.8
Regionwide Park Support						15	-	+15				
Subtotal North Atlantic Region	164	112		125	643	289	902	0	+107	11,719.1	3,774.3	+7,132.8

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MID-ATLANTIC REGION	OLDER AREAS 1960 Staffing PERMANENT	OTHER	NEW AREAS Established Since 1960 YEAR	PERMANENT	OTHER	ALL AREAS 1974 Staffing PERMANENT	OTHER	Change (+ or -) PERMANENT	OTHER	VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Appomattox Court House NHP	5	9				6	13	+1	+4	245.8	124.3	+ 121.5
Assateague Island NS	-	-	1967	16	58	16	58			1,908.4	-	
Booker T. Washington NM	5	10				6	6	+1	-4	33.5	8.3	+ 25.2
Colonial NHP	41	41				45	79	+4	+38	9,018.1	3,399.4	+ 5,618.7
Delaware Water Gap NRA	-	-	1967	75	47	25	47			501.6	-	
Fort McHenry NM & HS	10	6				9	16	-1	+10	471.6	511.5	- 399.0
Fredericksburg and Spotsylvania County Battlefields Mem. NMP	12	16				17	30	+5	+14	1,133.6	413.6	+ 720.0
George Washington Birthplace NM	6	7				10	21	+4	+14	159.4	85.9	+ 73.5
Gettysburg NMP	23	26				29	66	+6	+40	1,400.0	1,336.0	+ 64.0
Eisenhower NHS	-	-	1971	6	4	6	4			N/R		
Hopewell Village NHS	6	13				9	19	+3	+6	147.8	98.7	+ 49.1
Independence NHP	73	14				91	64	+18	+50	2,098.2	1,595.0	+ 503.2
Thaddeus Kosciuszko NMem			1974							N/R		
Petersburg NB	7	9				7	40	-	+31	403.1	545.1	- 142.0
Richmond NBP	9	4				10	26	+1	+22	461.0	183.8	+ 277.2
Shenandoah NP	49	115				54	165	+5	+50	2,384.2	1,780.1	+ 604.1
Western Pennsylvania Group:												
Headquarters Office						2	0	+2	-			
Allegheny Portage Railroad NHS	-	-	1966	4	14	4	14			46.2	-	
Fort Necessity NB	2	2				3	16	+1	+14	191.8	136.2	55.6
Johnstown Flood NMem	-	-	1966	1	3	1	3			52.4	-	
GROUP TOTAL	2	2		5	17	10	33	+3	+14			
Regionwide Park Support						73	73	+23	+3			
Subtotal Mid-Atlantic Region	248	272		52	126	373	690	+73	+292	19,636.7	10,271.9	7,371.1

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NATIONAL CAPITAL PARKS	OLDER AREAS 1960 Staffing		NEW AREAS Established Since 1960			ALL AREAS 1974 Staffing		Change (+ or -)		VISITATION (000)		
	PERMANENT	OTHER	YEAR	PERMANENT	OTHER	PERMANENT	OTHER	PERMANENT	OTHER	ALL AREAS 1974	1960 Older Areas	CHANGE (+ or -)
Antietam	4	6				12	10	+ 8	+ 4	427.8	36.1	+ 391.7
C & O Canal	11	12	1971	31	28	62	40	0	0	1,066.6	----	----
Catoctin MP	10	4				21	20	+ 11	+ 16	377.5	480.6	- 103.1
Harpers Ferry NHP	12	14				22	68	+ 10	+ 54	1,057.4	585.8	+ 471.6
Manassas NB	6	4				7	16	+ 1	+ 12	703.6	160.4	+ 543.2
Prince William Forest	20	16				34	21	+ 14	+ 5	330.4	267.3	+ 63.1
Wolf Trap Farm	--	--	1969	17	108	17	108	0	0	508.0	----	----
Kennedy Center	--	--	1972	55	21	55	21	0	0	N/R		
National Visitor Center	--	--	1970	9	5	9	5	0	0	N/R		
SUBTOTAL	63	56		132	162	239	309	+ 44	+ 91			
National Capital Parks D. C. Areas	879	191			--	702	314	-127	+123	21,568.3	5,411.0	+16,157.3
U. S. Park Police	287	--			--	532	31	+245	+ 31	----	----	----
Regionwide Park Support						42	39	+ 42	+ 39			
SUBTOTAL	1,166	191			--	1,276	384	+110	+193			
Subtotal National Capital Parks	1,229	247		132	162	1,515	693	+154	+284	26,039.8	6,941.2	+17,730.0

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SOUTHEAST REGION	OLDER AREAS 1960 Staffing PERMANENT	OTHER	NEW AREAS Established Since 1960 YEAR	PERMANENT	OTHER	ALL AREAS 1974 Staffing PERMANENT	OTHER	Change (+ or -) PERMANENT	OTHER	VISITATION (000) ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Andersonville NHS	--	--	1972	11	3	11	3			114.3	----	----
Biscayne NM	--	--	1971	7	8	7	8			451.9	----	----
Blue Ridge Parkway	128	139				114	214	-14	+ 75	13,843.4	5,503.2	+ 8,340.2
Carl Sandburg Home NHS	--	--	1970	6	13	6	13			5.2	----	----
Guilford Courthouse NMP	4	5				7	8	+ 3	+ 3	1,179.5	293.8	+ 885.7
Cape Hatteras NS										1,683.4	467.3	+ 1,216.1
Wright Brothers NMem	35	67				52	117	+17	+ 50	418.6	237.6	+ 181.0
Fort Raleigh NHS										313.2	90.8	+ 222.4
Cape Lookout NS	--	--	1968	2	1	2	1			N/R	----	----
Castillo de San Marcos NM	13	13				18	13	+ 5	0	592.9	366.3	+ 226.6
Fort Matanzas NM										279.9	62.7	+ 217.2
Chickamauga & Chattanooga NMP	21	2				18	30	- 3	+ 28	15,156.0	1,034.3	+14,121.7
Christiansted NHS										26.5	4.2	+ 22.3
Buck Island Reef NM	2	6				4	6	+ 2	0	29.3	----	-----
Cumberland Gap NHP	13	14				16	39	+ 3	+ 25	411.9	135.1	+ 276.8
Cumberland Island NS	--	--	1974	5	10	5	10			N/R	----	----
DeSoto NMem	3	2				5	6	+ 2	+ 4	111.6	78.8	+ 32.8
Everglades	57	36				80	81	+23	+ 25	990.9	579.2	+ 411.7
Fort Jefferson NM										22.7	8.9	+ 13.8
Fort Caroline NMem	4	5				5	3	+ 1	- 2	74.4	43.4	+ 31.0
Fort Donelson NMP	5	2				10	35	+ 5	+ 33	1,066.2	384.9	+ 681.3
Fort Frederica NM	6	2				6	8	0	+ 6	150.4	110.8	+ 39.6
Fort Pulaski NM	8	5				9	28	+ 1	+ 23	289.0	136.1	+ 152.9
Fort Sumter NM	7	1				15	43	+ 8	+ 42	162.2	51.8	+ 110.4
Great Smoky Mountains NP	114	140				108	217	- 6	+ 77	9,608.2	4,528.6	+ 5,079.6
Andrew Johnson NHS	6	6				5	7	- 1	+ 1	50.6	41.9	+ 8.7
Gulf Islands NS	--	--	1974	18	96	18	96			1,010.7	----	----
Horseshoe Bend NMP	4	2				7	7	+ 3	+ 5	403.9	23.9	+ 380.0
Kennesaw Mountain NBP	7	8				10	19	+ 3	+ 11	6,348.5	203.5	+ 6,145.0
Kings Mountain NMP	6	6				7	12	+ 1	+ 6	425.2	242.9	+ 182.3
Cowpens NB										35.0	8.8	+ 26.2
Mammoth Cave NP	53	42				54	114	+ 1	+ 72	1,838.0	519.1	+ 1,318.9
Abraham Lincoln Birthplace NHS	7	2				7	9	0	+ 7	456.3	331.3	+ 125.0
Mar-A-Lago NHS	--	--	1974	--	15	--	15			N/R	----	----
Moores Creek NMP	4	0				4	4	0	+ 4	39.1	4.4	+ 14.7
Natchez-Trace Parkway	83	44				98	68	+15	+ 24	13,366.2	3,479.3	+ 9,886.9
Shiloh NMP	13	2				13	13	0	+ 11	553.1	803.8	- 250.7
Stones River NB	4	1				5	12	+ 1	+ 11	83.2	33.7	+ 49.5
Vicksburg NMP	20	12				16	20	- 4	+ 8	727.0	819.5	- 92.5
Gunboat Cairo	--	--	1974								----	----
Ocmulgee NM	7	4				9	9	+ 2	+ 5	111.3	86.0	+ 25.3
Russell Cave NM	---	--	1961	5	--	5	--			23.6	----	----
San Juan NHS	8	4				23	15	+15	+ 11	1,085.9	187.7	+ 898.2
Virgin Islands NP	16	13				33	15	+17	+ 2	297.0	27.2	+ 269.8
Regionwide Park Support						21	10	+21	+ 10			
TOTAL	658	585		54	146	833	1,308	+121	+577	73,836.2	20,950.8	+51,250.4

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MID-WEST REGION	OLDER AREAS 1960 Staffing		NEW AREAS Established Since 1960			ALL AREAS 1974 Staffing		Change (+ or -)		VISITATION (000)		
	PERMANENT	OTHER	YEAR	PERMANENT	OTHER	PERMANENT	OTHER	PERMANENT	OTHER	ALL AREAS 1974	1960	Older Areas CHANGE (+ or -)
Apostle Islands NL	--	--	1972	7	4	7	4			12.7	----	----
Effigy Mounds NM	3	14				4	11	+ 1	- 3	72.1	60.6	+ 11.5
Fort Larned NHS	--	--	1966	4	6	4	6			16.2	----	----
George Washington Carver NM	3	7				4	7	+ 1	0	37.0	46.4	+ 9.4
Wilson's Creek NB	--	--	1962	4	4	4	4			39.7	----	----
Grand Portage NM	3	4				5	18	+ 2	+ 14	68.5	----	----
Herbert Hoover NHS	--	--	1967	9	28	9	28			371.8	----	----
Homestead NM of America	2	7				4	6	+ 2	- 1	20.1	18.7	+ 1.4
Indiana Dunes NL	--	--	1969	6	46	6	46			57.8	----	----
Isle Royale NP	17	56				15	77	- 2	+ 21	15.9	6.4	+ 9.5
Pictured Rocks NL	--	--	1968	5	26	5	26			294.9	----	----
Jefferson National Expansion Memorial NHS	19	1				30	77	+ 11	+ 76	2,692.8	48.5	+2,644.3
Lincoln Boyhood NMem	--	--	1963	6	15	6	15			94.2	----	----
George Rogers Clark NHP	--	--	1968	4	9	4	9			80.7	----	----
Lincoln Home NHS	--	--	1973	11	9	11	9			584.3		
Ohio Group:												
Headquarters Group	--	--				3	2	+ 3	+ 2			
Mounds City Group NM	3	1				3	3	0	+ 2	83.6	29.0	+ 54.6
Perry's Victory and International Peace Mem	1	12				2	15	+ 1	+ 3	94.5	66.9	+ 27.6
William Howard Taft NHS	--	--	1971	2	2	2	2			1.9	----	----
GROUP TOTAL	4	13		2	2	10	22	+ 4	+ 7			
Ozark National Scenic Riverway	--	--	1966	24	103	24	103			1,534.9	----	----
Pipestone NM	3	10				5	14	+ 2	+ 4	141.8	155.5	- 13.7
Saint Croix NSR	--	--	1972	4	14	4	14			190.0	----	----
Scotts Bluff NM	4	10				4	9	0	- 1	157.1	91.5	+ 65.6
Agate Fossil Beds NM	--	--	1967	1	4	1	4			8.9	----	----
Sleeping Bear Dunes NL	--	--	1972	5	6	5	6			N/A	----	----
Voyageurs NP	--	--	1973	4	2	4	2			0.6	----	----
Regionwide Park Support						8	7					
Subtotal Midwest Region	58	122		96	278	183	524	+ 29	+124	6,671.9	533.5	+2,791.4

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SOUTHWEST REGION	OLDER AREAS 1960 Staffing PERMANENT	OLDER AREAS 1960 Staffing OTHER	NEW AREAS Established Since 1960 YEAR	NEW AREAS PERMANENT	NEW AREAS OTHER	ALL AREAS 1974 Staffing PERMANENT	ALL AREAS 1974 Staffing OTHER	Change (+ or -) PERMANENT	Change (+ or -) OTHER	VISITATION (000) ALL AREAS 1974	VISITATION (000) Older Areas 1960	VISITATION (000) Older Areas CHANGE (+ or -)
Amistad RA	--	--	1967	15	27	15	27			896.0	----	----
Arkansas Post NMem	--	--	1962	4	4	4	8			51.4	----	----
Bandelier NM	8	20				8	24	0	+ 4	160.5	81.6	+ 78.9
Big Bend NP	42	23				39	29	- 3	+ 4	249.4	75.9	+ 173.5
Buffalo NR	--	--	1974	9	27	9	27			104.5	----	----
Capulin Mountain NM	1	4				5	6	+ 4	+ 2	46.7	37.3	+ 9.4
Carlsbad Caverns NP	54	33				45	63	- 9	+30	766.0	537.0	+ 209.5
Guadalupe Mountains NP	--	--	1969	4	21	4	21			39.1	----	----
Chalmette NHP	6	5				7	7	+ 1	+ 2	194.9	473.4	- 278.5
Chamizal NMem	--	--	1968	12	32	12	32			68.4	----	----
Fort Davis NHS	--	--	1963	6	19	6	19			53.4	----	----
Fort Smith NHS	--	--	1963	4	6	4	6			81.1	----	----
Fort Union NM	3	8				4	7	+ 1	- 1	12.6	10.1	+ 2.5
Gila Cliff Dwellings NM	0	2				3	7	+ 3	+ 5	35.9	2.3	+ 33.6
Gran Quivira NM	2	5				6	5	+ 4	0	34.4	10.3	+ 24.1
Hot Springs NP	31	2				23	40	- 8	+38	2,423.5	719.1	+1,704.4
Lake Meredith RA	--	--	1967	22	29	22	29			1,692.7	----	----
Alibates Flint	--	--	1967	1	2	1	2	0		1.8	----	----
Lyndon B. Johnson NHS	--	--	1971	11	87	11	87			393.1	----	----
Navajo Lands Group:												
Headquarters Office:						6	2	+ 6	+ 2			
Aztec Ruins NM	3	9				4	4	+ 1	- 5	60.5	38.1	+ 22.4
Canyon de Chelly NM	6	17				7	20	+ 1	+ 3	559.8	20.5	+ 539.3
Chaco Canyon NM	5	9				8	15	+ 3	+ 6	54.8	25.8	+ 29.0
El Morro NM	3	3				2	7	- 1	+ 4	28.5	18.4	+ 10.1
Hubbell Trading Post NHS	--	--	1967	6	18	6	18	--	--	72.4	----	----
Navajo NM	2	5				6	10	+ 4	+ 5	118.8	2.5	+ 116.3
Sunset Crater NM	5	7				9	11	+ 4	+ 4	214.5	80.5	+ 134.0
Wupatki NM										131.9	56.6	+ 75.3
GROUP TOTAL	24	50		6	18	49	87	+19	+19	1,241.2	247.4	+ 976.4
Padre Island NS	--	--	1964	19	24	19	24	--	--	842.7	----	----
Pea Ridge NMP	1	5				7	9	+ 6	+ 4	81.3	57.2	+ 24.1
Pecos NM	--	--	1967	4	15	4	15			45.7	----	----
Platt NP	12	10				29	23	+17	+13	4,094.9	1,150.5	+2,944.4
Arbuckle RA	--	--	1967	3	10	3	10			498.1	----	----
White Sands NM	8	4				9	16	+ 1	+12	519.9	378.5	+ 141.4
Regionwide Park Support						32	12	+32	+12			
Subtotal Southwest Region	192	173	--	122	323	381	640	+67	+144	14,609.7	3,775.6	+3,993.7

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Cabrillo NM	2	4				9	10	+7	+6	1,284.2	1,007.0	+ 277.2
Channel Island NM	2	4				7	11	+5	+7	50.0	-	
Death Valley NM	28	17				36	27	+8	+10	402.6	355.9	+ 46.7
Fort Point NHS	-	-	1972	4	12	4	12	0	0	628.4	-	
Golden Gate NRA	-	-	1974	24	97	24	97	0	0	350.5	-	
Grand Canyon NP and Grand Canyon NM	68	90				84	155	+16	+65			
Marble Canyon NM											1,187.7	+ 745.8
Hawaii Group:												
Headquarters Office						6	8	+6	+8			
City of Refuge	-	-	1961	6	16	6	16	0	0	314.0	-	
Puukohola Heiau	-	-	1974	2	3	2	3	0	0	N/R	-	
GROUP TOTAL				8	19	14	27	+6	+8	314.0	-	
Haleakala NP	-	-	1961	13	21	13	21			427.9	-	
Hawaii Volcanoes NP	33	18				27	26	-6	+8	1,390.3	709.1	+ 681.2
John Muir NHS	-	-	1966	5	8	5	8			23.1	-	
Joshua Tree NM	15	12				19	28	+4	+16	482.4	320.1	+ 162.3
Lake Mead NRA			1964	99	86	99	86			5,817.7	-	
Lassen Volcanic NP	21	74				23	82	+2	+8	444.5	401.8	+ 42.7
Lehman Caves NM	3	4				6	9	+3	+5	34.2	20.7	+ 13.5
Muir Woods NM	5	5				8	7	+3	+2	797.8	508.8	+ 289.0
Petrified Forest NP	15	19				25	29	+10	+10	914.9	911.5	+ 1.4
Pinnacles NM	6	5				8	17	+2	+12	124.1	72.0	+ 52.1
Point Reyes NS	-	-	1964	30	31	30	31			1,241.4	-	
Redwood NP	-	-	1970	21	32	21	32			236.5	-	
Sequoia NP & Kings Canyon NP	81	178				84	312	+3	+34	1,748.5	1,370.6	+ 377.9
Yosemite NP and Devil Postpile	124	249				113	385	-11	+136	2,391.1	1,185.3	+ 1,205.8
Southern Arizona Group:												
Headquarters Office:						10	4	+10	+4			
Casa Grande Ruins NM	4	3				5	7	+1	+4	96.7	76.9	+ 19.8
Chiricahua NM	4	4				5	22	+1	+18	56.6	45.4	+ 11.2
Cornado NMem	2	4				5	3	+3	-1	46.9	16.9	+ 30.0
Fort Bowie NHS & Hohokam Pima	-	-	1966 & 74	2	2	2	2			3.1	-	
Montezuma Castle						7	8	+2	0	318.6	177.7	+ 140.9
Organ Pipe Cactus	8	6				11	7	+3	+1	86.4	262.1	- 175.7
Saguaro NM	7	14				14	20	+7	+6	330.7	141.0	+ 189.7
Tonto NM	4	2				4	3	0	+1	50.2	46.1	+ 4.1
Tumacacori NM	4	6				5	4	+1	-2	65.2	53.8	+ 11.4
Tuzigoot NM	2	3				4	8	+2	+3	84.3	34.8	+ 49.5
Walnut Canyon NM	4	2				4	9	0	+7	60.2	66.3	- 6.1
GROUP TOTAL	44	52		2	2	78	97	+32	+43	1,198.9	921.0	+ 274.8
Whiskeytown NRA			1964	16	62	16	62	0	0	771.4	-	
TOTAL	447	731		222	370	780	1,486	+111	+385	23,018.0	8,971.5	4,170.4

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON, D.C. 20240

FISCAL 1960 EMPLOYMENT AND VISITATION
COMPARED WITH FISCAL 1974

PACIFIC NORTHWEST REGION	OLDER AREAS 1960 Staffing		NEW AREAS Established Since 1960			ALL AREAS 1974 Staffing		Change (+ or -)		VISITATION (000)		
	PERMANENT	OTHER	YEAR	PERMANENT	OTHER	PERMANENT	OTHER	PERMANENT	OTHER	ALL AREAS 1974	1960	Older Areas Change (+ or -)
Alaska Group:												
Headquarters Office						22	10	+22	+10			
Glacier Bay NM						13	27	+ 5	+24	94.2	16.4	+ 77.8
Sitka NHP	8	3										
Katmai NM	0	1				3	14	+ 3	+13	12.6	0.6	+ 12.0
Mount McKinley NP	16	25				13	70	- 3	+45	409.6	22.5	+ 387.1
GROUP TOTAL	24	29				51	121	+27	+92	516.4	39.5	+ 476.9
Coulee Dam NRA	11	28				21	48	+10	+20	523.3	647.4	- 124.1
Craters of the Moon NM	5	10				5	15	0	+ 5	183.9	134.3	+ 49.6
Fort Clatsop NMem	2	4				2	12	0	+ 8	95.3	69.0	+ 25.3
Fort Vancouver NHS	4	1				7	12	+ 3	+11	150.9	37.6	+ 113.3
Klamath Falls Group:												
Headquarters Office						10	2	+10	+ 2			
Crater Lake NP	31	69				18	57	-13	-12	503.3	397.7	+ 105.6
Lava Beds NM	7	29				8	19	+ 1	-10	118.1	67.7	+ 50.4
Oregon Caves NM	1	7				3	11	+ 2	+ 4	153.5	101.3	+ 52.2
GROUP TOTAL	39	105				39	89	0	-16	774.9	566.7	+ 208.2
Mount Rainier NP	65	134				60	174	- 5	+40	1,188.3	1,538.7	- 350.4
Nez Perce NHP	--	--	1967	3	12	3	12			137.9	-----	-----
North Cascades NP	--	--	1970	26	62	26	62			733.9	-----	-----
Lake Chelan NRA and Ross Lake NRA	63	112				66	113	+ 3	+ 1	2,663.7	1,160.4	+1,503.3
Olympic NP	--	--				2	8			74.9	-----	-----
San Juan Island NHP	--	--	1968	2	8	3	6	+1	+4	104.9	40.4	+ 64.5
Whitman Mission NHS	4	2				18	1	+18	+ 1			
Regionwide Park Support												
TOTAL	217	425		33	82	307	673	+57	+166	7,148.3	4,234.0	1,967.6

Mr. YATES. Mr. Duncan.

FUNDS FOR PERMANENT POSITIONS

Mr. DUNCAN. I was interested in the questions just asked.

You are getting more production for less money by concentrating in the temporary field as opposed to the permanent. Now, do you know, with the restrictions imposed by the Budget Bureau, if you nevertheless expend all the money budgeted for payroll for permanent employees even though you had a lesser number of people employed? In other words, were there wage increases and cost of living increases that consumed the budgeted amount of payroll?

Mr. EVERHARDT. There have been Wage Board increase and increases in the classified pay raise for permanent positions.

Mr. DUNCAN. I am asking this question to see if that might not explain the restrictions imposed by the Bureau of the Budget so it was necessary to hire fewer permanent people in order to stay within the budgetary allowance for salary.

Is that true?

Mr. REED. The difference between what was budgeted and authorized by the Congress and what was actually spent, that difference was used primarily in less than full time employee's pay and contracting.

Mr. DUNCAN. But there was budgeted money for permanent employees.

Mr. REED. Yes, sir. There was a surplus of that, and that money was used to hire less than full time. We would not have made it without that and and contract work.

Mr. MCKAY. That would not have been a total transfer because you absorb some of it in extra cost of living, et cetera.

Mr. REED. Agreed, and the pay raise—that is right.

Mr. DUNCAN. With respect to your contract employment, it is not necessarily so that you could have performed those functions cheaper with in-house labor than you could by contract, is it?

Have you made any studies?

Mr. EVERHARDT. I don't think we have made those detailed studies.

Mr. DUNCAN. There used to be an Executive order in effect that directed the agencies to use private contractors whenever those costs were either less or equal to, or not more than, slightly above the cost of doing it on forced account. Is that Executive order still in effect? Well, obviously nobody pays much attention to it.

Mr. REED. Philosophically, I think we have urged our Bureau Directors to take whatever steps are possible to contract and free up manpower. I do not see any other way out of this.

The President has indicated to the Department of the Interior that he is going to keep a tight rein on the manpower levels of the Department. Responding to that, I simply say to my Directors, that they have to be prepared to contract more so that the permanent positions are used more and more for those things that can't be handled by contracts or temporary employment.

Mr. DUNCAN. I would just like to have the record show that I think that Executive order has a lot of merit to it. I think whenever you can do with a private company, what you require, at less cost or perhaps even 5 or 10 percent above your own cost, it ought to be done.

Mr. REED. I think your point is very sound.

VOLUME OF CONTRACT WORK

Mr. YATES. How much money did you spend on contract work last year?

Mr. EVERHARDT. About $21.5 million was spent last fiscal year for "other services." About $13 million of that would be contract work. We estimate $32 million for "other services" in fiscal year 1976.

Mr. YATES. What's the nature of the work?

I assume it is work of all kinds, is it not?

Mr. EVERHARDT. Yes sir, for example, repair of equipment, studies performed by universities, and practically all kinds of maintenance and rehabilitation work. It would be inappropriate to try to staff up an organization in a national park area to do that.

So we put those kinds of work out for bid and do it under contract. The painting of buildings where you might have a contractor come in and paint 20 or 30 buildings on a cyclic maintenance program is also like this. There are areas where you call in specialists, experts to do certain kinds of maintenance chores where you would not try to staff up an organization for that once or twice need in a year's time.

ADDITIONAL REQUIREMENTS OF NEW PARKS

Mr. YATES. A large number of new park areas were authorized in the last Congress. No management or construction funds have been asked for these areas. Are there any plans at this point to recommend supplemental appropriations?

Mr. REED. I think the most I would want to say is that the Director has been asked to formulate some preliminary funding and manpower figures. They are under consideration by the Department and will be discussed with OMB.

Mr. YATES. What has OMB indicated to you?

Mr. REED. They asked for the preliminary figures so a rational discussion can be initiated.

Mr. YATES. Let me return to the previous questioning for a moment. Would the Park Service be better administered if you had a higher number of permanent employees rather than resorting to contract work?

Mr. EVERHARDT. I think so.

I think we could continue to give the visitors to the national parks a continued high standard of service that I think has been so notable in the National Park Service in previous years. I think that we could also accomplish our role mandated by Congress many years ago of preservation of these natural and historic and recreational treasures for future generations.

Mr. YATES. Would you save any money over the use of contract or temporary employees if you had a higher permanent staff?

Mr. EVERHARDT. I have not analyzed that enough to answer that question.

PROPOSALS FOR JOB OPPORTUNITY PROGRAM

Mr. YATES. Are there any projects that the Park Service could undertake that would create jobs in areas of high unemployment?

Mr. EVERHARDT. We have submitted a program for job opportunities, employment of new people under the current situation with unemployment.

Mr. YATES. How many and for what types of work?

Mr. EVERHARDT. This would be all types of work with particular emphasis on rehabilitation of National Park Service facilities.

Some of it certainly would be done on site with work crews. Some would be accomplished by contractual services.

Mr. YATES. In the same way as you are now doing?

You had outside contractual services last year. Is this in addition to that for the purpose of making work?

Mr. EVERHARDT. Right.

Mr. REED. Trails, campground, and pit toilet work. All the functions of managing back-country real estate.

This is our summer employment program. It is our less than full-time employees.

We hire these wonderful students in the summertime. We can expand that program to do more miles and more work with this work opportunity program.

Mr. YATES. How many students did you hire last year?

Mr. EVERHARDT. 2,900 in the disadvantaged youth program last year.

Mr. YATES. Is that the total?

Mr. EVERHARDT. That is just disadvantaged youths.

TEMPORARY EMPLOYMENT

Mr. YATES. What was the total? I remember, in Teton last year, we saw some temporary employees in the booths.

Mr. EVERHARDT. Right, sir. We hired about 6,900 seasonals in fiscal year 1974.

I would like to expand a little on the work program and mention some things that could be accomplished with this.

Certainly the grounds improvements, back country, campground renovations, such things as boundary surveys and boundary marking, also bringing many of the existing facilities, for example, our road systems within the National Park System, bringing those up to the standard to meeting the needs of today. This would be an extensive program, under contract, for overlays, asphalt overlays, reseal, attention to drainage structures and shoulder work to protect it against water and spring runoffs, et cetera.

Mr. YATES. Do you have enough money in your budget for that now?

Mr. EVERHARDT. No, sir; we do not.

Mr. YATES. Do you intend to ask for a supplemental request?

Mr. REED. If they gave us the summer program, the thought would be that we would put corresponding dollar amounts with that to come back here. The Director and I have talked to a number of superintendents, especially in the less developed parks authorized in the last 10 years, and asked them what they could do with additional manpower. It would be work such as putting in of the first campgrounds or the first trail system.

All that could be done with the additional manpower if the unemployment situation needs Federal assistance. But they have quickly pointed up, if you are going to make work—and we need the work—we can use the campgrounds and trails and sanitary facilities, but you have to give us corresponding dollars.

We don't need a great deal of money but we need some to put these facilities in.

Mr. YATES. At the moment, you do not know how much that will be.

Mr. REED. No, sir.

Mr. DUNCAN. Will you yield? You have referred to these, I hope by slip of the tongue—but perhaps not—as "make-work." Are you suggesting this is not productive or needed work?

Mr. REED. I am sorry to use that term. I did use it but I guess it would be called necessary work that we are presently unable to do.

Mr. DUNCAN. The CCC produced a lot of valuable trails and roads.

Mr. REED. Among the best work in the National Park Service on quality, design, and construction throughout the Park system is the work of the CCC.

If you look for the best buildings, campgrounds, or roads, I am sorry to say modern technology has not stayed up with handwork, time, and effort.

POSSIBILITIES FOR PERMANENT EMPLOYMENT

Mr. DUNCAN. It is very easy for me to justify to my constituency money which at the same time will reduce unemployment and produce productive results. It is a little less easy if they are make-work jobs.

Mr. REED. I understand.

Mr. DUNCAN. You also talked in terms exclusively of summer employment. Is it not possible that this could be full-time employment? I doubt that you would go up to Alaska in the middle of the winter.

Mr. REED. The southern parks are open year-round. I have just come back from the Isle Royale. It is 35 below zero without a breeze. It blew several days. I don't think many people will go through that.

Mr. DUNCAN. But you do have areas where this could take place?

Mr. REED. Yes, sir, the southern parks.

Mr. DUNCAN. How about the housing?

Mr. REED. We have identified areas where we have housing and can take care of sanitary, food and the medical services. We have made that identification.

Mr. DUNCAN. Thank you.

Mr. YATES. What would it need to have an organization similar to the CCC? Would you need legislative authority?

Mr. EVERHARDT. We would, yes.

Mr. YATES. You have a Youth Conservation Corps.

Mr. REED. We have, YCC and the student summer program.

Mr. YATES. You don't need authority to do more than you are doing at the present time. You need authority to call it a Civilian Conservation Corps. What additional legislative authority would you need beyond what you have at the present time?

Mr. GREENWALT. If I might interject, I think I might be able to relate this to the Fish and Wildlife Service and perhaps answer your question. There are several ways by which one can get at this. One is of course the presently authorized Youth Conservation Corps program which is very effective, of short duration, just a few weeks in the summer for a specific kind of youth population.

Then there is the so-called Job Corps program which is now administered under the Labor Department, as you know, and deals with work somewhat analogous to that done by the Civilian Conservation Corps although its thrust is directed toward the training of these

youths in particular areas of job skills for future use. There is heavy implementation in that direction.

We should have in terms of the special projects what I think we call accelerated programs, and at least with the Fish and Wildlife Service, those things going undone would presumably be done in the future at obviously a much slower rate by infusion of funds.

In fact, the Service was asked sometime ago—and I think this committee asked us a week or so ago—for our assessment of the needs for this accelerated kind of funding to do routine maintenance, routine rehabilitation, catchup work, on a scale that is both labor-intensive and reasonable and certainly productive, and we have done this, and I think the Park Service may have done so as well.

It is through these mechanisms that one can get at this without having specific authorization unless it were decided that a duplication of the Civilian Conservation Corps or something like it be re-established.

Mr. YATES. But you could do it without having a Civilian Conservation Corps?

Mr. GREENWALT. Certainly. The process as practiced, for example, on National wildlife refuges would be to employ a local labor force to do various kinds of work, to replace water control structures, for example, which is a rather large undertaking but not require a contract providing we have the supervisory skills to see the work is done properly.

If it is a larger kind of project, a contract can be utilized which is in itself labor-intensive. They hire from the local force.

Mr. MCKAY. Don't you try to avoid having in-house people to supervise a number of these things? Aren't there a number of competent contract people who could be hired as supervisory help? As I recall myself working part time for the Forest Service, for example——

Mr. GREENWALT. In past episodes of this kind you may recall the accelerated public works program of a decade ago our practice was to hire even the supervisory people so that we provided the needed supervision.

Mr. MCKAY. And they were part time?

Mr. GREENWALT. Yes, the duration of the work was dependent on the length it took to complete the project, and contingent upon wherever it happened to be or the nature of the job. It is one of those kinds of things that is fundamental, an acceleration of that which we would do, ordinarily given the opportunity to get the resources.

Mr. MCKAY. You also have a lot of potential people from schools?

Mr. GREENWALT. Yes.

Mr. MCKAY. Biologists and others looking for summertime employment?

Mr. GREENWALT. Many of them are not so interested in doing biological work as they are having a job, and we have never had much difficulty at all in getting extremely competent assistance in those projects at the supervisory and working level.

Mr. YATES. In the western part of the United States is most of your maintenance work done in the summertime? Are there any of the parks out west that permit you carrying on your work through the year?

Mr. EVERHARDT. Certainly there is a lot of work done the year around. I would say the majority of outdoor type activity is accom-

plished in the summertime in certainly the western parks and the high Rocky Mountain region.

Mr. EVANS. May I ask a question there, Mr. Chairman?

Mr. YATES. Certainly, Mr. Evans.

DISTINCTION BETWEEN EMPLOYMENT CATEGORIES

Mr. EVANS. It may have been referred to, and if I missed it, I am sorry.

What is the dividing line between full-time employment and other?

Mr. REED. The number of weeks of employment?

Mr. EVANS. Yes.

Mr. EVERHARDT. Full time on a year round basis.

Mr. EVANS. I understand that, and you have an authorized slot for him. What is the breaking point between somebody full time authorized and "other?"

Mr. EVERHARDT. Full time is year round employment. Other employment includes those employed for less than 1 year in accordance with Civil Service regulations.

Mr. EVANS. The thing I didn't understand was why we have to have additional legal authority to undertake a jobs program within your bailiwick. For example; in terms of permanent positions why couldn't we just simply increase them enough so that it would reflect what you think you could take on board and employ? Then, if there was a move to attack unemployment by increasing work in your area that needed to be done you would already have the authorized positions.

Can't we face that by just simply increasing the number of authorized personnel full time?

Mr. EVERHARDT. There is no problem in that particular example. We could certainly accelerate work that has been deferred because of lack of money, lack of people. We have a projected program right recently of a need of $40 million, to spend something like $20 million in building and utilities, renovative-type projects I mentioned earlier, back country, the trails; a program of $14 million in roads; a program of some $5,200,000 for operations of the national parks.

Mr. EVANS. And these were developed in response to a request made of you of what you could do if you were asked to do it?

Mr. EVERHARDT. Yes; in response to a need for public works-type program.

Mr. EVANS. Who made the request?

Mr. REED. The OMB asked that of the various Bureaus—the BLM, the Forest Service, Fish and Wildlife Service, the Park Service and so forth, and I think the military as well. We were asked to outline what the Government would get in the way of return for the labor account and how much additional money would be required beyond payrolls to accomplish the various tasks.

Also, they asked us to make a survey of medical facilities, sewerage, where you would physically house them and how you would be able to handle them. That has been done. We have made our report to the Department of Commerce on this, and we are waiting to hear from them.

Mr. WILES. Congress passed a bill at the end of the last session, a Work Opportunity bill. As I recall, that bill authorized $125 million

for work executive agencies could do which would create jobs. The Secretary of Commerce has our report, as the Assistant Secretary said.

STATUS OF MALL DEVELOPMENT

Mr. YATES. Mr. Reed, can you tell us what the current status of the mall development is?

Mr. REED. Yes, sir, we have a leading expert on the mall here, Deputy Assistant Secretary Wheeler.

Mr. YATES. Is that why he is sitting in the corner? [Laughter.]

Mr. REED. Yes, sir.

Would you tell us, Douglas, has the Justice Department decided to appeal the judge's decision and, if so, when?

Mr. WHEELER. That decision is pending receipt of the judge's written order on the case. We haven't received that. It is estimated it will take a week.

Mr. REED. I thought it was a week last week.

Mr. WHEELER. It was and no one knows when we will get that. We are now operating on the temporary restraining order.

Mr. YATES. What is the basis for that?

Mr. WHEELER. He agreed with the plaintiff's argument that we were to have prepared an environmental impact statement for the entire Mall plan, which is a plan that is 6 or 7 years old.

Mr. REED. It is 8 years old. When it was first brought before the authorizing committee it was 8 years ago. It has been consistently before the Congress and has passed every single review agency in Washington, D.C.

Mr. WHEELER. Moreover, we prepared an assessment relative to the two aspects now—the transportation of the two roads on the Mall and the installation of the shuttle service, but he found that inadequate. It is our judgment that it is an appealable decision and whether or not Interior requests Justice to appeal it, I understand there are aspects of it concerning the Department of Transportation as it may impact their responsibility for Bicentennial transportation throughout the metropolitan region. Ours is a narrower issue.

Mr. YATES. Was the reason for the suit the fact that you were going to remove parking from the Mall streets?

Mr. REED. Yes, sir.

Mr. WHEELER. It was a group of citizens, without categorizing their motives, who have now enjoyed reserved parking on the Mall and the concern——

Mr. YATES. Reserved parking?

Mr. WHEELER. Yes, that is correct.

Mr. YATES. Who gave the reservation?

Mr. WHEELER. People who serve in voluntary capacity at the Smithsonian, National Gallery, one or two other institutions along the Mall. We had agreed with the management of those institutions to provide reserved parking spaces for those volunteers. In undertaking the reduction of those two roads we had cut the number of spaces, reserved spaces, in half but had agreed with the Smithsonian that we would attempt to supplant those reserved spaces at another location. We felt we had accommodated, frankly, the needs of those particular volunteer people.

Mr. YATES. By the transportation to the stadium?

Mr. WHEELER. No; by providing them other reserved parking in other parts of the city closer to their particular voluntary assignments than JFK Stadium.

DUNE STABILIZATION AT CAPE HATTERAS

Mr. YATES. You have proposed to reprogram $1,494,700 for funds previously appropriated for dune stabilization at Cape Hatteras to be used for congressional add-ons to the 1975 construction budget. What is the current policy with respect to dune stabilization, and why are not these funds needed?

Mr. REED. Following the report by the senior scientists of the National Park Service on trying to hold back the Atlantic Ocean, the nod went to the Atlantic Ocean. We have spent millions of dollars to protect the beach and motel owners who built precipitously near the ocean when the whole history of Cape Hatteras is overflow and overwash carrying the sand first in one direction and then another. During periods of very calm seas' intervals the dunes rebuilt and the ocean retreated to be followed by another great storm on an annual or semiannual basis.

Mr. Chairman, we put millions of dollars into a sink. We discussed it with the Secretary and at that time recommended a new policy on beach stabilization be made at Cape Hatteras—which was basically to stabilize through plant material the existing dunes to help in relocation and to let nature and the Atlantic Ocean be the predominant force there.

Having lived on a coastal barrier island, I know you could spend more money than there is in the world, and we have experienced that to a degree at Cape Hatteras and have concluded that the ocean is bigger than we are. I think we have proven to ourselves and the residents that no matter how much money the Congress gives us, the Atlantic in December or during the equinox in September is bigger than both of us.

I know some of the local people feel the Park Service made a commitment to them to protect them forever when they built on the edge of the sea. However, I am afraid it is physically impossible, even remotely, to protect and preserve the area adequately. We have not been successful for 15 years, and there doesn't look to be much future in it.

Mr. YATES. Do you have a legal obligation to continue?

Mr. REED. No, sir, we don't feel we do.

Mr. YATES. Is this in accordance with the legal advice you have received?

Mr. REED. Yes, sir; there is nothing in the authorizing legislation that said we were to try to maintain and stabilize the existing dune structure. There is no way that we can handle these waves that really sweep the island. That is how the natural system goes, up and over the crest and drops the sand. If you are on top of the crest, you have a problem.

Mr. YATES. It is my understanding that if we try to construct breakwaters or other kinds of installations to stabilize the dunes the only effect is to introduce the problem to another area close by.

Mr. REED. Yes, the way the sand works in the coastal areas of the United States, we are faced in a majority of the winter months, with

the lateral drift north to south. For a brief time in the summer months, late June, July, August, there is a slight drift to the north, but it is not a compensating one; 70 percent goes to the south, 30 percent back to the north. The next year 70 percent to the south, and there is a retreat the next summer. If you build jetties, you simply starve the area to the south. The area to the north may look good and hold for a number of years until another big storm, but the area to the south, the drift of sand is interrupted, and that area becomes eroded.

Mr. YATES. Have you consulted with the Corps of Engineers?

Mr. REED. Yes, we continually consult with them, not only here but at Fire Island National Seashore and the other islands in the Gateway National Recreation Area where our beaches are tremendously affected by jetties and other developments on that seacoast.

BEACH NURTURING POLICY

Mr. MCDADE. Mr. Chairman, could I ask a question?

Mr. YATES. Sure.

Mr. MCDADE. Are we engaged in no beach nurturing at any Park Service property? Is that your testimony?

Mr. REED. No, at Fire Island we have urged, Mr. McDade, that when the inlet is dredged, the sand be put on the south side of the jetty so it will continue down to beach and at Sandy Hook, wherever there are islands. We are the property owner to the south, and we urge that the sand be put on our beach to rebuild. The Corps of Engineers is doing that.

There is an additional expense in some cases and in some cases there isn't. When there is beach sand washed into the inlet on incoming tides and stacked up, they have to go back in and dredge those for navigational depths. In those instances we want the sand put back on the beach. In a sense that is not artificial because the inlet was the artificial development. I know of no other area where we are pumping sand from inlet onto the beach or from the sea.

At Hatteras we tried a most expensive operation, which is the moving of sand from deep locations of the sea to the beach in hopper dredges, and that is like 275 to 325 per cubic yard.

Mr. MCDADE. There is no such program at Cape Cod or Point Reyes, or any of them?

Mr. REED. No, sir.

Mr. MCDADE. You don't anticipate any?

Mr. REED. No, sir.

Mr. MCDADE. Because you don't think there is any you need to——

Mr. REED. I think the Atlantic Ocean is bigger and more powerful than all the technology and money in the Federal Government.

You have to live along the Atlantic Coast in the equinox period in September to really get an understanding that you are exposed to one of the great forces in the world today, the Atlantic Ocean.

Mr. MCDADE. Nobody needs to be convinced of that; the question is whether or not one can protect the seashore through some kind of nurturing program. When previous directors of the park service occupied that chair in front of this committee, it was Park Service policy

to do this, and now you have made a scientific judgment you cannot, and am I to understand that is systemwide?

Mr. REED. That is correct, sir. We examined it at Cape Hatteras and throughout the Park Service. The team was asked to bring its recommendations through the Director to the Assistant Secretary to the Secretary as to what the policy should be. The policy decision was: nature will take its own course.

Mr. YATES. Can you put into the record the total amount of money you have spent for these purposes at Cape Hatteras?

Mr. REED. Yes, we would be glad to get you that figure.

[The information follows:]

AMOUNT APPROPRIATED FOR DUNE STABILIZATION AT CAPE HATTERAS

During the period 1958 through 1972 a total of $10.5 million was appropriated for beach erosion control at Cape Hatteras National Seashore. Of this amount, $8,964,100 has been expended, and the remaining $1,494,700 was reprogramed to fund projects added by the Congress in accordance with the House Report on the fiscal year 1975 Department of the Interior appropriation bill.

STATUS OF MAR-A-LAGO

Mr. YATES. Tell us about Mar-a-Lago.

Mr. REED. As you know, following its authorization of which the chairman is well aware, there was deep concern over the proper use of this historic building.

The Secretary has asked me to review with him possible legislation which considers alternative uses of this building and the protection of it either by another public agency or by private foundation. We have concluded our report to the Secretary and we expect him to communicate with this committee and to the authorization committee as to what his recommendations are.

He may have discussed this with some of you, I know, and I haven't heard whether they have been made public or not.

Mr. YATES. Well, I haven't heard anything about it. As I understood the terms of the bequest, it was to be used either as a presidential winter home or as a place where important foreign visitors might be housed during the wintertime. There were no other possible uses under the bequest.

Mr. REED. The President has indicated he does not wish to use it as a Presidential site.

Mr. YATES. Right. That leaves the possibility for use as a place for foreign visitors.

Mr. REED. We had a recent request from the State Department for the possible visit of a number of distinguished foreign visitors. The possibility of the building's use was discussed with the State Department and it was rejected by them on the ground it was even too large and security provisions were inadequate for these visiting dignitaries.

Mr. YATES. And too expensive to maintain?

Mr. REED. I can give you the figures for the cost to open the building on short notice and staff it for one of these visitors.

Mr. YATES. I wish you would put that in the record.

[The information follows:]

OPERATING COSTS OF MAR-A-LAGO NHS

In order to provide Mar-A-Lago National Historic Site with adequate staffing, operating and maintenance funds an amount of $335,000 is required to open the area for foreign dignitaries. This estimate is based on year-round operation of the building. Intermittent operation is not feasible because of the extensive startup and closedown time and cost, and the availability of personnel suitable for the duties involved on an occassional basis.

Additional funding of $170,000 is needed to cover the existing maintenance deficiency. These total requirements are detailed in the following two parts.

SUMMARY

Part 1	Foreign dignitaries program		$335,000
Part 2	Maintenance program based on closed condition of site		340,600
	less funds being donated	-126,200	
	less appropriated funds	- 44,400	
			-170,600
	Subtotal, maintenance deficiency		$170,000
	Total additional funds required		$505,000

PART 1:

Basic full year requirements for staffing and funds to operate main house (interior) for use by foreign dignitaries

1	Head cook	$ 12,000
1	Butler	10,400
1	Cook's helper	9,900
1	Staff waitress	7,800
2	Waiters (Footmen)	17,800
1	Staff Charwoman	8,300
1	Charwoman (Parlor Maid)	8,300
3	Charwomen (Chambermaids)	23,400
2	Kitchen Maids	15,600
1	Laundry worker	7,800
3	Janitors (housemen)	23,400
3	Security Guards	15,900
1	Administrative Assistant, GS-6	9,473
1	Clerk Typist, GS-3	6,764
22	Total permanent	$176,837
	Plus benefits	19,450
	Uniforms	3,000
	Overtime (average 1 weekend per month)	20,000
	Holiday pay (excludes security guards and administrative employees)	5,000
	Total salaries & benefits	$224,287
*	Additional maintenance, supplies, and equipment for house, grounds, and buildings	75,000
	Water service	9,000
	Electricity	12,000
	Fuel oil	3,200
	telephone	5,000
	natural gas	2,000
	miscellaneous supplies and materials	4,513
	Grand total	$335,000

* **Additional expenses include such items as increased costs of operating** and maintaining air conditioning units which are now inactive; maintaining extra planting on patio cloistures and loggias, fresh flowers during times foreign dignitaries are present, etc.

1. Includes basic operating type costs only. Excludes food and staples. Also, any formal dinners, receptions, or other special events would have to be financed by the applicable agency involved.

2. Excludes Secret Service costs and any other costs required by other agencies.

3. First 2 months' operation would involve opening up the facilities before any foreign dignitaries could be accepted.

4. Duties of employees will be assigned to coincide with foreign dignitaries usage of the facility. When no dignitaries are present, special duties include general daily household chores and other projects that normally are not done when dignitaries are present, i.e., washing windows, waxing floors, polishing silver, cleaning crystal and china, cleaning chandeliers, waxing furniture, cleaning refrigerators, etc.

5. Administrative Assistant and Clerk Typist positions will be required to perform administrative services support duties not only for the foreign dignitaries program but for the support services to the maintenance program as well due to the overall scope of the programs.

6. Intermittent operation is not feasible. Once the main house is open full-time services of the above staff must be scheduled and work performed regardless of whether or not dignitaries are at the site.

PART 2:

Minimum staffing and funds needed to maintain Mar-A-Lago on a closed condition and at a level that will prevent deterioration and/or excessive maintenance costs due to long range neglect:

	PRESENT OPERATING PROGRAM	DEFICIENCY	TOTAL NEEDS
MAIN HOUSE AND OUTBUILDINGS			
Approximately 3 acres of Mar-A-Lago are covered by buildings including one, two, and three-story structures, constructed out of concrete, hollow red tile, and stucco. There are approximately 900 openings (windows, doors, etc.) in the main building and of that amount about 100 are covered or trimmed with wrought iron grillwork. Also there are some 1500 wrought iron lamps that hang in patios, cloisters, and trees, and numerous small wrought iron tables, pot holders, and other types of ornamental pieces that require yearly maintenance. Approximately 3 man years are required to maintain these structures. Only 2 man years are available leaving 1 man year as a deficiency.			
Labor - 2 man years including benefits	$20,600		$20,600
Labor - 1 man year including benefits,		$12,000	12,000
General maintenance, repairs and supplies (Contract painting, plumbing, electricity, carpentry, and etc.)	11,000	55,000	66,000
Equipment replacement (ice machine, air conditioning units, and miscellaneous equipment)		4,400	4,400
GREENHOUSES			
There are four large greenhouses constructed out of cypress slats, glass, stucco, and concrete. There are approximately 1,500 ornamental potten plants in these structures requiring 1 man year to maintain.			
Labor - 1 man year including benefits		$11,000	$11,000
Repairs, painting, fertilizer and other costs	3,000	7,000	10,000

	PRESENT OPERATING PROGRAM	DEFICIENCY	TOTAL NEEDS
CITRUS GROVES			
There are 50 citrus trees in two large groves covering approximately 1 acre of ground.	(Citrus groves are not scheduled for maintenance except for mowing programmed under grounds.)		
GOLF COURSE			
The golf course area covers approximately 5 acres of Mar-A-Lago. It is a par 3 type course with 9 full sized greens and trees, golf house, rest areas, etc. Approximately 3 man years are required to maintain this course.	(Golf course area is not scheduled for maintenance as a golf course except for routine mowing programmed under grounds and the following:)		
Equipment, repairs, materials etc.	3,000		3,000
GROUNDS AND PARKWAY			
The grounds, parkways, and etc., surrounding Mar-A-Lago comprise approximately 9 acres and include Bermuda lawns, approximately 50,000 ornamental and sub-tropical shrubs, and approximately 2,500 trees (cocoanuts, cabbage palm, royal palms, etc.). Approximately 8 man years are required to maintain these grounds. Only 5 man years are available leaving a 3 man year deficiency.			
Labor - 5 man years including benefits	$45,000		$45,000
Labor - 3 man years including benefits		$29,000	29,000
Equipment, repairs, materials, replacement shrubs, tree trimming, and extrea water	25,000	48,000	73,000
SECURITY			
There are five security check points on the grounds and around the main house at Mar-A-Lago. These points are punched with a time clock and the period covered is 4 p.m. to 8 a.m. everyday. This schedule requires 3 man years to operate.			
Security Guards - 3 man years including benefits	18,600		18,600

	PRESENT OPERATING PROGRAM	DEFICIENCY	TOTAL NEEDS
MISCELLANEOUS			
Depreciation of automotive equipment		$ 3,600	$ 3,600
MANAGEMENT			
Superintendent, GS-12 Steward, GS-9 (included in the above figure)	$44,400		44,400
TOTAL	$170,600	$170,000	$340,600

Mr. YATES. Is there any money in the budget for Mar-a-Lago this year?

Mr. REED. Yes, there is the maintenance money, $44,000 in the 1976 request.

Mr. YATES. That is in addition to the amount that the Post estate is to provide?

Mr. REED. Right.

Mr. MCDADE. Do we currently have title?

Mr. REED. Yes, and we had the agreement there would be no cost borne by the American taxpayer.

Mr. MCDADE. I hope you are correct.

NATIONAL VISITOR CENTER

Mr. YATES. Mr. Reed, can you tell us the effect of the action of this subcommittee in denying the reprograming of those various items for the Visitor Center?

Mr. REED. It has made us consider your request for a supplemental budget request and reexamine the proposal to see what we would get for the money that we presently have; what we would get for alternative two, which is the money we have plus the UMTA amount of money, and what we would get for the money we have, the UMTA money and the possible supplemental.

Those three alternatives were sent to the Office of Management and Budget. They have responded late Friday informally to me. I think the question is significant enough that I would like a response. I am seeking the position of the administration.

I can give you a very good Visitors Center with the money I have now with the UMTA money.

Mr. YATES. I think the committee is more interested in making sure that the money is used for the projects for which it was appropriated and not reprogramed.

Mr. REED. Mr. Chairman, I appreciate very much the situation you are in, and I have no objection to the committee's response to me saying no to our reprograming request and suggesting that we submit a supplemental.

Mr. YATES. Mr. Murtha.

Mr. MURTHA. What are you going to have in slippage in this with your alternative proposals?

Mr. REED. We are going to get along without some specific things, Mr. Murtha. We would not get the two theaters, which are the two introduction areas, for the visitors coming into Washington for the first time. The film would tell them where to go, what to see and a little about the Nation's history. We would not do anything on the first floor in the way of finishing out that part of the building. We can do some interesting things with temporary wallboards, exhibits of modern paintings or sculpture or something to tell something about modern history in one area, and older history in the other.

But the original plan was very detailed, and many people thought well-thought-out. I have been so frustrated by the problems associated with the Visitors Center over 4 years that I am not really the best appraiser of it. We would have to, in my opinion, get the maximum UMTA grants so we could finish both ramps coming into and leaving the building.

It will take about another week to get an Administration position. But it is public information of what you get and don't get for the money.

Mr. MURTHA. What I was concerned about is will it be ready in 1976.

Mr. REED. Sir, if we don't have a strike, and if we are not more delayed by adverse weather, we will be open on July 1, 1976.

Mr. MCKAY. The night before.

Mr. REED. That is right; we are going to be ready the night before. We moved the top engineer of the National Park Service—he is the hardest-nosed man probably in that part of the Park Service—to Washington to see that the project gets finished. He has broken log jams and has a great record within the system. If there is one man who will get us in there on July 1, it is him. I have been over and seen the project workflow chart, which is available to any who would like a personalized briefing on the deadlines we have to make. It is going to be close.

CONCESSIONS POLICY IN PARKS

Mr. YATES. Tell us about the concessions in the parks. There has been some criticism about concessions in the parks and as I remember Director Walker said last year before he left that there was going to be a reappraisal of the concession policy. What is the current thinking now, Mr. Reed?

Mr. REED. I asked the new Director, as I asked the old Director, for a report which will be submitted to the Secretary and to the Congress, as to where we stand. The basic partnership between the Park Service and the concessionaires has been healthy and, on the whole, sound. We have come to the moment now where we are dealing with some very large corporations that may not be satisfied with the rate of return that smaller corporations, owned in many cases by husband and wife, father and son, traditionally were satisfied with in the past.

We are also faced with some of the major installations having significant slippage in capital investment in what must be considered some very historic buildings, for example, Old Faithful Inn, the buildings in Glacier National Park, and those on the north rim of Grand Canyon. These, I think you would agree, are buildings of superb architectural quality and representative of an era of building long since past and they should be preserved.

The Director and I have been spending many hours together discussing where we stand at Yosemite, where there has been a great deal of sound and fury and where we stand elsewhere in the system.

I think I have a good idea of how he is going to initiate his review and what he has to do within his own offices to be able to tell us, this committee, the authorizing committee, and I think the American public, where we stand with any given concessionaire in a much better way than we are able to do today.

Mr. YATES. Who will undertake the financing of the restoration of the existing facilities? Is this done by the concessionaire or by the Government?

Mr. EVERHARDT. Mr. Chairman, I would like to amplify the Secretary's comments about concessionaires. I see that as one of the top priority situations or problems in the National Park Service today,

and we will be most pleased to report to you as soon as a study has been prepared and a review has been made of concessions. We are awaiting the release of this report to us so that we can prepare our response. And I can assure you that we are planning to give this problem every concern and every bit of attention.

With respect to who spends money to rehabilitate present buildings, I think there is a number of accommodations that could be seen there where certain buildings are Government-owned and under the contract where rehabilitation would be necessary, the Federal Government would expend funds for that. There are buildings that are owned by the concessionaire, and under the present contractual arrangements with most of those I am familiar with, the concessionaire would have the responsibility for maintenance and rehabilitation costs.

I think the matter is one that we are certainly going to review with regard to future contracts with concessionaires, with new ones or revision of existing contracts, about possessionary interests, who owns buildings, how they are provided, if and when it is determined by the National Park Service that a concession operation should be provided.

Mr. YATES. Mr. McKay.

Mr. MCKAY. In conjunction with that, we recently received a summary of a study done by several people involved in this field from Utah State University on Park Service policy involving concession operations. The study focused on the float trip concession in the Grand Teton, Grand Canyon, Dinosaur National Park, et cetera.

The study criticized some aspects of park policy. For example, the research found different policies governing even though conditions were the same, that different franchised fees were charged different concessionaires, and arbitrary methods of limiting entry were practiced. Of course, you know there has been controversy over the Colorado River management plan.

Also, I have had some complaints, for example, in Bryce and Zion, where they apparently are going to do away with the lodge that has existed there completely to where there will be no concessionaire there at all unless the Park Service decides to review and put one in, and they plan to burn the one that is there.

I would like a few reasons about this sort of practice. You have so many people in there who enjoy that situation and then to take that total facility out. Are we moving toward a total wilderness kind of condition in those parks or are we changing policy?

I guess that will come as part of your review, is that true?

Mr. EVERHARDT. I think so, Mr. McKay.

Mr. MCKAY. What is the time factor for it?

FACILITIES OUTSIDE PARK AREAS

Mr. EVERHARDT. The feeling has been recently, and certainly we would like to encourage it—as we have done this in a number of areas—and that is to encourage concessionaires or private capital to be spent outside of park areas, where the need can be met, and I think what demonstrates this is certainly in the area of campgrounds. Some years ago, this question was brought up about private capital providing campgrounds outside of park areas. It was very much of a

reluctance on those people's parts to do that with the Park Service continually building campgrounds inside parks. So many areas approached this with, "Let's put a moratorium and demonstrate to the people outside that we are sincere about this," and I think you will find in many instances, certainly the areas around the Grand Teton and the Yellowstone where people have now found an opportunity to operate a very viable business operation in the area of campgrounds outside of park areas and thereby we have protected a very delicate resource inside the park without the intrusion or the putting in of additional paving, putting in of additional services to accommodate the vehicles.

Mr. McKay. But you have also excluded a certain number of the public to some of these innermost parts of the park, which is an accessibility they had before. You have put them on a peripheral more expensive basis for the public's use. Is that not true?

Mr. Everhardt. I am not sure I follow that.

Mr. McKay. Well, all right. If you have a facility within a park—and I suppose it depends on the mileage involved—and you force them to house at the concessionary location outside, you put exclusionary conditions against the lame, the cripple, or others who, by the facility inside, had ready access. Isn't that true?

Mr. Everhardt. I am not sure I could agree with that, Mr. McKay, because I think, in a lot of these areas, the public transportation idea has come into focus—providing mass transportation, getting the people in and out of the areas and within the area, also, and emphasizing the day-use concept of parks. Certainly it has added a new factor to their visit to a park, but I think it has also added a factor of a much more enjoyable visit, a much more pleasant one in some circumstances.

Mr. McKay. That may be by someone's subjective view versus some other subjective view.

Mr. Reed. Mr. McKay, I think there needs to be a balance here and one that the Director will face with a good awareness to the needs of furnishing housing in campgrounds, particularly within the larger parks where it is not feasible to be totally housed beyond the boundaries of that park, and where we have existing facilities that have served the general public well.

Mr. McKay. I think, for example, in this case here where the direct intent is to destroy that old lodge that has been there I don't know how long.

Mr. Reed. I haven't heard of that one.

Mr. McKay. I hope you come up with some review and I would be interested in what you come up with.

BIDS FOR CONCESSIONAIRE OPERATIONS

Mr. Murtha. Mr. Chairman.

Mr. Yates. Mr. Murtha.

Mr. Murtha. Let me ask a question about the concession. I had a complaint not too long ago. A fellow said he operated boat trips on the Ohio Pyle River of Pennsylvania and he wanted to expand to West Virginia. He had made a bid of something like $1,000 for a certain period of time. You turned him down and took the person that bid

$25. That didn't seem to make sense to me. What do you base your acceptance of the bids on?

Mr. EVERHARDT. Generally, if we are interested in a concessioner providing an operation in a park, we would first issue an invitation to bid. It is called a prospectus, and in this prospectus the requirements of the Service would be outlined. We would then receive a proposal from those who are interested and certain factors come into play. No. 1, what has been his previous experience in this area. Let's say it is providing a food-handling service. Does he have experience in that area? No. 2, does he have the financial capability or backing to provide the service at the standard that is noted in the National Park Service, and No. 3—and I assume this is what you are talking about, but I am not familiar with that particular case—what would be the franchise fee he would be willing to pay?

All of those factors are taken into consideration, evaluated and then we sit down and negotiate with a prospective concessionaire that looks like he has the capability of providing that service.

Mr. MURTHA. So the fee is a secondary consideration?

Mr. EVERHARDT. It is a part of the consideration of all of those factors. I don't know whether that was what he was going to pay the Government for the privilege of operating, or was this what he was going to charge the individual?

Mr. MURTHA. This is what he said he bid. I don't know what that means. I assume he bid to you; is that the way it works?

Mr. EVERHARDT. Right. He would offer a proposal, based on our prospectus, to the National Park Service, and all of these factors would come into play as you start analyzing which one has the better capability to provide a service.

PARK AREAS HAVING CONCESSIONAIRES

Mr. YATES. Mr. Secretary, would you place in the record a list of the parks where you have concessions at the present time with a brief description of what the provisions are under the concession contracts and also a list of those where you have pending negotiations for the concessions? And I wish you would specifically look into Mr. McKay's question on Bryce Canyon.

Mr. MCKAY. There is a study the State did.

Mr. REED. I am looking forward to getting the Utah State University study, also, Mr. McKay. The university has turned out some good work. You have a wonderful team out there.

Mr. EVERHARDT. I am familiar with the people who conduct them.

Mr. REED. Yes, sir. I will furnish that information.

[Note: The information was supplied to the committee.]

Mr. MCKAY. When will you have the review completed?

Mr. REED. I would hope I begin to review the Zion National Park situation this afternoon, so when you ask me tomorrow I will give you a better answer than I am doing today.

NPS CONSTRUCTION PROGRAM

Mr. YATES. Mr. Reed, your budget shows a most dramatic reduction in the construction program from about $58 million to about $22 million from 1975 to 1976. What will be the impact of this very severe

reduction on your personnel level and in your planning and design program at your Denver Service Center? Why is it being cut so much?

Mr. REED. I had to make a choice between construction and operations, and I chose operations. I just did not feel that we can let our operational needs slip further within the National Park Service nor within the Fish and Wildlife Service. Their construction budget, we cut to ribbons. To be able to put the manpower in the field and give them the adequate tools for their operational needs, we had to slip something, so we slipped some construction.

Now, the Director has got to make another decision, a very prompt decision, on how he handles the Denver Service Center. He has been a chief engineer and superintendent of a major park, so he knows exactly what the problems of the field are with the Denver Service Center.

I have warned two former Directors; now I am warning the third Director, that the Denver Service Center improves in *x* number of months or we have to reconsider the role of the Denver Service Center. Admittedly this budget has enormous impact on the viability of the Denver Service Center. You are quite right, because if we are going to build less or plan to build less, the question has got to be you have got *x* number of bodies tied up at Denver, wouldn't you rather have them in the field? That is one question the Director has got to come to grips with. It is such a major decision that he has to make that I would like him to take at least 1 year in making it. I think it has an impact on what happens to the National Park Service for such a long time, but that decision has to be made.

Mr. YATES. You indicated that you had to make a choice between personnel or construction. This is in accordance with OMB's direction, but what happens as a result of having made that choice to all the facilities which are so necessary?

Mr. REED. Well, you know exactly what the answer is.

Mr. YATES. I know what the answer is, but this committee would like to know whether this will cripple our parks or the facilities?

Mr. REED. It has a great impact on roads.

Mr. YATES. Is this all roads?

Mr. REED. No. It has a great impact on the new parks created within the last 10 years. We finished the major land acquisition of some of them and now we are prepared to go into the second step of opening them for visitor use by putting in the necessary development.

I have some problems because I inaugurated several of these parks in the last 4 years, and I made, in my inaugural speeches, reference to what would be constructed within the boundaries of those parks after acquisition was completed.

It has now been largely completed, and we are not going to keep to our prospective construction schedule.

Mr. YATES. What parks were those?

Mr. REED. They are scattered, and I would be delighted to give you a list, but there are Pictured Rocks, Sleeping Bear Dunes, Apostle Islands, Gateway East, Golden Gate.

Mr. YATES. How much money is involved?

Mr. REED. There is significant money involved, sir.

Mr. YATES. Would you put a list of those in the record?

Mr. REED. Yes, sir.

[The information follows:]

DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE

SUMMARY OF DEVELOPMENT STATUS AND
RELATED DATA OF UNITS OF THE
NATIONAL PARK SYSTEM
(Amounts in Thousands)

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL PARKS				
Acadia, Maine	$ --	$2,772	$7,055	
Arches, Utah	1,031.8	2,167 (47)	2,222	Limitation eff. 11/12/71; includes cost escalation clause eff. 4/70. Amount in parentheses applicable to limitation.
Big Bend, Texas	--	4,666	14,317	
Bryce Canyon, Utah	--	1,349	10,046	
Canyonlands, Utah	5,102	4,745 (280)	26,777	Limitation applicable to areas added by boundary revisions eff. 11/12/71; includes cost escalation clause eff. 4/70. Amount in parentheses applicable to limitation.
Capitol Reef, Utah	1,052.7	1,916 (250)	8,584	Limitation eff. 12/18/71; includes cost escalation clause eff. 4/70. Amount in parentheses applicable to limitation.
Carlsbad Caverns, N. Mex.	--	1,693	9,593	
Crater Lake, Oregon	--	6,069	3,215	
Everglades, Florida	--	5,078	15,814	
Glacier, Montana	--	15,909	33,257	
Grand Canyon, Arizona	--	23,993	53,926	
Grand Teton, Wyoming	--	13,452	24,009	
Great Smoky Mountains, Tennessee, North Carolina	2,500	36,348 (1,992)	90,316	Limitation applies to Cataloochee access road only. ($2,500) Development Amount through FY 1975 includes $14,770,000 for Foothills Parkway; after FY 1975 $50,983,000 for Foothills. Amount in parentheses applicable to limitation.

NOTE: Total development costs to date (Column 2) are for the fiscal years 1960 through 1975. Costs before fiscal year 1960 are excluded because records for that period are either incomplete or not available. However, with regard to areas with Legislative development limitations, total costs to date applicable to the limitation ceilings are shown since records are available, including costs which occurred before 1960 (that is, Jefferson National Expansion Memorial NHS).

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Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
INTERNATIONAL PARK				
Roosevelt-Campobello, Canada	$ --	$ --	$ --	No development amounts; area administered by US-Canadian Commission.
NATIONAL SCIENTIFIC RESERVE				
Ice Age, Wisconsin	425	--	743	Limitation relates to Cooperative Agreement.
NATIONAL SCENIC TRAIL				
Appalachian, Maine to Georgia	--	--	--	Development amounts are included in individual parks entry.
OTHER				
Catoctin Mountain Park, Md.	--	962	11,562	
JFK Ctr. for Perf. Arts, D.C.	--	--	--	No development programmed.
Piscataway Park	--	--	--	Development amounts included in NCP entry.
Prince Wm. Forest Park, Va.	--	1,983	29,738	
Wolf Trap Farm Park, Va.	5,399	1,733	5,998	Limitation amount represents Development Portion of General Limitation and includes cost escalation clause effective 3/71.
Big Thicket Nat. Pres., Texas	7,000	--	7,000	
Big Cypress Natural Preserve, Florida	900	--	900	
Total		839,253	2,995,042	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL RECREATION AREAS (Continued)				
Bighorn Canyon, Wyo., Mont.	$ --	$ 15,330	$ 34,160	
Coulee Dam, Washington	--	1,474	4,962	
Curecanti, Colorado	--	3,228	--	Development funds transferred from Bureau of Reclamation.
Cuyahoga Valley, Ohio	500	--	500	
Delaware Water Gap, Pa., N. J.	18,200	5,557	38,711	
Gateway, N. J., N. Y.	92,813	4	95,951	Limitation includes cost escalation clause effective 7/71.
Glen Canyon, Arizona, Utah	37,325.4	11,275 (2,122)	44,672	Limitation effective 10/72. Amount in parentheses applicable to limitation.
Golden Gate, California	58,000	43	60,103	Limitation includes cost escalation clause effective 5/71.
Lake Chelan, Washington	--	--	--	Development amounts included in North Cascades NP entry.
Lake Mead, Ariz., Nev.	--	18,994	42,115	
Lake Meredith, Texas	--	450	4,941	
Ross Lake, Washington	--	--	--	Development amounts included in North Cascades NP entry.
Shadow Mountain, Colo.	--	778	4,041	
Whiskeytown, California	--	3,802	10,692	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL SCENIC RIVERWAYS				
Buffalo, Arkansas	$ 9,371	$ 507	$ 10,774	Limitation Totals: $283,000 FY 74; $2,923,000 FY 75; $3,643,000 FY 76; $1,262,000 FY 77; and $1,260,000 FY 78.
Lower St. Croix River, Minn., Wis.	250	--	388	Limitation amount represents development portion of General Limitation.
Ozark, Missouri	--	7,928	21,824	
Saint Croix, Minn., Wisc.	--	--	3,289	
Wolf, Wisconsin	--	--	--	
NATIONAL CAPITAL PARKS				
National Capital Region, Md., Va., D.C.	--	78,405	127,808	
WHITEHOUSE				
Whitehouse, D. C.	--	--	--	Development amounts included in NCP entry.
NATIONAL RECREATION AREAS				
Amistad, Texas	--	1,883	8,434	
Arbuckle, Oklahoma	--	907	3,396	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL SEASHORES (Continued)				
Padre Island, Texas	$ --	$ 3,130	$ 1,845	
Point Reyes, California	--	3,064	13,104	
PARKWAYS				
Baltimore-Washington, Md.	79,500	1,496	--	
Blue Ridge, Va., N.C., Ga.	87,536	40,317 (400)	268,491	Limitation applies to extension only and includes cost escalation clause effective 10/68. Amount in parentheses applicable to limitation.
C. W. Memorial, Va., Md.	--	16,056	14,317	
J. D. Rockefeller, Jr. Mem., Wyo.	3,092	--	4,384	
Natchez Trace, Mississippi Tenn., Ala.	--	52,801	205,503	
Suitland, Maryland	--	--	--	Development amounts included in NCP entry.
NATIONAL LAKESHORES				
Apostle Islands, Wisconsin	5,000	85	8,389	
Indiana Dunes, Indiana	--	7,114	71,375	
Pictured Rocks, Michigan	6,348	769	22,225	
Sleeping Bear Dunes, Mich.	18,769	14	87,445	Limitation includes cost escalation clause effective 6/70.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL CEMETERIES (Continued)				
Gettysburg, Pennsylvania	$ --	$ --	$ --	Development amounts included in Gettysburg NMP entry.
Poplar Grove, Virginia	--	--	--	Development amounts included in Petersburg NB entry.
Shiloh, Tennessee	--	--	--	Development amounts included in Shiloh NMP entry.
Stones River, Tenn.	--	--	--	Development amounts included in Stones River NB entry.
Vicksburg, Mississippi	--	--	--	Development amounts included in Vicksburg NMP entry.
Yorktown, Virginia	--	--	--	Development amounts included in Colonial NHP entry.
NATIONAL SEASHORES				
Assateague Island, Md., Va.	--	1,193	19,086	
Canaveral, Florida	500	--	500	Limitation amount of $500,000 applicable for 3 years until Master Plan is completed.
Cape Cod, Mass.	--	5,404	7,900	
Cape Hatteras, N. C.	--	11,575	13,462	
Cape Lookout, N. C.	2,935	2	19,526	
Cumberland Island, Georgia	27,840	--	38,605	
Fire Island, New York	--	2,477	10,482	
Gulf Islands, Fla., Miss.	17,774	2,921	40,221	Limitation includes cost escalation clause effective 6/70.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MEMORIALS (Continued)				
Lincoln Memorial, D. C.	$ --	$ --	$ --	Development amounts included in NCP entry.
Mount Rushmore, S. Dak.	--	1,545	6,043	
Perry's Victory and International Peace, Ohio	5,177	662 (420)	6,288	Limitation effective 10/72. Amount in parentheses applicable to limitation.
Roger Williams, R. I.	550	--	709	Limitation amount represents development portion of general limitation.
T. Kosciuszko, Pa.	592	511	82	
T. Roosevelt Island, D. C.	--	--	--	Development amounts included in NCP entry.
Thomas Jefferson, D. C.	--	--	--	Development amounts included in NCP entry.
Washington Monument, D. C.	--	--	--	Development amounts included in NCP entry.
Wright Brothers, N. C.	--	146	1,061	
NATIONAL CEMETERIES				
Antietam, Maryland	--	--	--	Development amounts included in Antietam NB entry.
Battleground, D. C.	--	--	--	Development amounts included in NCP entry.
Fort Donelson, Tenn.	--	--	--	Development amounts included in Fort Donelson NMB entry.
Fredericksburg, Virginia	--	--	--	Development amounts included in Fredericksburg NMP. entry

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MEMORIALS				
Arkansas Post, Arkansas	$ 525	$ 464	$ 1,670	
Arlington House, R.E. Lee, Virginia	--	--	--	Development amounts included in George Washington Memorial Parkway entry.
Benjamin Franklin, Pa.	--	--	--	No development costs; area not Federally owned or administered.
Chamizal, Texas	2,060	2,060	3,974	
Coronado, Arizona	--	448	1,189	
De Soto, Florida	175	175	284	
Federal Hall, New York	--	3,608	80	
Fort Caroline, Florida	--	227	343	
Fort Clatsop, Oregon	--	321	165	
Frederick Douglass Home, D.C.	413	413	--	Development amounts after FY 1975 included in NCP entry.
General Grant, New York	--	77	342	
Hamilton Grange, New York	460	40	587	
Johnstown Flood, Pa.	581.6	191	2,885	Limitation amount represents development portion of general limitation and includes cost escalation clause effective 3/71.
Lincoln Boyhood, Indiana	925	599	469	

Units of National Park System	Authorized Legislative Limitation Amount	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL HISTORIC SITES (Continued)				
St. Thomas, V. Isl.	$ --	$ --	$ --	Development amounts included in Virgin Islands NP entry.
Salem Maritime, Mass.	--	710	3,344	
San Jose Mission, Texas	--	--	--	No development costs; area not Federally owned or administered.
San Juan, P.R.	--	557	41,996	
Saugus Iron Works, Mass.	348	77	5,663	Limitation amount represents development portion of general limitation.
Sewall-Belmont House, D.C.	500	--	500	Limitation relates to Cooperative Agreement.
Springfield Armory, Mass.	5,300	--	5,300	
Theodore Roosevelt Birthplace, New York	--	16	456	
Theodore Roosevelt Inaugural, New York	50	50	--	
Touro Synagogue, R.I.	--	--	--	No development costs; area not Federally owned or administered.
Tuskegee Institute, Alabama	2,722	--	2,722	
Vanderbilt Mansion, N. York	--	402	2,661	
Whitman Mission, Washington	--	437	29	
William H. Taft, Ohio	318	--	1,525	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL HISTORIC SITES (Continued)				
John F. Kennedy, Mass.	$ --	$ --	$ --	
John Muir, California	76.9	72	--	Limitation amount represents development portion of general limitation.
Knife River Indian Villages, North Dakota	2,268	--	827	
Lincoln Home, Illinois	5,860	725	6,894	Limitation includes cost escalation clause effective 2/70.
Longfellow, Massachusetts	586.6	40	516	Limitation includes cost escalation clause effective 5/71.
Lyndon B. Johnson, Texas	180	166	--	
Mar-A-Lago, Florida	--	--	--	
Martin Van Buren, N. York	2,737	--	2,737	
McLoughlin House, Oregon	--	--	--	No development costs; area not Federally owned or administered.
Pennsylvania Avenue, D. C.	--	--	--	Development amounts included in NCP entry.
Puukohola Heiau, Hawaii	1,040.6	--	1,695	Limitation includes cost escalation clause effective 5/71.
Sagamore Hill, New York	--	74	3,567	
Saint-Gaudens, N. Hampshire	210	65	1,349	
Saint Pauls Church, N. York	--	--	--	No development costs; area not Federally owned or administered.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL HISTORIC SITES (Continued)				
Fort Scott, Kansas	$ 2,013.4	$ 1,024	$ 1,323	Limitation amount represents development portion of general limitation.
Fort Smith, Arkansas	--	100	1,000	
Fort Union Trading Post, North Dakota, Montana	63.2	63	2,790	Limitation amount represents development portion of general limitation.
Fort Vancouver, Washington	--	2,219	11,696	
Gloria Dei Church, Penna.	--	165	867	
Golden Spike, Utah	1,070	1,070	2,180	Limitation amount represents development portion of general limitation.
Grant-Kohrs Ranch, Montana	1,800	135	4,356	Limitation includes cost escalation clause effective 7/71.
Hampton, Maryland	--	50	440	
Herbert Hoover, Iowa	2,272	581	3,160	Limitation amount represents development portion of general limitation and includes cost escalation clause effective 3/71.
Home of FDR, New York	--	295	1,590	
Hopewell Village, Penna.	--	289	3,818	
Hubbell Trading Post, Ariz.	607.3	260	1,619	Limitation amount represents development portion of general limitation.
Jamestown, Virginia	--	--	--	Development amounts included in Colonial NHP entry.
Jefferson National Expansion Memorial, Missouri	23,000	17,785	14,516	Development amounts through FY 75 include $2.6 million appropriated in FY 56

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975		Costs to Complete Development	Remarks
NATIONAL HISTORIC SITES (Continued)					
Carl Sandburg Home, North Carolina	$ 952	$ 154		$ 2,195	
Chicago Portage, Illinois	--	--		--	No development costs; area not Federally owned or administered.
Chimney Rock, Nebraska	--	--		--	Development amounts included in Scotts Bluff NM.
Christiansted, V. Isl.	--	280		4,411	
Clara Barton, Md.	801.1	--		812	Limitation amount represents development portion of general limitation.
Dorchester Heights, Mass.	--	--		--	No development costs; area administered by City of Boston.
Edison, New Jersey	--	824		4,369	
Eisenhower, Pennsylvania	1,081	--		--	
Fords Theatre, D. C.	176	2,924	(--)	--	Limitation applies to property adjacent to Theatre; development amount after FY 1975 included in NCP entry. Amount in parentheses applicable to limitation.
Fort Bowie, Arizona	489	104		554	Limitation amount includes development portion of general limitation.
Fort Davis, Texas	--	895		562	
Fort Laramie, Wyoming	--	552		4,048	
Fort Larned, Kansas	938.4	811		6,404	Limitation amount represents development portion of general limitation.
Fort Point, California	5,250	165		4,711	Limitation includes cost escalation clause effective 2/70.
Fort Raleigh, North Carolina	--	1,082		1,157	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL BATTLEFIELD PARKS				
Kennesaw Mountain, Ga.	$ --	$ 522	$ 5,750	
Manassas, Virginia	--	924	4,172	
Richmond, Virginia	--	447	6,203	
NATIONAL BATTLEFIELD SITES				
Antietam, Maryland	--	2,140	3,804	
Brices Cross Roads, Miss.	--	--	--	Development amounts included in Natchez Trace Parkway entry.
NATIONAL HISTORIC SITES				
Abraham Lincoln Birthplace, Kentucky	100	66	241	
Adams, Massachusetts	--	219	272	
Allegheny Portage Railroad, Pennsylvania	1,218	280	12,420	Limitation amount represents development portion of general limitation and includes cost escalation clause effective 3/71.
Andersonville, Georgia	1,605	--	2,776	Limitation includes cost escalation clause effective 3/69.
Andrew Johnson, Tennessee	16.8	103 (16.8)	337	Limitation amount represents development portion of general limitation and applicable only to specific 1/3rd acre area within park. Amount in parentheses applicable to limitation
Bent's Old Fort, Colorado	--	2,952	214	

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Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975		Costs to Complete Development	Remarks
NATIONAL MILITARY PARKS (Continued)					
Pea Ridge, Arkansas	$ --	$ 1,110		$ 1,115	
Shiloh, Tennessee	--	714		1,334	
Vicksburg, Mississippi	1,506	4,727	(1,506)	6,788	Development portion of general limitation applicable only to relocation of certain roads; amount in parentheses applicable to limitation.
NATIONAL MEMORIAL PARK					
Theodore Roosevelt, S. Dak.	35	4,276		10,927	Limitation applicable only to a specific area and project.
NATIONAL BATTLEFIELDS					
Big Hole, Montana	--	665		1,366	
Cowpens, South Carolina	3,108	372		4,405	
Fort Necessity, Pennsylvania	--	347		4,197	
Petersburg, Virginia	--	2,063		3,682	
Stones River, Tennessee	--	486		709	
Tupelo, Mississippi	--	--		--	Development amounts included in Natchez Trace Parkway entry.
Wilsons Creek, Missouri	2,285	120		3,922	Limitation includes cost escalation clause effective 2/70.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975		Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)					
Tumacacori, Arizona	$ --	$ 121		$ 883	
Tuzigoot, Arizona	--	641		278	
Walnut Canyon, Arizona	--	295		382	
White Sands, N. Mexico	--	147		2,840	
Wupatki, Arizona	--	2,035		3,247	
Yucca House, Colorado	--	--		--	Development amounts included in Mesa Verde NP entry.
NATIONAL MILITARY PARKS					
Chickamauga & Chattanooga, Tennessee, Georgia	--	61		3,045	
Fort Donelson, Tennessee	--	127		2,174	
Fredericksburg-Spotsylvania, Virginia	--	712		9,989	
Gettysburg, Pennsylvania	--	770		5,172	
Guilford Courthouse, North Carolina	--	1,988		185	
Horseshoe Bend, Alabama	--	666		682	
Kings Mountain, S. Carolina	121.3	2,081	(40)	591	Limitation amounts represents development portion of general limitation and is applicable to marking battle lines only; amount in parentheses applicable to limitation.
Moores Creek, N. Carolina	325	477	(200)	465	Limitation eff. 10/26/74; amount in parentheses applicable to limitation.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)				
Organ Pipe Cactus, Arizona	$ --	$ 798	$ 2,327	
Pecos, New Mexico	500	144	3,367	
Pinnacles, California	--	721	380	
Pipe Spring, Arizona	--	409	171	
Pipestone, Minnesota	--	729	22	
Rainbow Bridge, Utah	--	186	1,011	
Russell Cave, Alabama	--	381	85	
Saguaro, Arizona	--	542	1,011	
Saint Croix Island, Me.	--	35	2,874	
Scotts Bluff, Nebraska	--	43	721	Development amounts include Chimney Rock NHS.
Statue of Liberty, N.Y.,N.J.	6,000	6,463 (185)	47,419	Limitation applies to Ellis Island only. Amount in parentheses applicable to limitation.
Sunset Crater, Arizona	--	155	891	
Timpanogos Cave, Utah	--	487	507	
Tonto, Arizona	--	245	504	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)				
Hovenweep, Ut.,Col.	$ --	$ 162	$ 2,639	
Jewel Cave, S. Dakota	--	2,045	891	
John Day Fossil Beds, Oregon	4,435.2	--	4,435	
Joshua Tree, California	--	2,624	14,990	
Katmai, Alaska	--	1,281	901	
Lava Beds, California	--	3,125	850	
Lehman Caves, Nevada	--	653	353	
Montezuma Castle, Arizona	--	38	2,185	
Mound City Group, Ohio	--	--	1,783	
Muir Woods, California	--	718	574	
Natural Bridges, Utah	--	1,986	2,652	
Navajo, Arizona	--	1,410	482	
Ocmulgee, Georgia	--	169	1,005	
Oregon Caves, Oregon	--	301	850	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)				
Fort Pulaski, Georgia	$ --	$ 507	$ 251	
Fort Stanwix, N. York	--	6,479	4,107	
Fort Sumter, S. Carolina	--	3,509	3,406	
Fort Union, N. Mexico	--	92	137	
Fossil Butte, Wyoming	4,469	--	4,469	Limitation includes cost escalation clause effective 6/71.
George Washington Birthplace, Virginia	--	1,900	1,427	
George Washington Carver, Missouri	--	18	343	
Gila Cliff Dwellings, N. Mexico	--	788	1,136	
Glacier Bay, Alaska	--	2,315	1,670	
Grand Portage, Minnesota	--	650	2,556	
Gran Quivira, N. Mexico	--	303	1,595	
Great Sand Dunes, Colorado	--	700	1,818	
Hohokam Pima, Arizona	1,781	--	344	
Homestead of America, Nebr.	65	347 (63)	144	Limitation applies to Freeman School. Limitation includes cost escalation clause effective 4/70. Limitation amount reflects a cost escalation increase of $20 thousand from original $45 thousand. Amount in parentheses applicable to limitation.

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)				
Chiricahua, Arizona	$ --	$ 449	$ 1,522	
Colorado, Colorado	--	1,006	8,993	
Craters of the Moon, Idaho	--	638	48	
Custer Battlefield, Mont.	--	454	995	
Death Valley, Calif.-Nev.	--	3,982	30,296	
Devils Postpile, Calif.	--	90	792	
Devils Tower, Wyoming	--	337	1,331	
Dinosaur, Utah -Colo.	--	8,047	19,630	
Effigy Mounds, Iowa	--	47	181	
El Morro, N. Mex.	--	463	522	
Florissant Fossil Beds, Colorado	1,727	--	6,891	Limitation amount represents development portion of general limitation.
Fort Frederica, Georgia	--	123	343	
Fort Jefferson, Florida	--	448	11,321	
Fort McHenry, Maryland	--	1,233	2,106	
Fort Matanzas, Florida	--	38	844	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL MONUMENTS (Continued)				
Aztec Ruins, N. Mexico	$ --	$ 47	$ 192	
Badlands, S. Dakota	--	1,670	12,941	
Bandelier, N. Mexico	--	715	4,515	
Biscayne, Florida	2,900	6	9,728	
Black Canyon, Colorado	--	686	4,650	
Booker T. Washington, Va.	591.8	192	488	Limitation amount represents development portion of general limitation and includes cost escalation clause effective 3/71.
Buck Island Reef, V.Isl.	--	41	257	
Cabrillo, California	--	836	1,835	
Canyon de Chelly, Arizona	--	4,791	1,413	
Capulin Mountain, N. Mex.	--	620	893	
Casa Grande Ruins, Arizona	--	155	460	
Castillo de San Marcos, Fla.	--	405	1,806	
Castle Clinton, N. York	--	1,799	0	
Cedar Breaks, Utah	--	474	2,224	
Chaco Canyon, N. Mex.	--	1,057	6,037	
Channel Islands, California	2,936	--	2,938	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL HISTORICAL PARKS (Continued)				
Cumberland Gap, Ky., Tenn., Va.	$ 160	$ 315 (--)	$ 5,247	Limitation effective 10/26/74. Amount in parentheses applicable to limitation.
George Rogers Clark, Indiana	--	758	24	
Harpers Ferry, W.Va.,Md.	8,690	3,220 (115)	26,881	Limitation effective 10/24/74. Amount in parentheses applicable to limitation.
Independence, Penna.	--	33,675	8,720	
Minute Man, Mass.	3,000	2,838	7,028	
Morristown, N. Jersey	--	4,394	1,923	
Nez Perce, Idaho	1,337	87	3,952	
San Juan Island, Wash.	202.5	181	2,239	Limitation amount represents development portion of general limitation.
Saratoga, N. York	--	3,358	1,122	
Sitka, Alaska	691	625 (50)	1,450	Limitation effective 10/18/72; includes cost escalation clause eff. 6/71. Amount in parentheses applicable to limitation.
NATIONAL MONUMENTS				
Agate Fossil Beds, Nebr.	1,842	170	1,444	
Alibates Flint Quarries, Tex.	260	145	1,786	

Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL PARKS (Continued)				
Sequoia, California	$ --	$13,495	$37,159	Development amounts include Kings Canyon.
Shenandoah, Virginia	--	4,287	55,362	
Virgin Islands, V.I.	--	3,196	3,276	
Voyageurs, Minnesota	19,179	--	27,561	Limitation includes cost escalation clause effective 6/69.
Wind Cave, S. Dakota	--	1,805	4,139	
Yellowstone, Mont.,Wyo.,Idaho	--	50,561	80,342	
Yosemite, California	--	32,298	62,916	
Zion, Utah	--	4,630	10,122	
NATIONAL HISTORICAL PARKS				
Appomattox Courthouse, Va.	--	561	5,242	
Boston, Massachusetts	24,318	--	24,318	Limitation amount consists of $11,500,000 applicable to Charlestown Navy Yard and $12,818,000 applicable to all other units.
Chalmette, Louisiana	--	239	2,154	
C&O Canal, Md.,W.Va.,D.C.	17,000	9,177 (6,481)	135,916	Limitation eff. 1/8/71; includes cost escalation clause eff. 1970. Amount in parentheses applicable to limitation.
City of Refuge, Hawaii	--	884	2,327	
Colonial, Virginia	--	19,124	24,440	

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Units of National Park System	Authorized Legislative Limitation Amounts	Development Costs Appropriated FY 1960 - FY 1975	Costs to Complete Development	Remarks
NATIONAL PARKS (Continued)				
Guadalupe Mountains, Texas	$10,362	$ 17	$25,256	
Haleakala, Hawaii	--	227	6,428	
Hawaii Volcanoes, Hawaii	--	3,389	11,472	
Hot Springs, Arkansas	--	359	4,664	
Isle Royale, Michigan	--	1,792	12,668	
Kings Canyon, California	--	--	--	Development amounts included in Sequoia NP entry.
Lassen Volcanic, California	--	4,804	7,446	
Mammoth Cave, Kentucky	--	6,076	6,310	
Mesa Verde, Colorado	--	10,103	19,696	Development amounts include Yucca House NM.
Mount McKinley, Alaska	--	6,142	3,677	
Mount Rainier, Washington	--	13,087	14,852	
North Cascades, Washington	--	3,157	29,485	Development amounts include Lake Chelan NRA and Ross Lake NRA.
Olympic, Washington	--	9,200	7,172	
Petrified Forest, Arizona	--	3,170	4,246	
Platt, Oklahoma	--	1,248	1,755	
Redwood, California	--	1,857	12,934	
Rocky Mountain, Colorado	318	7,118 (--)	24,626	Limitation applies to developments of 1,556 acres only. Amount in parentheses applicable to limitation.

Mr. YATES. The impression I have is that you are not going to undertake construction that is essential for maintaining your parks. I would like to have as much information for the committee as we can get from you to see what the effect of this will be and let the committee decide whether or not the funds should be spent.

Mr. DUNCAN. Mr. Chairman, will you yield?

Mr. YATES. Yes.

CONSTRUCTION IN BICENTENNIAL AREAS

Mr. DUNCAN. Is any of the decrease in capital construction a result of unusual and extraordinary increase this past year as a result of the approaching Bicentennial celebration?

Mr. REED. Yes, sir, there was some, but at the time of the original figures when we were putting emphasis on the Bicentennial, we discussed this very frankly with this committee—and the chairman will remember that—that we were going to make a commitment among ourselves that was going to be particularly hard on the parks not designated as Bicentennial units. Mr. McKay will remember this. We were very frank that we were going to take the vast majority of the construction dollar and put it in the Bicentennial areas which were legitimately those in the East. We were going to bring those parks, not only up to snuff but have them in fighting order for 1976. We told everybody that we are really slipping development projects in the rest of the system. The regional directors of the National Park Service, other than from the Bicentennial units, have had their needs deferred—they have literally not had development money for 3 years.

When Gary was superintendent at Grand Teton, he gave me as hard a time as anybody. Nothing went to the parks except emergency and pollution abatement projects.

We did give our promise that with the end of the Bicentennial development requirements we had to turn around at the same level of appropriation and catch up, in the West, the Midwest, the Southwest, the Pacific Northwest and Southeast. That dream did not materialize.

DEVELOPMENT BACKLOG

Mr. EVERHARDT. I think we have discussed a development backlog with the committee of $2.3 billion last year. This figure will be revised this year and discussed with you soon. The current backlog of development and planning needs for the existing areas and new additions is now about $3 billion. The point I would like to make is that in identifying that backlog—and we identified that in three phases, short-term, mid-term and long-range. We would hope to be able to accomplish, our immediate phase is $523 million of immediate needs within the next 5-year span. Our projection was to have this made available to our planning and construction section at a level of about $100 million a year. I think this information has been provided.

Mr. YATES. Does this mean if the construction doesn't go forward, your parks will become wilderness areas?

Mr. EVERHARDT. No, I think it means if it doesn't go forward, we are going to be delaying those needed facilities in new areas and the rehabilitation of many in older areas to serve the visitor at the standard that has been set.

Mr. MCKAY. Mr. Chairman.

Mr. YATES. Mr. McKay.

WILDERNESS AREAS

Mr. MCKAY. You mentioned wilderness. Could you give us a figure to put in the record of those areas of parks which you are proposing to make wilderness areas?

Mr. EVERHARDT. Yes, sir, we sure could.

Mr. MCKAY. How much of the territory do you expect to put into the wilderness?

Mr. REED. Yes, sir, we will do that.

[The information follows:]

NATIONAL PARK SYSTEM WILDERNESS RECOMMENDATIONS

Area	Wilderness acres recommended to Congress	Potential wilderness additions	Wilderness acres designated by Congress
1. Arches National Monument [1]	15,703		
2. Assateague Island National Seashore [2]	440	4,360	
3. Badlands National Monument	58,924	5,326	
4. Bandelier National Monument	[3] 22,030		
5. Big Bend National Park	533,900	25,700	
6. Black Canyon of the Gunnison National Monument	[3] 11,180		
7. Bryce Canyon National Park	16,303		
8. Capitol Reef National Monument [1]	23,054		
9. Carlsbad Caverns National Park	30,210	320	
10. Cedar Breaks National Monument	4,370		
11. Chaco Canyon National Monument	Negative		
12. Chiricahua National Monument	[3] 9,440	2	
13. Colorado National Monument	7,700		
14. Crater Lake National Park	122,400		
15. Craters of the Moon National Monument			43,243
16. Cumberland Gap National Historic Park	6,375	3,810	
17. Death Valley National Monument	1,908,000	6,900	
18. Dinosaur National Monument	165,341	10,274	
19. Everglades National Park	1,296,500	81,900	
20. Glacier National Park	927,550	3,360	
21. Glacier Bay National Monument [4]			
22. Grand Canyon complex	512,870	86,156	
24. Grand Teton National Park	115,807	20,850	
25. Great Sand Dunes National Monument	32,930	670	
26. Great Smoky Mountains National Park	390,500	400	
27. Guadalupe Mountains National Park	46,850		
28. Haleakala National Park	19,270	5,500	
29. Hawaii Volcanoes National Park	123,100	7,850	
30. Isle Royale National Park	[3] 129,573	177	
31. Joshua Tree National Monument	372,700	66,800	
32. Kamai National Monument	2,603,547	19	
33. Kings Canyon-Sequoia National Park	750,690	40,080	
35. Lake Mead National Recreation Area [5]			
36. Lassen Volcanic National Park			78,982
37. Lava Beds National Monument			28,460
38. Mammoth Cave National Park	Negative		
39. Mesa Verde National Park	8,100		
40. Mount Rainier National Park	210,700	165	
41. North Cascades complex	515,880		
42. Olympic National Park	862,139	958	
43. Organ Pipe Cactus National Monument	299,600	10,100	
44. Padre Island National Seashore	Negative		
45. Petrified Forest National Park			50,260
46. Pinnacles National Monument	10,980	320	
47. Point Reyes National Seashore	10,600		
48. Rocky Mountain National Park	239,835	479	
49. Saguaro National Monument	42,400	27,100	

See footnotes at end of table.

NATIONAL PARK SYSTEM WILDERNESS RECOMMENDATIONS—Continued

Area	Wilderness acres recommended to Congress	Potential wilderness additions	Wilderness acres designated by Congress
50. Shenandoah National Park	79,699	560	
51. Theodore Roosevelt National Military Park	28,335		
52. White Sands National Monument	Negative		
53. Wupatki National Monument	Negative		
54. Yellowstone National Park	2,016,181	6,040	
55. Yosemite National Park	646,700	121	
56. Zion National Park	120,620	9,040	
Total	15,349,026	425,337	200,945

[1] New study in progress for new national park.
[2] A total of 1,740 acres recommended for wilderness designation, 1,300 acres within area administered by U.S. Fish and Wildlife Service and 440 acres within area administered by National Park Service. Also recommended are potential wilderness additions of 4,360 acres in the Maryland portion and 400 acres in Virginia.
[3] Recommendation as revised at congressional hearing.
[4] Surface lands reported suitable for wilderness but recommended that action be deferred pending completion of a mineral survey.
[5] Surface lands reported suitable for wilderness but recommended that action be deferred pending study of project needs by Bureau of Reclamation.

U.S. FISH AND WILDLIFE SERVICE, NATIONAL WILDLIFE REFUGE SYSTEM, JAN. 1, 1975

I. DESIGNATED REFUGE WILDERNESS AREAS

Wilderness area (refuge)	State	Refuge acres	Wilderness acres
Bering Sea	Alaska	41,113	41,113
Bogoslof	do	390	390
Chamisso	do	641	455
Forrester Island	do	2,630	2,630
Hazy Islands	do	42	42
Saint Lazaria	do	65	65
Tuxedni	do	6,402	6,402
Farallon	California	211	141
Cedar Keys	Florida	378	375
Florida Keys	do		4,740
Key West	do	2,019	
National Key Deer	do	7,331	
Great White Heron	do	1,996	
Island Bay	do	20	20
Passage Key	do	36	36
Pelican Island	do	684	6
St. Marks	do	95,000	17,740
Blackbeard	Georgia	5,617	3,000
Okefenokee	Georgia-Florida	371,445	353,981
Wolf Island	Georgia	5,126	5,126
Breton	Louisiana	5,047	5,000
Moosehorn	Maine	22,666	7,304
Monomoy	Massachusetts	2,698	2,420
Huron Islands	Michigan	147	105
Michigan Islands	do	134	12
Seney	do	95,455	25,150
Brigantine	New Jersey	19,388	6,603
Great Swamp	do	4,643	3,660
Bosque del Apache	New Mexico	57,191	30,850
Salt Creek (Bitter Lake National Wildlife Refuge)	do	23,189	9,621
Chase Lake	North Dakota	4,384	4,155
Lostwood	do	24,747	5,577
West Sister Island	Ohio	85	85
Wichita Mountains	Oklahoma	59,020	8,570
Oregon Islands	Oregon	367	21
Three Arch Rocks	do	17	17
Cape Romain	South Carolina	34,196	28,000
Washington Islands	Washington		
Copallis National Wildlife Refuge	do	5	5
Quaillayute Needles National Wildlife Refuge	do	99	49
Flattery Rocks National Wildlife Refuge	do	125	125
Wisconsin Islands	Wisconsin		
Gravel Island National Wildlife Refuge	do	27	27
Green Bay National Wildlife Refuge	do	2	2
Totals		894,778	575,620

See footnotes at end of table.

U.S. FISH AND WILDLIFE SERVICE, NATIONAL WILDLIFE REFUGE SYSTEM, JAN. 1, 1975—Continued

II. PROPOSED REFUGE WILDERNESS AREAS IN CONGRESS

Wilderness area (refuge)	State	Refuge acres	Wilderness acres
Aleutian Islands	Alaska	2,720,426	1,395,357
Kenai	do	1,730,000	829,000
Izembek	do	320,801	[3] 301,451
Nunivak	do	3,656,387	[1]
Semidi	do	256,000	256,000
Simenof	do	25,273	25,140
Unimak	do	[2]	973,000
Cabeza Prieta	Arizona	860,000	[3] 833,500
Havasu	Arizona-California	41,495	2,510
Imperial	do	25,764	12,010
Kofa	Arizona	660,000	[3] 570,600
Big Lake	Arkansas	10,974	1,818
White River	do	112,399	975
Bombay Hook	Delaware	15,110	2,000
Chassahowitzka	Florida	29,698	16,900
J. N. "Ding" Darling	do	4,307	2,735
Lake Woodruff	do	18,417	1,106
Savannah	Georgia-South Carolina.	13,173	Nonsuitable
Hawaiian Islands	Hawaii	[4] 304,203	1,742
Crab Orchard	Illinois	43,017	4,050
Upper Mississippi	Iowa, Minnesota, Illinois, and Wisconsin.	195,122	[5]
Lacassine	Louisiana	31,776	2,854
Blackwater	Maryland	11,216	Nonsuitable
Martin	do	4,423	Nonsuitable
Parker River	Massachusetts	4,649	3,110
Agassiz	Minnesota	61,487	4,000
Mille Lacs	do	.6	.6
Rice Lake	do	20,297	1,406
Tamarac	do	42,484	2,138
Noxubee	Mississippi	45,763	1,200
Mingo	Missouri	21,672	1,705
Bowdoin	Montana	15,436	Nonsuitable
Charles M. Russell	do	926,575	155,288
Medicine Lake	do	31,457	31,457
National Bison Range	do	18,540	Nonsuitable
Red Rock Lakes	do	40,223	32,350
U. L. Bend	do	46,264	19,683
Crescent Lake	Nebraska	45,996	24,502
Fort Niobrara	do	19,123	4,635
Valentine	do	71,516	16,317
Anaho Island	Nevada	747	747
Charles Sheldon Antelope Range	do	545,231	[3] 321,400
Sheldon National Antelope Refuge	do	34,131	20,100
Desert	do	1,588,458	[3] 1,443,300
Cedar Island	North Carolina	12,526	180
Mattamuskeet	do	50,179	590
Pea Island	do	5,915	180
Swanquarter	do	15,500	9,000
Salt Plains	Oklahoma	32,009	Nonsuitable
Deer Flat	Oregon-Idaho	11,585	Nonsuitable
Hart Mountain	Oregon	240,824	16,500
Klamath Forest	do	15,225	Nonsuitable
Malheur	do	180,795	30,000
Santee	South Carolina	74,353	163
Laguna Atascosa	Texas	45,147	Nonsuitable
Bear River	Utah	64,895	Nonsuitable
Missisquoi	Vermont	4,680	620
Back Bay	Virginia	4,588	2,165
Assateague Island:			
Chincoteague Refuge	do	9,438	1,300
National Seashore	Maryland		440
Little Pend Oreille	Washington	40,535	Nonsuitable
San Juan Islands (San Juan, Martin Island, Jones Island, Smith Island).	Washington	461	168
Turnbull	do	17,171	Nonsuitable
Horicon	Wisconsin	20,934	Nonsuitable
National Elk	Wyoming	23,781	Nonsuitable
Total		15,540,572	7,377,393

See footnotes at end of table.

U.S. FISH AND WILDLIFE SERVICE, NATIONAL WILDLIFE REFUGE SYSTEM, JAN. 1, 1975—Continued

III. WILDERNESS REVIEW PROCESS DELAYED DUE TO ANCSA

Wilderness area (refuge)	State	Refuge acres	Wilderness acres
Arctic	Alaska	8,900,000	
Clarence Rhode	do	2,887,026	
Hazen Bay	do	6,800	
Kodiak	do	1,815,000	
Total		13,608,826	

[1] Wilderness recommendation delayed due to native selections under ANCSA.
[2] Unimak is part of the Aleutian Islands Refuge.
[3] Wilderness recommendations made subject to congressional appropriation of funds to conduct mineral survey and completion of such survey.
[4] Total refuge acreage is unknown at this time.
[5] Additional study to be made and completed by July 1, 1977.

CAMPGROUND RESERVATION SYSTEM

Mr. YATES. I understand you are not going to have a campground reservation system this year.

Mr. EVERHARDT. No, sir, that is one of the first decisions I made coming on board in January, that due to the problem that had been existing with our campground reservation system that we would not try to implement a reservation system this year until we had the opportunity for full evaluation, appraisal, and an action program developed for implementation and that is only for this coming summer. We certainly have every intention and are already beginning work on looking at implementation in the summer of 1976.

Mr. YATES. Won't there be chaos at the campground if you don't have a reservation system?

Mr. EVERHARDT. No, sir, they will be manned at entrance stations; there will be people on a first-come, first-served basis.

Mr. YATES. Without reservations?

Mr. EVERHARDT. Yes, as they were in the past.

Mr. YATES. When was the reservation system begun?

Mr. EVERHARDT. I think the first one was a test 2 years ago and then it was only done in about 4 or 5 areas, and last year it was expanded to 12 areas of the National Park System.

Mr. REED. Mr. Chairman, I would like to say after going to a number of the campgrounds that were handled by reservation last year, there is no question in my mind that the idea is sound. There is no question in my mind that the American traveler wants advanced reservations in campgrounds—it is so much better to know you have a campground in Zion tonight than to arrive there at 5 o'clock in the afternoon with three kids and find the campground is full. The system is desirable. It can work.

The Director is right in taking a new look at how the bid should come in, what performances we should demand, the ability of the company to perform.

Mr. DUNCAN. Would you yield?

Mr. YATES. Yes, Mr. Duncan.

RESERVATION SYSTEM IN OREGON

Mr. DUNCAN. Oregon has a superb system that works as far as their parks are concerned. They are critical of the National Park Service for abandoning the reservation service and critical because we understand you ran all the reservations through a single exchange in the middle of the country somewhere, a fairly small town, without adequate facilities, and they suggest if it were done on a regional basis it would be handled adequately.

You feel you haven't enough time to initiate a program this summer?

Mr. EVERHARDT. That is right, Mr. Duncan. I think the problem that faced us both years was the lateness of the hour and getting a system initiated on.

Mr. DUNCAN. You fully intend for the year following——

Mr. EVERHARDT. Right. I think the ideas you expressed are very good, and some people have talked about a reservation system at the local level and at the regional level or statewide level. So I think all of those are possibilities and certainly the program that is being handled out in Oregon is a very good one. I am familiar with it.

Mr. REED. California has a good one. The two best, in my opinion, are Oregon and California.

Mr. EVERHARDT. We want to investigate and work with those people in getting some ideas and hopefully implement a program.

Mr. YATES. Mr. McKay.

Mr. MCKAY. Thank you.

VISITATION TO PARK AREAS

In your parks—maybe you stated earlier—are your visitors staying longer, or was there less visitation last year? Is there improvement of overnight facilities?

Mr. EVERHARDT. Our visitation in the 1974 calendar year to all areas of the system was 217 million people, what you might consider a no-increase over the previous year.

Mr. MCKAY. Was it down in any categories?

Mr. EVERHARDT. Yes, in the area that had previously been reported, about 205 million visitors to those areas that had reported in previous years, so you could get the comparison. What brought the figure to 217 million was the new additions like the Gateways, the Golden Gate that we had not included in the statistics before. So overall, of 217 million there was almost a zero increase, or 1.8 percent. In those areas that reported before, there was a minor decrease of about nine-tenths of 1 percent.

Mr. MCKAY. Was there a shift in intensity from some areas to closer proximity to metropolitan areas, and so on?

Mr. EVERHARDT. I can express to you some feelings of studies we made in Teton last year. We found there was an occasion for longer stay. I think the average stay went from 2.1 to 2.9 days—I give you that figure hesitantly because I am not that certain about the exact days per visitor. There was a shift also in more regional, localized type of travel. We had a great shift in the number of visitors from people to States contiguous to Wyoming, which meant somewhat of a drop in those farther-away States that had historically been the heavy travelers to Grand Teton, coming from California, Texas, Ohio and other

States. So there was some definite pattern developing last year as a result of the energy and inflation situation across the country.

Mr. McKay. Is there another factor you have been able to detect about too big a crowd in the facilities and people come in and find out they can't get their place?

Mr. Reed. I think that was the encouraging thing about the decrease in some of the western parks. I was in the Grand Tetons and elsewhere because of speaking engagements. I always make a point of visiting the campgrounds to say hello. The majority of the people who were peak visitors were delighted by the slight reductions in visitors because the roads were clear, wildlife more abundant and campgrounds cleaner. I have never seen the western parks I was in in better shape as far as visitation than last summer.

Mr. McKay. Do you think maybe the people aren't visiting as many parks as in previous years?

Mr. Reed. I think it was the feeling that we had over the last 10 years, we get the family in the back of the station wagon, we have to see eight parks in the next four weeks, and whether you like it or not, I am going to stuff you kids in eight, or nine, or ten parks. This year they went and had a much better time staying in three parks—seeing them and relaxing. Energy costs were definitely a factor in this.

Mr. Yates. May I ask on behalf of my colleagues from the West? Will the high standard for western parks remain in view of the fact that you are moving people from the West to the Bicentennial areas?

Mr. Reed. I am not going to be party to stripping the western parks of their personnel, Mr. Chairman.

Mr. Yates. What are you taking from the West and giving to the East, construction money?

Mr. Reed. Yes, sir.

Mr. Yates. That is all?

Mr. Reed. Yes, sir.

Mr. McKay. We fully expect a reversal of that attitude shortly. I have one related to that, Mr. Chairman.

Mr. Yates. Mr. McKay.

STATE-OPERATED RECREATION AREAS

Mr. McKay. There were several proposals to amend the Land and Water Conservation Fund so that a portion of the funds can be made available for local, State and Federal park acquisition of the Government. Do you support that proposal?

Mr. Reed. We are presently debating the administration position on this.

Mr. McKay. I would hope you would take a little tilt toward the positive side of that.

Mr. Reed. I think you know where my feelings are certainly, sir. We are obviously involved in a very difficult policy decision that may require a Presidential decision. There are the factors of the enormous increase in the offshore oil receipts and the tremendous recreational needs. We don't want to get into local recreation areas on a Federal basis. I personally think we may have to increase the fund.

Mr. Watt is expert in this. I don't know how the National Park Service can be expected to take over all the urban recreation in the United States. I personally think it would be the greatest mistake

that we could possibly make. It seems that the only way out of that dilemma is to give the States and the local governments the funding necessary to be able to do their share in the total national recreation picture.

Mr. McKay. Do we have a situation where the local States are saying, "That is too much money for us; National Park, won't you take it from us?"

Mr. Reed. Sure, that was our situation recently and we obtained Gateway East, as you remember, 3 years ago or 4 years ago as a demonstration project, just one time we said. Then we got Golden Gate and now we have Cuyahoga Valley in Ohio. We understand that the mayor of Atlanta unquestionably would like a similar facility. We also have the mayor of Los Angeles, who wants us to take over Santa Monica Mountains. They maintain if you do it in New York and San Francisco, for example, do it for me. If I were the mayor of one of those communities, I would come to Congress for such an authorization, too. I would get as much Federal money as I could, and unless we get some viable alternatives we are going to destroy the National Park System.

GOLDEN SPIKE NATIONAL HISTORIC PARK

Mr. McKay. One other question. We are, of course, interested in the Golden Spike National Historic site at Promontory Point. Nevada beat Utah out for the engines which are presently there, with the help of the Park Service, and now new engines must be built.

I am planning to introduce some legislation to increase that authorization which, after 4 years, is not sufficient to build engine replicas.

Mr. Everhardt. That is one of our problems.

Mr. McKay. Will the Department support that authorization for that legislation, knowing full well you will not suggest funding this year?

Mr. Reed. Yes; I believe so.

We are looking at a number of areas right now, Mr. McKay, that require increased authorization or boundary changes without making a firm commitment on appropriation. That study is underway right now. Either the Park Service was not accurate the first time or the escalation of land values was faster than anticipated.

Mr. McKay. Do you still have the $355,000 made available for that project?

Mr. Reed. Yes.

Mr. McKay. Will that lapse?

Mr. Reed. No.

URBAN PARKS

Mr. Yates. May I ask where the Park Service is operating urban parks?

Mr. Reed. New York City. I will have to take you there.

Mr. Yates. Gateway and Fire Island.

Mr. Reed. Both. Fire Island is so good once you get out toward the East that it can stand on its own two feet anywhere. It is a fantastic dunes system. The western end is not as good. We have Fire Island, Gateway East, and Golden Gate. I suppose you could include Cape

Cod in a sense, the way it is used. The people of Boston use it as an urban park on weekends. The Indiana Dunes is used by Gary, Chicago, and Detroit.

Mr. YATES. What is the distinction you want to draw between these and Gateway West?

Mr. REED. I can tell you exactly what I think of Gateway West or Golden Gate National Recreation Area. I thought the authorizing committee understood perfectly our strong feelings that from the north end of Golden Gate Bridge to Point Reyes, it qualified in every way to be part of the national park system. It can stand on its own merits as a national park. It does not have to be recreation. It is superb. But the mayor and others persuaded the inclusion of the downtown urban parks which, in my opinion, are of questionable quality according to NPS criteria, as part of the national recreation area.

Mr. YATES. We will have to go out and take a look at them.

Mr. REED. You cannot believe them or believe the pricetags for maintaining them.

Mr. YATES. The committee will stand adjourned until 1:30.

STATE ROLE IN URBAN RECREATION

Mr. YATES. The committee will be in order. Mr. Regula.

Mr. REGULA. Thank you, Mr. Chairman.

Mr. Secretary, is the oft-quoted phrase of "putting the parks where the people are" a cliche, or is this a dedicated principle of the Interior Department?

Mr. REED. Mr. Regula, I think that we have made outstanding progress through the Land and Water Conservation Fund and through the legacy of parks. The latter is the disposition of excess Federal property to States and local governments for recreation use. What worries me is making a commitment that the National Park Service will take over urban recreation in the United States in the next 25 years. That prospect, I will admit, leaves me with less than enthusiasm.

I would much rather have a very concise land and water conservation package with a provision to permit and encourage the States to take over the Santa Monicas and the Chattahoochees. I would like to limit a State coming in and saying, "We would like to have a national park because we do not have one," or a mayor coming in saying, "You are doing it in New York and San Francisco, why not in Miami Beach?" You know what our manpower problems are, running a true national system. Of the 302 units of the National Park Service, there are those that are less than national in character. We should identify those and determine how we can proceed to dispose of them from the Federal system.

Basically, the vast majority of them are of national character, but I would hate to dilute that by taking on a great new emphasis on urban recreation. I am already beginning to steal from Peter to pay Paul. I must not allow that to accelerate or to continue.

Mr. REGULA. You see the Federal Government in a supporting role vis-a-vis the BOR.

Mr. REED. Revenue sharing through BOR.

Mr. REGULA. Doesn't the Land and Water Conservation Fund provide for that, too?

Mr. REED. I would rather have additional development funds go to the Land and Water Conservation Fund or change the formula from 50-50 to a higher percentage from Federal to State.

I would rather see a certain portion of the funding go for maintenance. I would rather do anything to continue to urge the States to do it with their manpower and their funds with significant federal support. The problem before us and the Congress is that, as of the moment, we do not have a clear national policy and we are sort of adding one area after the other. It has not come to a head. I suspect it will come to a head in this Congress and that the Congress will say as it did last year, "you say 'no Cuyahoga's,' Mr. Secretary and yet you are not agreeable to increasing the Land and Water Conservation Fund. You say no Santa Monicas yet you won't put any more into the Fund for the States." I think the Congressional reaction will be, either join us in raising the Fund or we will keep authorizing these areas close to urban centers and federalizing them until you do.

That may be the catalyst that is required to get a national policy.

YEAR-ROUND USE OF PARKS

Mr. REGULA. My next question is: Are you developing a greater year-round usage of the parks in the form of winter recreation programs as opposed to the historic summer programs only?

Mr. REED. Yes, sir, there has been an enormous shift. I know Mr. Watt may want to go back over the very penetrating question you asked me on land and water and the State's role.

Let me ask the Director to answer the first question on expanded winter use.

Mr. EVERHARDT. Certainly this is taking place with each passing year.

Recently coming from a winter park we found a tremendous build-up in activities of winter type use. Back country camping, believe it or not, in an area that gets as much as 40 or 50 below zero, the climbing of the Grand Teton is still very small in numbers but going up at an astronomical percentage rate each year. People going in and out of Yellowstone now with the snowmobiling activity, the grooming and maintenance of roads, the providing of overnight accommodations at the Old Faithful, we do not have these figures readily available but we can supply them to you.

They show a great increase in this activity. I think we are getting with each passing year an increase in the numbers of people who are scheduling their time.

This thing about the school situation going on to a new schedule is bringing to the parks a much expanded summertime operational season on both ends.

We are approaching in many of those historic areas, and I don't mean historical designated but where there have been short summertime months operation, a year-round pattern.

Mr. WATT. I just had a glorious week last week snowmobiling in Wyoming to check this theory out.

Mr. REGULA. I had a glorious week in Ohio doing some of the same.

Mr. WATT. I was surprised to see the better snowmobilers from Ohio and Wisconsin signing out there to do it. I was with the Utah people and visited Grand Teton. The out-of-State visitors into Wyo-

ming were amazing. It was fantastic to see a different type of snow-catting, as they call it, in the Wyoming areas in the Midwest where they have different types of snow. We were working with the Wyoming and Utah people in an effort to tie together the Federal and State Government activities plus the private sector. In the area adjacent to the Grand Teton National Parks we have two guest ranches that have operated traditionally on a 3- or 4-month summer basis which are now open on a year-round basis catering to the snow-catters and doing it on a profitable basis.

We think this is tremendous. We are there working with State people to get them to put up the funding to groom the trails so the people can not only visit Grand Teton but come on to the private lands, see the wildlife we saw and enjoy that season of the year which heretofore has been just dreaded by we Wyomingites waiting for spring to come.

Mr. EVERHARDT. Another point to make, as you can certainly see, with this change in use and activity is the need for specialized personnel to accommodate this.

You can just imagine the support it would take to make a rescue in the Grand Teton in the wintertime. It is pretty substantial.

MULTIUSE OF PARKS

Mr. REGULA. My last question is a follow-up. What has been your success in developing multipurpose usages both in the Park Service lands and Forest Service lands? Particularly have you had any success in expanding the use of Forest Service lands for recreation purposes on a multipurpose approach?

Mr. REED. We have had a wonderful relationship with the Forest Service. In their budget they have had their problems on the recreation side of the budget for the last couple of years.

This committee has been, I think, very understanding of that problem and has headed off some potential problems. From my standpoint I have a wonderful relationship with the hierarchy in the Forest Service, none excelled. We don't always agree. I can think of a couple areas where we sharply disagree at the moment. We all like each other enormously and get along very well. I will let the Director who worked with them closely in Grand Teton and Jim Watt, who is in daily communication with the Forest Service discuss their roles in depth.

Mr. EVERHARDT. I would not characterize it by saying we are developing a multiple use pattern in the park area, but I think we are encouraging the year-round uses that are appropriate to the mandate of managing a national park.

In conformity with the idea of cooperation with the U.S. Forest Service, I think you can take a page out of the book of experiences out there that we had worked very closely with them in a regional, what we called the Greater Yellowstone regional context of planning and developing awareness among the visitors to this region of the various things that he had available to him.

If it was not here, then he wanted to make him aware of where he could do the things he would come into this region to take part in.

I think the relationships were of the highest caliber in that particular example and it was working.

Mr. REGULA. The agencies were permitting a spillover then from the Park Service lands onto the Forest Service and in fact perhaps the Forest Service is taking some initiatives in a recreation direction.

Mr. EVERHARDT. We were discussing all the parameters of this great, huge region which would probably number from 8 to 12 million acres of Forest Service, National Park, BLM, and also lands of State managing agencies of the local communities themselves and trying to develop out of this cooperative understanding and agreement, a package, a master plan, if you could call it that, for this area which would guide the direction of the future.

EXPERIENCE IN WYOMING

Mr. WATT. If I may add to that, the Wyoming experience has been a very good one and one that has pioneered in this thrust to tie together the several agencies. In the State of Wyoming for several years they have had a committee organized by the Governor who brings in on a biannual basis all the representatives of the Federal agencies. We have attended that and Gary has attended from the National Park Service. He has brought in three superintendents who have lands, the Sport Fishery people, Corps of Engineers, et cetera, plus all the State counterparts.

The Governor chairs this on a full-day basis to work out the recreation activities that need to be carried on in that State.

In the particular meeting I attended, the State presented its outdoor recreation plan and divided it up into several regions and said based on our demand studies x more units were needed for camp facilities. Then they went around the room and made the National Park Service say, "In this region we will be building 56 more camping units, BLM none," for example, and then they could identify what the private sector had to do. Based on that model BOR being the agency charged with coordinating recreation activities has taken that formula to the other States and are successfully implementing that same type of coordinating device there.

Early this month I spoke to the South Carolina Agency Coordinating Committee where the new Governor spoke. Senator Thurmond and I were there together. It was fantastic to see over 200 people joining, local and State and private and it was surprising to see them come together to plan needs for the future.

I am extremely optimistic about the potential there.

In the recent Wyoming trip I referred to we were working with the Forest Service people to make State funds available for grooming the snowmobile trails because the Service does not have it in their budget.

We have the responsibility that goes with owning lands to see that those lands are managed on a multipurpose basis. We cannot ignore the winter months and we must see that funds are made available to maximize the benefits from those lands.

Mr. MCKAY. Will you yield?

Mr. REGULA. Yes.

Mr. MCKAY. The Forest Service, it seems to me, in some areas of recreation are given a certain season and they seem to fold up their tents and go home. Is that being reversed?

Mr. WATT. We are hoping to change that. That has been a traditional point of view because we never thought of recreation on a year-round basis.

Mr. MCKAY. Out on the Flaming Gorge come August or September when the kids are back in school they fold up their tents and go home.

Mr. WATT. I think that is changing.

Mr. MCKAY. Yet there are a lot of things that go on out at Flaming Gorge in the winter season. It might be fishing on the ice.

Mr. WATT. Sixty days after Labor Day is some of the prettiest days. I think it is changing because of the demands of people as well as Government's approach to it.

Mr. YATES. How does this affect your requirements for personnel?

Mr. WATT. It puts a greater pressure on it. More money is needed for more people.

Mr. MCKAY. Are they pretty much part-time on Flaming Gorge?

Mr. REED. Yes; less than full time and supervised by a full-time manager with a small residual staff.

Their problem is that they do not have authority to hire them the extra 30 days or they run out of money. We have begun to talk to the Forest Service because they can help take the load off the Park Service by spreading the development. The Congress has been most helpful to them over the last 4 years. You all have been the safety valve that kept them in the recreation business. Otherwise, they may have been only in the tree business.

STATE CAPACITY TO MATCH FEDERAL FUNDS

Mr. YATES. Given the current economic climate do you find the States are having difficulty matching the Land and Water Conservation Fund grants?

Mr. REED. The last bond issues all came up very well. California passed a big one. Florida passed a big one. Jim, I think we ought to furnish the committee the results of the last ones. There were only one or two that didn't make it.

I think you will see a slowdown now. I think the last ones were passed just before the deepening of the recession. I think what you are going to see now, as I follow the legislative debates around the country, is a reduction of Federal matching moneys and you will see some pressure on maintenance for the first time in a big way.

They have acquired these wonderful properties. Are they going to maintain them?

I was in Denver a while ago. I stopped at a downtown park in a Black-Chicano area. There was one of the most attractive urban parks I had been to in a long time. It was imaginatively painted. There was a park which I dropped Jim a note about saying "This park was done by the Bureau of Outdoor Recreation in cooperation with the Denver City Parks." That was the first one I had seen in Denver. I have seen a lot in the East. It was attractively done. It was right in the right area, right in the area where everybody could get there by walking. It will be interesting to see whether that park is properly maintained after a sizable cut in revenue in Colorado this year.

Mr. YATES. How much money did BOR make available to that park?

Mr. REED. $235,000, I believe.

Mr. YATES. Over a period of time or in one grant?

Mr. REED. I presume it was a one-time grant.

Mr. YATES. I wonder how many such parks there are in cities where the BOR has made its contribution.

Mr. WATT. Mr. Chairman, we are presently investing about half of our funds in urban-oriented park funds in an effort to bring parks to the people. We get quite a bit of criticism on that because some of the early supporters of the funds felt it was to be used for virgin lands.

Mr. REED. There is a schism among the conservation community. You will all hear it. There are some who maintained that the Fund was for the acquisition of priceless remnants which are under the threat of development. But 70 percent of the American people live in urban areas.

Jim has been very understanding of them and there are those who are very critical of Jim because he has made a larger proportion of the funds available for urban use for about 3 consecutive years.

Mr. YATES. I don't remember any of it going to the city of Chicago, do you?

Mr. REED. Yes, sir, sure.

Mr. YATES. The Chicago Park District?

Mr. REED. Sure. I think you will be amazed. We will get a printout.

Mr. YATES. I would be.

Mr. REED. I go to a great deal of dedications but Jim goes 2 days a week.

Mr. WATT. I have real travel problems, perhaps you can arrange for more money.

Mr. YATES. Mr. Long.

CRIME IN CITY PARKS

Mr. LONG. The matter of urban parks you brought up, I would think a very important consideration in determining how well this program prospers is the urban crime rate. Around the Baltimore area, the word "park" has become a scare word because people do not feel they can use the parks; they are too dangerous; I gather that is a problem in New York, too, Central Park.

Unless you can get some sort of assurance of police protection so parks are not a place to go to get raped and murdered I think you will face great difficulties in the program in the future.

Mr. WATT. I think your concern is fairly expressed. We found for sociological reasons we need more parks to give a constructive outlet for idle time. Where we have the resource base plus an active recreation program, we can occupy the time of not only the young people but the adult population as well as in constructive programs that will keep their minds attentive and their bodies active or worn out so they are not out on the streets.

Mr. LONG. How do you propose to deal with the problem? Parks have become some of the most dangerous places in the cities.

Mr. REED. Think of the cities in the world that are really livable, Paris, Washington, London, Denver. The reason they are livable is because they are well-dispersed with green open areas.

There is not an area in the world today that does not have a problem with crime. But I do not think you can fault an expanding green area program within the urban area. I think we have to go back to shortfalls in housing and certainly short falls in police protection. I would hate to think we could not make a substantial improvement in the quality of life in Baltimore at least in the daylight hours by providing green open space and recreation facilities for all those kids.

Mr. LONG. I share your feelings. It is a great idea and a great program. But these are some of the difficulties. It is not just in downtown Baltimore where these problems arise, out in my suburban area, Baltimore County, wherever you have parks you have neighbors coming to their Congressman saying, "What can be done to stop motorcycle riding, gangs of people, littering. They come in and dump everything, bed springs, old refrigerators, empty bottles of beer, then there is rape and crime and rowdyism. The rowdyism is probably a better word. So there are people who actively oppose these parks anywhere near where they live.

Mr. WATT. That is true. It is becoming a big expense for all who manage parks to repair vandalism.

NATIONAL OUTDOOR RECREATION PLAN

Mr. YATES. What happened to the implementation of the national outdoor recreation plan?

Mr. WATT. We are now implementing that. It is pleasing to see the response we are getting from the Federal and State agencies.

The nationwide plan as you are aware was really a codification of eixsting administration policies with regard to managing the recreating estate. We outlined the role of the Federal Government and suggested the role of State and local governments and the private sector. We have been so pleased to see that the agencies are responding with some enthusiasm.

Now they understand because it has been written and presented to them, their role. We are in the process and will be continuing for many years to implement and carry out the policies pronounced in that document.

Mr. YATES. The Nation's grazing lands are classified as "poor." Is this a correct description as well for the Federal wildlife refuge areas?

Mr. REED. I will let Mr. Greenwalt give you an absolutely honest answer, Mr. Chairman. I have had my problems in a couple of different States where there are extensive Federal wildlife refuges or where the Federal Government used duck stamp money to acquire drainage easements or flow easements for waterfowl production. As you know, there are only really three States where we produce any appreciable amount of ducks or geese in this country.

The vast majority come from Canada and Alaska. We made a fantastic commitment for 40 years now in North Dakota. We have had some sharp differences with the North Dakota cattlemen about grazing on those lands that were acquired by duck stamp money and by congressional appropriations.

I am looked upon by the cattlemen, I think, as being something other than responsive. I have told them we are not going to be in the position

in front of this committee or the authorizing committee as the BOR is in front of other committees following these ghastly reports by the GAO. I think we are in good shape unless there are a few areas I am unaware of where we could be in trouble. I would be less than candid if I did not tell you I have had plenty of arm twisting from North Dakota.

Mr. YATES. To do what?

Mr. REED. More cows per acre, longer season.

CATTLE GRAZING ON REFUGES

Mr. GREENWALT. I think the reason is that the grazing lands on national refuges generally are highly attractive. There are some areas where there are grazing arrangements over which we do not have the degree of control that we might ordinarily desire to have where the rangeland is somewhat deteriorated, but as a general statement about the National Wildlife Refuge System, its grazing land is superior. That is one of the reasons there is much urgency, particularly in drought periods to get at the grass in the National Wildlife Preserve.

Mr. REED. Right in the middle of the duck nesting season. You have a hopeless conflict. You cannot accelerate grazing in July when the ducks are on their nests. You can allow the cattle to go in in August after the nestlings have gotten into the water. The refuge manager knows the time of the hatch. He can watch the ponds and tell you after the hatchlings are off that he can increase the amount of grazing on the lands. You cannot make this decision in Washington.

Mr. YATES. So far you have won?

Mr. REED. So far we have won.

Mr. YATES. That is good.

Mr. REED. I remind everybody that those lands came from money recommended by this committee and from the sale of duck stamps and they were bought with clear instructions for waterfowl purposes. We bought them from willing sellers and that seems to have been forgotten now.

Mr. YATES. What do you charge for grazing, what is your highest fee?

Mr. REED. I suspect around $4 an AUM.

Mr. YATES. Is that competitive?

Mr. REED. It's based on fair market values.

Mr. YATES. How does it compare to BLM lands out west?

Mr. REED. It does not compare with BLM lands out west. It is compared to local.

Mr. YATES. What is the amount you return to the Treasury?

Mr. REED. The receipts are about $4 million. That is not all from grazing, a great deal is from timber and a substantial amount from oil and gas.

Mr. YATES. You have gas wells and oil wells on your land.

Mr. REED. Yes.

The Kenai Moose Range and the Delta Refuge down below New Orleans.

Mr. MCKAY. I would like to say in line with Mr. Regula's statement about multiple use, we don't have enough management in my opinion of our Federal resources. We do not put in enough money for actual land management. So in the managerial way I support the idea that

the management is in accord to what the needs are. If it takes a delay for the AUM's to come on, all right.

Mr. REED. Mr. McKay, I would urge you to undertake an interesting exercise which is the addition of the budgets of the National Park Service, Fish and Wildlife Service, Bureau of Outdoor Recreation, BLM, Forest Service, the Corps of Engineers partial budget, which goes not to tearing up but to preserving, and you will find that percentage of the total Federal budget to be a very interesting and small figure. I make this speech over at OMB every year to deaf ears.

Mr. MCKAY. They get the speech here every year.

Mr. YATES. What is the point you want to make?

Mr. REED. It is a tiny percentage. The comparison of our national budget in comparison to other industrialized nations in the world is tiny. The percentage of budget used for national resource protection or enhancement is utterly fantastically low in comparison to any other urbanized country in the world.

Mr. YATES. Can you put in the record a list by refuge stations of the amounts that they receive for personnel services over the last few years?

Mr. GREENWALT. Yes, sir.

[The information follows:]

U.S. FISH AND WILDLIFE SERVICE

RESOURCE MANAGEMENT WILDLIFE RESOURCES

Statement concerning the personnel funding for wildlife refuge stations.

Listed below are the resource management funds available for wildlife refuge stations of the Fish and Wildlife Service. Experience has shown that approximately 70 percent of the available funds for each refuge are expended for personnel compensation. Actual data on personnel funding services for each specific refuge is not readily available.

The data for fiscal year 1975 does not include supplemental pay act funds requested in the budget.

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
STATE TOTAL			
ALABAMA			
CHOCTAW	55,874	56,222	56,222
EUFAULA	104,541	107,000	83,000
WHEELER	191,912	156,000	156,000
STATE TOTAL	352,327	319,222	295,222
ALASKA			
ALEUTIAN ISLANDS	121,000	228,000	217,000
ARCTIC	115,000	129,000	144,000
CLARENCE RHODE	125,000	220,000	198,000
KENAI	237,000	387,900	375,900
KODIAK	99,000	131,000	114,000
WILDERNESS STUDIES	79,000	20,000	
IZEMBEK	53,000	107,500	120,500
STATE TOTAL	829,000	1,223,400	1,169,400
ARIZONA			
YUMA ZONE OFFICE	54,667	55,808	49,649
HAVASU	145,815	171,040	151,040
KOFA GAME RANGE	54,039	56,351	38,351
CABEZA PRIETA	30,975	22,500	22,500
IMPERIAL	69,486	83,414	68,414
CIBOLA	39,382	40,480	40,480
STATE TOTAL	394,364	429,593	370,434
ARKANSAS			
BIG LAKE	77,393	63,150	123,150
HOLLA BEND	76,670	82,500	69,500
WAPANOCCA	74,335	93,900	68,900
WHITE RIVER	158,930	137,500	137,500
STATE TOTAL	387,328	377,050	399,050
CALIFORNIA			
SACRAMENTO	361,485	385,500	517,000
SALTON SEA	175,567	170,000	170,000
TULE LAKE	434,006	412,000	412,000
KERN	157,902	177,000	227,000

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
CALIFORNIA			
SAN LUIS	224,355	238,000	238,000
SAN FRANCISCO BAY	121,801	171,000	171,000
HUMBOLDT BAY	34,824	39,000	39,000
STATE TOTAL	1,509,940	1,592,500	1,774,000
COLORADO			
ALAMOSA	60,548	59,000	59,000
ARAPAHO	74,720	67,800	67,800
MONTE VISTA	154,005	147,000	147,000
BROWNS PARK	35,627	35,000	57,000
STATE TOTAL	324,900	308,800	330,800
CONNECTICUT			
SALT MEADOWS	4,451		
STATE TOTAL	4,451		
DELAWARE			
BOMBAY HOOK	146,288	142,000	153,500
PRIME HOOK	49,471	50,000	50,000
STATE TOTAL	195,759	192,000	203,500
FLORIDA			
CHASSAHOWITZKA	54,684	57,809	51,809
FLORIDA MGMT BIOLOGIST	28,686	21,600	21,600
LAKE WOODRUFF	50,015	41,630	41,630
LOXAHATCHEE	326,554	232,603	292,603
J N DING DARLING	85,191	131,456	81,456
MERRITT ISLAND	292,536	230,965	220,965
ST MARKS	147,906	137,425	137,425
ST VINCENT	71,230	83,073	128,073
STATE TOTAL	1,056,802	936,561	975,561
GEORGIA			
OKEFENOKEE	196,936	184,400	174,400
PIEDMONT	103,089	106,568	98,068
STATE TOTAL	300,025	290,968	272,468
HAWAII			
HAWAIIAN ISLANDS	74,737	106,000	106,000
STATE TOTAL	74,737	106,000	106,000

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
IDAHO			
CAMAS	80,324	117,400	58,000
MINIDOKA	44,710	56,000	56,000
DEER FLAT	95,080	112,000	112,000
KOOTENAI	48,316	50,000	50,000
GRAYS LAKE	111,633	134,000	194,000
STATE TOTAL	380,063	469,400	470,000
ILLINOIS			
CRAB ORCHARD	691,532	704,000	704,000
MARK TWAIN	237,847	237,000	237,000
STATE TOTAL	929,379	941,000	941,000
INDIANA			
MUSCATATUCK	81,106	78,000	78,000
STATE TOTAL	81,106	78,000	78,000
IOWA			
DE SOTO	164,280	171,000	171,000
UNION SLOUGH	46,464	61,000	47,000
STATE TOTAL	210,744	232,000	218,000
KANSAS			
FLINT HILLS	53,341	55,000	55,000
KIRWIN	99,053	100,000	100,000
QUIVIRA	103,344	96,000	109,000
STATE TOTAL	255,738	251,000	264,000
LOUISIANA			
CATAHOULA	40,973	38,164	38,164
DELTA	56,927	75,500	75,500
GULF COAST BIOLOGIST	28,661	14,000	14,000
LACASSINE	74,122	93,473	68,473
SABINE	109,703	84,000	84,000
STATE TOTAL	310,386	305,137	280,137
MAINE			
MOOSEHORN	94,879	120,500	155,500

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
MAINE			
CARLTON POND	2,124	12,000	2,000
STATE TOTAL	97,003	132,500	157,500
MARYLAND			
BLACKWATER	187,053	188,000	194,500
MARTIN	16,299	18,500	18,500
EASTERN NECK	60,983	61,000	67,000
STATE TOTAL	264,335	267,500	280,000
MASSACHUSETTS			
PARKER RIVER	184,017	181,000	201,000
GREAT MEADOWS	83,239	69,200	69,200
MONOMOY	2,583		
STATE TOTAL	269,839	250,200	270,200
MICHIGAN			
SENEY	126,160	129,000	188,000
SHIAWASSEE	102,770	156,000	197,000
STATE TOTAL	228,930	285,000	385,000
MINNESOTA			
AGASSIZ	114,430	130,000	159,000
RICE LAKE	56,909	59,000	87,000
TAMARAC	124,252	124,000	133,000
UPPER MISSISSIPPI RIVER	280,593	280,000	280,000
FERGUS FALLS	103,619	127,000	105,000
BIG STONE	94,959	94,000	94,000
BENSON	108,840	164,000	107,000
SHERBURNE	152,607	155,000	155,000
NATIONAL SIGN SHOP	70,009	85,000	85,000
STATE TOTAL	1,106,218	1,218,000	1,205,000
MISSISSIPPI			
NOXUBEE	151,650	144,000	119,000
YAZOO	88,853	77,850	77,850
STATE TOTAL	240,503	221,850	196,850
MISSOURI			
MINGO	116,117	121,100	121,100

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
MISSOURI			
SQUAW CREEK	93,722	86,100	136,100
SWAN LAKE	124,011	114,350	94,350
STATE TOTAL	333,850	321,550	351,550
MONTANA			
BENTON LAKE	83,002	101,500	81,500
CHARLES M RUSSELL	241,670	219,000	210,600
MEDICINE LAKE	166,416	157,400	152,400
NATIONAL BISON RANGE	166,355	166,300	165,800
RAVALLI	50,945	52,600	72,600
RED ROCK LAKES	70,601	67,500	67,000
U L BEND	99,314	104,000	86,000
STATE TOTAL	878,303	868,300	835,900
NEBRASKA			
CRESENT LAKE	74,523	59,000	59,000
FORT NIOBRARA	166,583	129,047	146,047
HASTINGS	77,009	68,500	68,500
STATE TOTAL	318,115	256,547	273,547
NEVADA			
STILLWATER	100,940	104,500	104,500
DESERT NATL GAME RANGE	140,847	137,000	175,000
RUBY LAKE	63,075	64,500	64,500
STATE TOTAL	304,862	306,000	344,000
NEW JERSEY			
BRIGANTINE	120,582	117,000	117,000
GREAT SWAMP	171,259	164,000	164,000
STATE TOTAL	291,841	281,000	281,000
NEW MEXICO			
BITTER LAKE	91,029	108,983	94,983
BOSQUE DEL APACHE	180,875	207,826	241,696
SAN ANDREAS	39,505	41,260	41,260
SEVILLETA	8,690	9,050	31,050
LAS VEGAS	68,648	78,528	91,528
MAXWELL	41,500	55,235	63,235
GRULLA	2,000	2,080	2,080
STATE TOTAL	432,247	502,962	565,832

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
NEW YORK			
MONTEZUMA	129,762	171,000	111,000
IROQUOIS	123,526	120,000	120,000
TARGET ROCK	88,984	114,000	114,000
AMAGANSETT	1,049		
MORTON	22,403		
STATE TOTAL	365,724	405,000	345,000
NORTH CAROLINA			
EAST COAST BIOLOGIST	25,703	28,000	28,000
MATTAMUSKEET	185,895	186,500	186,500
PEA ISLAND	53,498	52,223	109,223
PEE DEE	40,801	64,500	64,500
PUNGO	100,446	95,119	95,119
CEDAR ISLAND	24,898	23,300	23,300
STATE TOTAL	431,241	449,642	506,642
NORTH DAKOTA			
ARROWWOOD	196,602	223,000	267,000
AUDUBON	70,806	77,000	77,000
CROSBY WATERFOWL MGMT DIS	48,082	64,000	56,000
DES LACS	126,124	128,000	143,000
DEVILS LAKE	134,810	139,000	117,000
J CLARK SALYER	161,309	161,000	171,000
KULM	55,512	66,000	62,000
TEWAUKON	79,580	74,000	74,000
UPPER SOURIS	102,068	141,000	136,000
STATE TOTAL	974,893	1,073,000	1,103,000
OHIO			
OTTAWA	102,528	103,000	103,000
STATE TOTAL	102,528	103,000	103,000
OKLAHOMA			
SALT PLAINS	99,768	104,068	129,068
TISHOMINGO	144,068	150,848	150,848
WICHITA MOUNTAINS	404,719	429,748	429,748
WASHITA	80,527	83,960	83,960
SEQUOYAH	83,769	87,333	87,333
OPTIMA	6,193	6,440	6,440
STATE TOTAL	819,044	862,397	887,397
OREGON			
MALHEUR	261,868	279,200	303,000

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	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
OREGON			
HART MOUNTAIN	194,906	183,000	183,000
WILLIAM L FINLEY	137,016	136,000	136,000
UMATILLA	101,249	94,000	94,000
STATE TOTAL	695,039	692,200	716,000
PENNSYLVANIA			
ERIE	72,511	91,000	67,000
TINICUM	21,388	67,000	77,000
STATE TOTAL	93,899	158,000	144,000
RHODE ISLAND			
NINIGRET		25,500	25,500
STATE TOTAL		25,500	25,500
SOUTH CAROLINA			
CAPE ROMAIN	100,443	124,718	161,718
CAROLINA SANDHILLS	103,623	109,869	139,869
SANTEE	132,327	125,999	125,999
SAVANNAH	251,231	222,993	197,993
STATE TOTAL	587,624	583,579	625,579
SOUTH DAKOTA			
LACREEK	74,116	90,000	90,000
LAKE ANDES	142,830	114,400	114,000
MADISON	83,929	77,000	78,000
SAND LAKE	148,236	158,187	163,187
WAUBAY	101,856	103,500	103,000
WETLANDS ACQ ABERDEEN	1,201		
WETLANDS ACQ HURON	62		
STATE TOTAL	552,230	543,087	548,187
TENNESSEE			
CROSS CREEKS	12,309	80,100	80,100
HATCHIE	58,411	75,500	65,500
REELFOOT	89,649	83,892	83,892
TENNESSEE	223,204	188,000	170,000
STATE TOTAL	383,573	427,492	399,492
TEXAS			
GULF COAST COMPLEX	52,816	54,714	54,714

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
TEXAS			
ARANSAS	225,459	239,531	244,531
HAGERMAN	65,591	68,280	68,280
LAGUNA ATASCOSA	136,884	174,093	165,093
MULESHOE	38,812	40,490	40,490
BUFFALO LAKE	68,993	72,062	72,062
ANAHUAC	105,226	123,217	119,217
BRAZORIA	33,094	34,302	34,302
SAN BERNARD	32,152	33,439	33,439
SANTA ANA	50,821	58,702	62,702
ATTWATER PRAIRIE CHICKEN	68,448	65,851	65,851
STATE TOTAL	878,296	964,681	960,681
UTAH			
BEAR RIVER	145,029	133,250	169,250
FISH SPRINGS	47,394	56,000	49,000
OURAY	96,219	81,500	101,500
STATE TOTAL	288,642	270,750	319,750
VERMONT			
MISSISQUOI	25,521	27,000	27,000
STATE TOTAL	25,521	27,000	27,000
VIRGINIA			
BACK BAY	120,227	109,000	145,500
FISHERMANS ISLAND	2,620	3,000	3,000
MACKAY ISLAND	28,629	33,000	93,000
CHINCOTEAGUE	202,459	202,000	202,000
PRESQUILE	37,344	57,000	41,000
MASON NECK	25,316	27,000	27,000
DISMAL SWAMP	116,875	100,000	133,000
STATE TOTAL	533,470	531,000	644,500
WASHINGTON			
MCNARY	112,022	99,000	99,000
TURNBULL	90,577	83,000	83,000
COLUMBIA	116,110	121,000	121,000
TOPPENISH	64,676	63,000	63,000
NISQUALLY		65,500	65,500
LWR COLUMBIA RVR COMPLEX	220,428	293,900	266,500
STATE TOTAL	603,813	725,400	698,000
WISCONSIN			
HORICON	105,598	118,000	108,000

	FY 1974 OBLIGATIONS	FY 1975 ESTIMATE	FY 1976 PLANNED
WISCONSIN			
NECEDAH	90,034	104,000	142,000
STATE TOTAL	195,632	222,000	250,000
WYOMING			
NATIONAL ELK	130,539	205,700	205,700
SEEDSKADEE	56,829	53,600	53,600
STATE TOTAL	187,368	259,300	259,300
TOTAL	20,081,632	21,287,068	21,856,979

Mr. YATES. Are you being reduced?

Mr. GREENWALT. As a practical matter we are being reduced because of the inroads of inflation. The appropriation for refuges has remained pretty much the same over the last few years. There was a slight increase, about $1 million, last year. As you heard this morning, a $430,000 increase is requested for the 1976 budget.

MANAGEMENT UNDER AUSTERE CONDITIONS

Mr. YATES. I was down on the Loxahatchee Refuge during the winter time. Tom Martin was very concerned about the fact that he was going to lose one of his personnel positions on that refuge. He didn't know how he would supervise that huge refuge with the few people he had. I told him I would bring his plaint to you, rather than complaint, in the hopes you would review what his problems were.

Mr. GREENWALT. We have done that. It is to his credit that he has expressed this. He shares this view with about 180 of his cohorts who voice the same problem.

Mr. YATES. What will be the effect of this?

Mr. GREENWALT. If there is a reduction in personnel, and I should indicate to you that we are not certain there would be, but a reduction in personnel from the level now maintained on the national wildlife refuge system means that the system as a whole would go from a marginal caretaker status to less than marginal. It is clearly a case of utter decline not only in the protection of the resource, which is what these people are most important for, but in the maintenance and preservation of the facilities there.

Unlike national parks, national refuges don't take many facilities but they suffer as all the other facilities you heard about this morning from an increasing amount of delay in terms of properly maintaining and rehabilitating these structures.

The direct answer to your question is that a difficult situation would go from that to an extremely difficult situation in terms of meeting even the basic needs of any refuge station.

Mr. YATES. What are those basic needs? I think you are speaking in some generalities. I think you ought to point out for the record what will happen if you do not have enough money. What happens to the management programs?

Mr. GREENWALT. The first thing that goes is the maintenance program because theoretically that can always be deferred. One cannot deny protection to the whooping cranes but you can postpone painting the buildings where they winter.

So attrition is taken in terms of maintenance of physical facilities in order to continue the protection and surveillance of the whooping cranes. The attention given to visitors is given short shrift because the most important thing to do is protect the natural resource. Given a chance between taking care of visitors and the resource, doing necessary water level controls and inventories, the attention to visitors is cut first. So the upshot finally is that buildings deteriorate and we have an unhappy horror story of bad wiring and leaking roofs we have trotted out time and time again. It does not get better.

VANDALISM ON REFUGES

Mr. YATES. Is there vandalism on your refuges?

Mr. GREENWALT. A great deal.

Mr. YATES. Because of lack of patrolling?

Mr. GREENWALT. I suppose you can say that. Vandalism is a chronic problem many times regardless of how many people you have. In refuges it is difficult because it may take the form of poaching. It may mean killing deer or shooting swans or trapping wild turkeys. So it does become potentially very dangerous.

The combination of inability to properly protect the resource, and inability to maintain and properly manage the physical plant which on a national wildlife refuge is frequently important where we artificially create marshes, and a dike degradation may ruin the marsh, can have a long-lasting effect on that station's ability to continue to produce benefits.

BIOLOGICAL SERVICES FUNDING PRIORITY

Mr. YATES. You are spending more money on the biological services than on refuge management, right?

Mr. GREENWALT. We are requesting a much larger increase for biological services as opposed to refuges.

Mr. YATES. Why is that?

Mr. GREENWALT. When faced with a choice it has been my conviction and I think it is a good one, that in terms of needs the Nation's fish and wildlife resources, the real danger, the real difficulties confronting fish and wildlife and their habitats is not so much on refuges as it is outside of refuges where industrial development and energy exploitation may have a profound impact on fish and wildlife values.

My philosophy is that the refuges even though they may degrade physically will remain there even though they are in bad shape but the resources exemplified by Chesapeake Bay, for example, are the vulnerable ones. So it seems to me given the choice of doing increased work on refuges and properly influencing the decisions that will affect fish and wildlife values nationwide, the choice was a clear one, that is, we should take the actions that will help decisionmakers to make the right decisions and hopefully the accommodation of fish and wildlife values.

Mr. REED. This is no secret, Mr. Chairman, this is the year we were supposed to have major assistance in this area so we would be able to do a great deal better on both accounts. This was the promise. That promise went by the wayside with the increase the Department wished to put into energy research and development. That caused a tremendous shrinkage of the funds available for Fish and Wildlife and National Parks System. Lynn and I had to make the difficult decision on refuges, whether to stay with the basic problem to try to pull it back together or whether to let it slide again and at least hang on to the biological services program. We chose that. We can be criticized. It would have been wrong, I think, to try to balance them and get nothing.

We tried to make one healthy. It is a hard call.

ENERGY RESEARCH AND DEVELOPMENT

Mr. YATES. Is your service called on for review of water or energy projects?

Mr. GREENWALT. Yes; in a large way as to their effects on fish, wildlife, and fauna.

Mr. REED. Our manpower transferred into that is large. The amount of manpower we are having to put on shale oil, coal mine development, geothermal is great. We never even had a thought of being involved to this extent.

ENVIRONMENTAL IMPACT STATEMENTS

Mr. YATES. Why are you involved in that?

Mr. REED. Because of the impacts of those developments on fish and wildlife resources across the west and to find if there are ways of mitigating the damage in strip mining coal, for instance, so we would not affect the wildlife resources of those States.

Mr. WATT. All three of the agencies are being called upon to make substantial commitments to any energy or water proposal. The BOR budget is committed about 10 percent for the preparation of impact statements. That is a substantial investment. I think the Congress ought to know what we are paying for.

Mr. MCKAY. Will you yield?

Mr. YATES. Sure.

Mr. MCKAY. We now have how many duplicating environmental impact studies by agencies on one project?

Mr. REED. They have to be reviewed by the whole gamut of the Federal Government.

Mr. MCKAY. We have proposed oil shale development on the White River, and the BLM or someone else involved is the prime agency to do environmental impact studies.

Then you do an environmental study and they do another one?

Mr. REED. No, we review it.

Mr. WATT. First of all, we all contribute manpower toward the creation of it. We will have a man or two to review impacts on recreation and general environmental issues.

Highway and powerline construction. What will the variety of environmental impacts have and what impact will those various construction impacts have on the environment when you are dealing with the oil shale, highways, powerlines as well as the mining and refining activities?

We look at it with lead responsibility on highways, powerlines and recreation activities.

Gary will have two or three men involved in the same study to look out for his interests and Lynn on his. Then once that thing is written we review the whole thing.

COAL LEASING PROGRAM

Mr. YATES. What have you done in connection with the proposal to expand coal leasing?

Mr. REED. We have been deeply involved in Denver. One of the most brilliant younger men in the Fish and Wildlife Service has been assigned to the Denver office for coal leasing.

Mr. YATES. What about Montana?

Mr. REED. Yes; there are North Dakota, South Dakota, and Wyoming on the Northern Great Plains resource program. All agencies have been involved.

Mr. YATES. What is the status of that plan?

Mr. REED. The plan is waiting for resolution. The Secretary met with the western Governors recently.

Mr. YATES. Weren't they unhappy with what he said?

Mr. REED. I thought it was a very interesting and healthy exchange. I expressed a great deal of concern that they be well involved in the decisionmaking process and the key questions which the Secretary can better discuss at a later time is whether he is going to accelerate the leasing or whether he stands behind the amount of land that has presently been leased or whether to go to nominations which is a strong possibility, to find out. Although a great deal of land has been leased, it may not be the right land.

It may be far away from a railroad system and therefore not actually be available to be mined. By going by nominations and taking a critical look at how the industry responds, that may be the most intelligent way of finding out whether additional lands need to be leased at this time.

That is the problem that is facing us. We have not resolved it.

Mr. YATES. What effect will the increased leasing program have upon the problems of your various agencies?

Mr. REED. It will have a critical impact on fish and game habitat. It will have a critical impact on certain national park values. It will have a critical impact on the Bureau of Outdoor Recreation as new towns are going to rapidly grow demanding funding for green areas which will have an enormous environmental impact on the surrounding area which is basically rolling ranch country.

Mr. MCKAY. Along with this, considering all this and we talked earlier about your manpower levels and their use to fulfill your mission, what is happening as you focus more heavily on the environmental studies to your manpower? Are you drawing out of your existing forces so you deplete your effectiveness?

Mr. REED. Yes, sir.

We can give you the figures on the manpower status but this has been accelerating because of the emphasis put on the north central coal study, western water study for two, southwest energy studies, three, southwest Colorado water supply, as it is called, plus geothermal in California. We did not expect to be a member of that team.

We are now heavily involved. The No. 2 man is a Fish and Wildlife officer.

Mr. YATES. Why is he involved?

GEOTHERMAL DEVELOPMENT

Mr. REED. There is a way of very sharply limiting the impact of a geothermal development on the surrounding fish and wildlife populations if you are clever and strict with the rules and regulations. You

are going to get the energy. You can do it well or unwell and really screw things up.

The brine coming up from the subsurface is very saline. If it is allowed to get free it is most detrimental. If you pay attention to your "p's" and "q's" it is remarkable how well you can bring geothermal in and limit the impact on fish and wildlife.

Mr. YATES. Is your man an expert in this field?

Mr. REED. Yes, sir.

At the moment he is learning about the politics of energy versus wildlife. He is getting a very good education.

Mr. YATES. Why would you have an expert in geothermal steam?

Mr. GREENWALT. He is not an expert in geothermal steam. He is an expert on fish and wildlife and how to limit the impact of some of the adverse effects of geothermal on them.

Mr. YATES. Is he also called upon to assess the impact with oil shale mining?

Mr. REED. No, sir. He is on a geothermal task force.

Mr. YATES. Aren't the problems the same? Don't you have to worry about the water?

Mr. REED. Yes; but that is a different region, it is Denver compared with the west coast.

Mr. YATES. You mean there are other experts who step in and you are not called upon.

BIOLOGICAL SERVICES STAFFING

Mr. GREENWALT. We are called upon but the contribution is made by different people. In 1975 the end of the fiscal year we will have about 85 people involved in a whole array of things we call biological services, essentially energy related problems as they affect fish and wildlife.

Mr. YATES. Where will they be located?

Mr. GREENWALT. At various locations across the Nation.

Mr. YATES. Have all the studies you referred to in the previous question been completed?

Mr. REED. No, sir.

Mr. YATES. So we do not know what the impact is likely to be of expanded oil and coal leasing in the onshore programs?

Mr. REED. I think the national academy report on coal is pretty clear. It is awfully hard to judge at the moment what level of exploitation will be undertaken in the next 20 years of Western coal. If somebody could plug into our band what the tonnage was going to be per annum, we could give you a better factor of what the damage was going to be and how quickly that land came back into being reclaimed. We can tell you how quickly certain wildlife populations will become viable again.

Are we going to protect the quality of Yellowstone River's water supply? If so, you are going to maintain that tremendous habitat and migration habitat for the majority of the central flyway birds who use it.

Mr. YATES. What happens in the event that that water does not become available to those birds? Do they find other water or expire or what?

Mr. GREENWALT. I think they will be in real trouble to be honest.

Mr. YATES. What happens?

Mr. GREENWALT. It means that if the water is taken away those birds will lack habitat and probably will expire.

Those populations will decline to the point where there will be none left.

Mr. MCKAY. There is no inclination to move.

Mr. GREENWALT. There is some, but much depends on what is available. In the arid West, as you know, that opportunity is pretty limited. In some parts of the West it is conceivable to me that whole populations of migratory birds could be decimated by lack of habitat.

Mr. REED. Governor Judge made it clear that Yellowstone was a "No-no" at the moment where they had a moratorium on any propositions for major dams in his State. I thought the Governors were extremely well versed and very concerned, properly concerned and ready to discuss with the Department of Interior a unified program but with great emphasis on caution.

Mr. YATES. I gathered that from reading the reports which were put out by the Governors. I must say that the day after the Secretary came to this committee, and testified that everything was going well with the Governors, the Governors issued a report to the effect that things were not going well and they were disturbed by the possibility of expansion of the leasing programs. At any rate, the studies are still going on?

Mr. REED. Yes.

Mr. YATES. When will they be completed?

Are these studies you are making or others are making?

Mr. REED. These are Departmental studies which also have input by EPA and the Forest Service.

Mr. YATES. Are they national in scope?

Mr. REED. No; they are localized to North Central Plains, Colorado River, shale oil, geothermal in the west, and there is a major Kaiparowitz study that is being completed. I think that is it.

PIPELINE STUDIES

Mr. GREENWALT. There are several pipeline studies in Alaska. Basically these studies will require the determination of basic information about what is there now and what its requirements are and from that an assessment of what it takes to recognize and accommodate those requirements within reason and still have the energy exploration. This will be followed by a period of monitoring to make sure that everybody does what they set out to do and that the responses, biologically, are within the general range of acceptability. That is to say, that the resources are not markedly and negatively affected by what it is man does as he exploits the Outer Continental Shelf or the pipeline construction.

Mr. YATES. How expensive are the biological studies in this connection?

Mr. GREENWALT. They can be quite expensive.

Mr. REED. This is what is so hard to explain to a refuge manager who has seen his piece of the action go downhill over the last 4 or 5 years. Four years ago we weren't considering large-scale strip mining in Montana, or North Dakota. We weren't considering major efforts

on shale oil or geothermal development. These pressing needs have developed very rapidly causing us to have to—when you consider the total manpower of the Fish and Wildlife Service and their budget—prioritize everything along the way. When I say we have been living beyond our means, we have, because these unexpected things occurred and we had to get at the wants that had the most priority.

CONDITION OF FWS FACILITIES

Mr. YATES. When you say "living beyond your means," how is this possible?

Mr. REED. By neglecting many areas and programs of the Fish and Wildlife Service, sir.

Mr. YATES. What is the condition of those areas?

Mr. REED. They are in lousy condition.

Mr. YATES. Give us examples.

Mr. REED. We are able to review only a tiny percentage of the Fish and Wildlife Coordination Act permits on the coastal zone. Of the 35,000 permits last year and the 25,000 discharge permits for EPA, that is 60,000 permits, we probably looked at no more than 10 percent.

We are very short of enforcement officers now, very short.

Mr. YATES. What will the effect of that be? What is your duty in that connection?

Mr. REED. That is for migratory waterfowl, for ducks, and geese and swans and cranes. The results are that we are having an increase in illegal hunting in several flyways at the time and aren't able to do anything about it.

Mr. YATES. What is the EPA factor?

Mr. REED. They are discharge permits, required under the 1970 Water Quality Act, called 404 permits, I think. They are permits to discharge pollutants or cleaned-up waste, treated waste in navigable waters and on the whole. EPA has done an exceptional job of monitoring those waste discharge items. Occasionally we find one on a major shellfish ground or waterfowl area or major fish nursery that is of tremendous concern to us where we have to be involved. However it means having a quick look every morning through the incoming mail, through the stacks and stacks of permits, requesting our views on them, and we respond to only a few.

Mr. YATES. Would you put in the record at this point, a statement concerning the parts of your program which are "not in good condition"?

Mr. REED. Yes, sir.

[The information follows.]

Statement concerning program inadequacies

WILDLIFE REFUGES

Because of new program thrusts implemented in FY 1974 and 1975, such as the biological services program to assure proper consideration of fish and wildlife resources that may be affected by energy development, many older, ongoing programs were necessarily de-emphasized to varying degrees because of funding and personnel constraints. These problems have been further accentuated by inflation.

One of the most serious problems has been an inability to keep pace with operation and maintenance and rehabilitation of physical facilities of the National Wildlife Refuge System.

Substantially increased funding and manpower is required if the deterioration of the refuge system is to be stopped and efforts begun to place the system on the road to fully meeting its potential to provide benefits to fish, wildlife, and people. The present refuge system field station funding base for operation and management of $21 million is inadequate. An increase to $27.1 million is needed to stop the deterioration of the system and progress toward meeting established objectives. Associated with this increase in base funding is an increase of about 200 in permanent full-time personnel from today's 843. The current rehabilitation base of $1.5 million is insufficient to make an appreciable impact on the accumulated need of $60 million, if further deterioration of refuge facilities is to be prevented. Development (construction) funds will have to be greatly increased if today's demands for wildlife outputs are to be met and the full potential of the system realized. It is estimated that to develop recently acquired refuges and complete development on others to satisfy demands for wildlife outputs will require $73.6 million over the next six years. To expand to meet wildlife associated public use demands will require an additional $131.3 million. Failure to provide for this need will result in reduced wildlife and associated public use outputs.

FISH HATCHERIES

Similar problems exist in the National Fish Hatchery System. Inflationary trends have also created a general reduction in fish production in order to stay within current budgets. During the last two years, the price of fish feed has increased by more than 100 percent, rising from less than .10 per pound to more than .20. Current annual production of fish is approximately 6 million pounds requiring 9 million pounds of fish feed. With no increase in funding levels for the hatchery system, a 17 percent reduction in pounds of fish produced can be anticipated. An increase of $500,000 is needed to achieve planned production levels. There are seven construction projects started prior to FY 1976 that will require $23 million to complete.

LAW ENFORCEMENT

We have also been attempting to improve our fish and wildlife law enforcement capabilities. There has been substantial progress made by restructuring portions of the field program to make more effective use of existing personnel and some additional agents have been added. In 1972, there were 174 special agents on board. In 1975, we have 182 agents on board. We currently have Congressional authority to fill 56 positions.

Although the Endangered Species Act was passed in 1973, no additional funds or personnel were received to implement the new mandate in the area of export controls and interstate commerce in domestic and foreign species. Little training has been provided in the area of wildlife identification, handling of wildlife, and correct prosecution under the law. The requirements for licensing of importers and exporters has been postponed until an ADP system to handle the onslaught can be developed.

Staffing of the designated ports of entry is extremely inadequate due to the Service's conflicting program needs at a time when our responsibilities for import/export control have been increased tremendously. These increases are the 1973 Endangered Species Act and pending injurious wildlife regulations, implementation of the Convention on International Trade in Endangered Species of Wildlife and Fauna, implementation of the Amendment to the Mexican Treaty for the Protection of Migratory Birds and Game Mammals, as well as continuing the traditional responsibilities of the Lacey Act and the Black Bass Act.

It will require $2.1 million and 56 permanent full-time positions to carry out the responsibilities assigned to the law enforcement program.

ECOLOGICAL SERVICES

One of the most critical ecological threats facing the country is the degradation of fish and wildlife habitat in estuaries and main stems of rivers, including associated wetlands. The Service has a responsibility to review Corps of Engineers dredge and fill permits and permits issued by the Environmental Protection Agency under the National Pollutant Discharge Elimination System.

Dredge and fill permits have escalated from 12,000 to 17,000 in the past year. The Environmental Protection Agency program has generated 15,000 applications for permits annually. The Service has been able to make substantive comments on only about 10 percent of these.

Our ecological services field stations throughout the country are overcommitted to the extent that land and water resource development projects that could cause severe environmental impacts are not being evaluated. To provide natural resource decisionmakers with sound biological information, we must add personnel with experience in dredge and fill, water quality, and aquatic biology.

The required resources are $2 million and 114 permanent positions.

Mr. DUNCAN. Would you yield?
Mr. YATES. Mr. Duncan.

ENVIRONMENTAL IMPACT STATEMENTS REVIEW

Mr. DUNCAN. On these environmental impact statements that you are preparing now for the coal and geothermal and so on, are you supplementing work being done by environmental agencies and the Academy of Sciences, or are they relying exclusively on you to prepare this portion of the environmental impact statement?

Mr. REED. No, the National Academy of Sciences report was of tremendous interest to us on the north central plains. We had been involved prior to the National Academy accepting that assignment, although we will be slower to make our findings known. They went on a crash basis, I think, to beat us and to come in preliminarily with their observations. Their report has been of great use to us. The Department of Interior is the lead agency if it is energy, not these three. It is usually the BLM, USGS, or the Bureau of Mines.

Mr. DUNCAN. I am wondering how much duplication we are getting into.

Mr. REED. The National Academy is independent of Government. When the Government does it, there will be one agency in charge with the overall responsibility of the mission to bring in a report and then it will call upon all of these bureaus and many others.

Mr. DUNCAN. So in the area of your particular expertise you are exclusively doing this work; is that correct?

Mr. REED. Yes, sir. That is correct.

Mr. DUNCAN. So you are not supplementing other agencies in other fields?

Mr. REED. The Fish and Game Department of various States also comes in on the side of Fish and Wildlife because they have very parochial views, as you can imagine, and concern about certain stream beds, water quality and habitat.

Mr. DUNCAN. And they don't trust you?

Mr. REED. I wouldn't put it that way. They have enormous trust of us. I think that you would find that the relations between the game departments and fish departments of those States and the Fish and Wildlife Service is tremendous. They are worried about the primacy of the Federal Government overruling perhaps at a later stage those States' inputs.

DISCHARGE PERMITS

Mr. DUNCAN. With respect to the discharge permits you are talking about, doesn't the environmental office have the primary responsibility of monitoring those?

Mr. REED. EPA actually was required in the 1970 Water Quality Act to regulate by permit all discharges to the navigable water. It is that permit we look at. You say, don't I trust EPA. The backlog was so tremendous that it was more than possible they were going to issue them in such fast order they were going to make a mistake in some areas.

I will be honest with you; it was a close call whether we should accept the responsibility under the Coordination Act to even look at these permits. After months of arguing—this is 2 years ago—among ourselves, EPA and I agreed that we would have the opportunity to look

at their permits. In other words, they had to send us a copy of them, and that we had x number of days, 30 days to be explicit, to say we were interested in that permit or not interested in that permit. If 31 days went by and they got no response from the Fish and Wildlife Service, that silence indicated that we weren't interested, or actually it indicated to me we didn't have the manpower to look at every one. We had 30 days, so we wouldn't hold up an industry or sewage treatment plant forever, and so far it has worked very, very well. I doubt if we have called on EPA for 1 percent of 1 percent. But where we have called on them, there was a serious problem.

Mr. DUNCAN. Do they have biologists on their staff?

Mr. REED. Yes.

Mr. DUNCAN. If one review is good, wouldn't two reviews be better; and how far down the line do we have to go?

Mr. REED. That is plenty, in my opinion.

Mr. DUNCAN. Part of the 10 percent of your budget is going to review the work of the Environmental Protection Agency; is that correct?

Mr. REED. Of the permits for the coastal zone areas. Well, I hope that we are spending more on the Corps of Engineers than the EPA.

Mr. DUNCAN. A part of it is going for that?

Mr. REED. A part of it is spent on looking over our Federal associates; yes.

Mr. DUNCAN. And you are also reviewing the Corps of Engineers?

Mr. REED. Yes, but that is a responsibility the Congress has given us and the major responsibility in the coastal zone.

Mr. DUNCAN. Are there other agencies whose environmental work you are reviewing?

Mr. REED. NOAA reviews the Corps activity as well.

Mr. DUNCAN. So the Corps has two other agencies looking at them.

Mr. REED. Yes, sir.

Mr. DUNCAN. Your budget is $784 million. If you are spending 10 percent, you have $78 million going into the environmental reviewing and process. Is that correct?

Mr. WATT. Our manpower is committed to writing and reviewing the environmental impact statements and other types of statements. We review the Transportation Department's statement as they propose to build a highway, and the Bureau of Outdoor Recreation has the statutory responsibility to see to it that that highway doesn't consume lands purchased for recreation with Land and Water Conservation Fund money as well as the general environment interest.

Mr. DUCAN. Are the other two agencies spending approximately 10 percent doing this?

PERMIT APPLICATION REVIEWS

Mr. GREENWALT. No, sir. I think one thing should be made clear. In none of these circumstances does the Fish and Wildlife Service necessarily duplicate the effort of another agency. The Corps of Engineers, for example, in providing a permit application to the Fish and Wildlife Service does so under the provision of the Coordination Act, which requires that that permit application be reviewed as to its probable biological effects on fish and wildlife and their habitats. The Corps does not attempt to assess that aspect of the permit and in fre-

quent cases we cooperate with—not duplicate with, but cooperate with —the State fish and game agency to make this kind of a review and for that reason it is not fair to say we duplicate efforts of another agency.

Mr. DUNCAN. Ten percent of your budget is too high or too low?

Mr. GREENWALT. Our whole area of what we call habitat preservation is $20 million, of which I would suspect about $8 million is in this whole area of looking at the EPA permits he speaks of and the Corps of Engineers and Bureau of Reclamation program. Each of these, however, is supplemented by funds coming from the construction agencies themselves to fund the required review, required under the Coordination Act.

Mr. DUNCAN. Those are additional funds coming to your budget on contract basis that we are not appropriating here?

Mr. GREENWALT. Yes, sir.

Mr. DUNCAN. Is this money well spent?

Mr. GREENWALT. It is not being wasted at all.

Mr. DUNCAN. You don't resent 10 percent—in your instance, the $12 million out of $20 million?

Mr. GREENWALT. No.

Mr. REED. I think that is probably some of the best long-range money we spend—to be honest with you.

Mr. GREENWALT. That is why I said earlier that, given the choice of spending money on refuges or this purpose, it seems to me prudent to do it for the latter purpose because of the profound impact in the aggregate these activities have on fish and wildlife throughout the country.

Mr. WATT. It is a very frustrating expenditure for a manager. We will spend hundreds of thousands and millions of dollars in reviewing statements with no productivity, and then all of a sudden you hit one and you may save the Government hundreds of millions of dollars or the environment irreparable damage, and therefore you are torn between doing it or not doing it. You see manpower day after day being used to review what somebody else has written or reviewed, and you think, is it worth it, and then all of a sudden you uncover something really important.

Mr. YATES. Mr. Long.

HART AND MILLER ISLANDS

Mr. LONG. Well, I certainly am intensely interested in some of the questions that have just been raised, and I am especially interested in the relationship between what the Fish and Wildlife does and what the Environmental Protection Agency does.

Now you are familiar with the case of the Hart and Miller Islands dredging project in the Chesapeake Bay, which the Fish and Wildlife Service and Marine Fisheries have pointed out to be entirely unsatisfactory from an environmental point of view—yet EPA has not taken an interest. They seem to think there is some difference between the environment and the type of problems that you folks raise.

As you well know, we arranged a meeting with the Corps of Engineers, and while EPA has not listened, the Corps of Engineers did listen. They were very much impressed apparently by what consideration you pointed out and agreed to reopen the whole hearing to look at the wider environmental impact.

What can be done to make the Environmental Protection Agency pay some attention to what Fish and Wildlife does instead of ignoring it with some general statements that you are interested in fish and wildlife; they are interested in the environment, and they don't see any conflict?

Mr. REED. The problem on Hart-Miller is as simple as this: That everybody agrees that we have got to stop dumping the very toxic waste out of Baltimore Harbor. The present open-bay dumping site near Kent Island is a disaster. Everybody agrees, even the Corps agrees, so the only problem that remains is to find a site which the Federal and State Government could agree upon to put this very toxic soil. You can imagine what the bottom of the harbor is like with Sparrows Point, the city and the shipping going in and out. Everything in the world is on that bottom. The Baltimore Harbor hired a famous consulting firm——

Mr. LONG. A rather infamous one, I might say.

Mr. REED. I am not aware of that.

Mr. LONG. One of the leading authors is a man by the name of Green, who was a principal witness in the Agnew affair. He is now serving a term in a Federal penitentiary for bribery. This seamy background did not shake the confidence of the Corps of Engineers in the study which they took over lock, stock, and barrel, completely and uncritically, using the exact words.

Mr. REED. Well, I have been involved in it recently, and I looked at the three different sites, and I have asked Mr. Coulter, the director of natural resources for Maryland to come into my office this week. He feels that I have been less than fair to him. I haven't even talked to him about the thing.

Mr. YATES. That is why he thinks you haven't been fair.

Mr. REED. Maybe that is it. But I would like to have him tell me why he thinks Hart-Miller is the only place to put the spoils. The whole future of the Baltimore Harbor in the next 25 years revolves around where we go and what happens to the land. He infers in the letter that he is going to make a city park out of Hart-Miller, and yet I can find no reference to that anywhere else in the permit application. So we are going to go over it at length this week.

Mr. LONG. The original idea was to industrialize it, and it was on that basis that the whole economics was founded, because they pointed out that Hart-Miller was a cheaper place to dredge this stuff if you took the increase in the land value of Hart-Miller, which was to be worth $30,000 an acre for industrial purposes. How you make it worth $30,000 an acre for recreation, I don't know. It was only when there was tremendous attack on this as a future industrial project that there was a retreat to the idea of recreation and in my opinion they still intend to industrialize the whole area.

Mr. REED. We are going to go into it at length this week and see where we come out.

Mr. LONG. As you well know, Green, in that infamous report, did acknowledge there were at least five other highly acceptable sites on which this could be put.

Mr. REED. It may be that your Governor prefers this. I am going to discuss the whole range of this with the director this week.

Mr. LONG. Frankly, I think there is a land deal going there, as part of a plan to industrialize the whole Middle River area.

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The thing is that it doesn't seem to me that EPA pays the kind of decent respect which it ought to pay toward a position which a very important government agency such as yours raises about very important aspects.

Mr. REED. The point EPA made was they were as anxious as we were to get it out of the open bay at Kent Island and didn't want to get into picking—as long as the water quality was going to be improved by putting it behind dikes. My understanding is they wished to avoid the hot politics of this question and leave it up to the Fish and Wildlife Service and NOAA to take it on the chin as to the evaluation of other sites.

From the water quality standpoint they said wherever you put it is an improvement over the present site. NOAA and Fish and Wildlife were to tell the Corps where the best site is.

Mr. LONG. I am very happy to say that because of the alert, I think the public-spirited, posture which your agency has taken, the Corps of Engineers has decided to take another real look. This time apparently they do plan to take a real look at these alternatives which have never been looked at or weighed before, I think partly because they suddenly realized if they didn't take a look at these they were vulnerable under the law.

ENDANGERED SPECIES GRANTS

Mr. YATES. Mr. Secretary, why have there been no funds requested for State grants under the Endangered Species Act of 1973?

Mr. REED. The answer to the question is—I think honesty is always the best way—that the request for minimum funding for the State program was rejected by the OMB.

Mr. YATES. Did you ask for it?

Mr. REED. Yes.

Mr. YATES. How much?

Mr. REED. $2 million, sir.

Mr. YATES. What will be the effect of this?

Mr. REED. The States are going to feel, and they have already expressed that we are not complying with the provisions of the act.

Mr. GREENWALT. They are extremely reluctant to join in with the Federal Government in the management and preservation of endangered species because they lack the wherewithal to do it effectively.

Mr. REED. One of the reasons the States supported the original bill was that it had the promise of a small amount of money to get things started in the management of their own critters. We have been through—we are in the middle of two problem areas—bears in Montana, and we have wolves in Minnesota. You couldn't start with two more highly visible animals with two different sides on both animals and only because of the negotiating skills of the Director and the head of the Office of Endangered Species are we in good position on either one of these animals. They are just highly emotional, supercharged problems.

Mr. YATES. OMB thought you shouldn't have the money?

Mr. REED. They didn't want to start a new program, I think would be the fair way to respond.

REGIONAL BOUNDARIES

Mr. YATES. Last year the committee directed there be no realignment of regional boundaries or cities without the approval of the committee. Are any such changes contemplated in this budget, or the next one?

Mr. REED. For the Fish and Wildlife Service?

Mr. YATES. Yes.

Mr. REED. Yes, we were contemplating making a change in the Southwest last year. Members from delegations down there were unhappy about it, and we decided to let the matter rest until this year when the new Congress came in. We thought we would then sit down and talk to key members of both delegations to see whether we couldn't make that shift.

The last time I consulted with the Members of Congress, they were not receptive, and the Secretary decided not to do anything until a later date. There has been no change, and we won't make a change unless I discuss it with you.

The State representative mentioned how many stops it took to go from New Orleans to Albuquerque compared to four direct flights a day to Atlanta.

Mr. YATES. What was the purpose of that?

Mr. REED. It was a lot easier to go to Atlanta than Albuquerque. That, from his standpoint, was enough reason to remain affiiliated with the Atlanta regional office.

Mr. YATES. The committee recently approved hatchery transfers at Lyman, Fort Worth and Hebron. Does your 1976 budget assume further transfers during the fiscal year?

Mr. REED. The Director can speak to his hatchery report, which has received accolades. We have been waiting expectantly for him to talk about his plans for implementation.

HATCHERY TRANSFERS

Mr. GREENWALT. The 1976 budget does not presuppose the transfer of any hatcheries, although we are still negotiating some of these largely because our experience has been that the transfer process takes such a long time that it could have very little, if any, impact on the 1976 budget. So it does not reflect our certainty that any one or any number of hatcheries will be transferred, although we are continuing to negotiate on several.

Mr. YATES. Were there any transfers of hatcheries to States prior to the three I named?

Mr. REED. Yes.

Mr. YATES. How have the States assumed the responsibility?

Mr. REED. Quite well.

Mr. YATES. Mr. Regula has some questions.

STATE RECREATION LAND ACQUISITION

Mr. REGULA. I have a question for Mr. Watt. First, is there any thought of changing the policy to permit the States and/or local communities to use BOR funds for acquisition only for the purposes of land banking for the future? Presently BOR requires a development

plan which might forestall the use of these funds whereas if BOR is really trying to save land for the future, perhaps we should just allow communities and States to use BOR funds for land banking.

Mr. WATT. Different States, Congressman, take differing points of view on that. We allow either acquisition or development or a combination. States have the authority to limit it if they so choose. The State of Illinois, for example, only allows money going to cities or counties to be used for acquisition, no development.

Mr. REGULA. Without even requiring a development plan.

Mr. UNDERHILL. In most instances they indicate what they propose to do with the land at some future date, but we do not require a development plan for an acquisition project.

Mr. WATT. We don't have a requirement that it be brought about in a certain time frame.

Mr. REGULA. You are permitting land-banking for the future?

Mr. WATT. Yes.

LAND AND WATER CONSERVATION FUND ADMINISTRATION

Mr. REGULA. Do you favor any change in the formula? The Secretary indicated that you might.

Mr. WATT. If Congress were to increase the fund to a sizable degree in the future, I think we would probably have to look at that. I think it would be improper to change the formula at the present level of $300 million.

Mr. YATES. Mr. McKay.

Mr. MCKAY. In light of that, we had discussion about that a year ago, didn't we?

Mr. REED. Yes, we did.

Mr. MCKAY. I guess the edict from on high was you shouldn't go up on that, but there was some indication there should have been a greater allocation of those funds, isn't that right?

Mr. WATT. Make more of them available to States.

Mr. MCKAY. Yes, more funds than the $300 million.

Mr. WATT. The Senate passed a bill in the last days of the last Congress to increase the land-water conservation fund to $1 billion. The House Committee, Interior Committee, reported out a bill which would increase it over a 3-year period to $900 million, and if we are going to increase the fund to those magnitudes, I think we should change the match ratio for acquisition projects.

Mr. REED. But a smaller level would go very far without getting into those very high levels.

Mr. MCKAY. It is a matter of absorbing it in your program rather than the fact you could use it?

Mr. REED. I think that is exactly right, and I think it is true for the States as well, whether they could absorb that kind of a very dramatic——

VANDALISM IN PARK AREAS

Mr. MCKAY. Earlier, you talked about vandalism in parks, et cetera. Do you have any figures that would indicate vandalism this year versus last year, what the costs would be, or have been? Are they going up or down?

Mr. EVERHARDT. In the National Park Service this past year we had costs of around $3 million for repairable vandalism, sign replacements, broken windows, those kinds of things.

Mr. MCKAY. Is that an increase?

Mr. EVERHARDT. I would think the vandalism problem is probably on a decrease from a high of a couple of years ago. That is not to say without continued effort it couldn't go back up.

Mr. MCKAY. Do you think that is a result of a program you have been carrying on?

Mr. EVERHARDT. I think the posture has changed as a result of interpretive programs, communications with people, the emphasis through the hand-outs at the entrance stations. I think it is a general overall change in public attitude about it, and we have found clean-up sort of follows that same trend, and it has been much better from a park viewpoint.

Mr. MCKAY. Have you had any occurrences of the Yosemite situation, where you had a kind of disastrous condition?

Mr. EVERHARDT. No, sir.

PREDATOR CONTROL PROGRAM

Mr. MCKAY. I hesitate to bring this one up, Mr. Reed, but I am sure it has to come at some point. It is emotionally charged, and that is the predator situation. What is the general policy? Where are we proposing to go with that situation?

Mr. REED. You are quite right. I would rather have it come up, and the sooner, the better. Next week, or whenever we get to it, I would like to give you some things. This is the coyote research newsletter. This is one of the things that is so encouraging about the renewed emphasis at the Denver Wildlife lab. You and I have discussed at these hearings in the past the problems of accelerating the research over a very short period of years and try to come to some fundamental answers.

You and I both know that the tragedy in this whole thing is we didn't get into it 25 years ago in the western land grant colleges. We wouldn't be so far behind today if we had. You have one of the top men in the world in Utah on the subject, as you know.

I really should present this to you. There are several key pages and I am going to mark down a couple. From the flock analysis last summer of putting trained biologists with a flock of sheep and following them for the entire summer, those reports are in here showing what the total loss is per the flock to predation. There are some others.

This publication comes out periodically, and we are noncritical. We publish in this thing information from all sources. The University of Utah has an article in here, and this keeps everything in the field of coyote research up to date with what everybody else is doing. Prior to this time, nobody knew between the academic world, the State governments, and the Federal Government. At least we have a concise journal of what is going on.

You will find some of the figures very interesting. The Utah flock is well worth reading. It is very short; just a paragraph. If I remember correctly, the total loss of the entire flock to predators—adult and juvenile—was 4 percent.

Mr. DUNCAN. Four percent of the flock?

Mr. REED. That is right; compared to disease, very, very light. Disease, if memory serves me, was 21 percent. I will cite you one in Montana to balance that figure, where we have a contractual ranch. We have a ranch that we help subsidize through the Fish and Wildlife Service, where no predator work is done of any kind. That ranch we use as a test control structure, and they had a 22-percent loss to predators of that flock. Right down the street where you have minimum coyote control I think the loss was 6½ percent. This is what we have to have, is this kind of information to make a judgment of where we are.

TOXIC NECK COLLAR EXPERIMENTS

Second, and I don't want to get everybody jumping up and down with joy, but we have had the first successfull toxic neck collar experiments which has succeeded in the second animal which has been killed. There were two runs already with it, and they both were successful.

Mr. GREENWALT. The latter less successful than the first?

Mr. REED. Yes; the first was eminently successful, and if the committee would like, I will show you a TV tape of it. The animal seized a young lamb and is killed in a matter of a minute and a half. We are very hopeful that this is a major breakthrough and that we will have EPA's permission to go into a major testing program this summer.

Mr. DUNCAN. How do you get the collar on the coyote?

Mr. REED. You don't put it on the coyote. It goes on the lamb. The question is how do you get that lamb in front of the coyote. The whole thing is very interesting and takes detailed research to come up with these things, but strangely enough if you take lambs from another flock and introduce them into the home flocks, those animals will be on the outside of the flock and thus subject to predation. We are learning just as much as anybody is, if not more. We have, I think, the best qualified biologist working on this program in the Fish and Wildlife Service. The Director has given it his personal blessing and emphasis, and so has the Secretary. It is well funded and managed.

I think a visit to the Denver Wildlife Center would be of great interest to the committee. You should see what we are doing there and how the money you have given us is put to tremendous use. I think it is a field trip you might seriously consider. I consider the chief of that Center one of the most brilliant biologists in this field today. He is respected by the woolgrowers and preservationists alike. He is an honest, true guy, one of the best briefers you have heard. It would be interesting, since you gave me that money, to see what is going on. It would be interesting to see how we house the animals, how they are tested, how we learn in the field, and all the work that is going on. It has been perfectly extraordinary what we have learned.

PREDATOR CONTROL BUDGET

Mr. MCKAY. You had $2 million a year ago total for predator control?

Mr. REED. In the operation control budget.

Mr. MCKAY. Did most of that go to research?

Mr. GREENWALT. That is the heart of the operational program.

Mr. REED. Shooting, trapping, gunning that animal. All of those figures we will have when the Director comes back next week. How many coyotes we destroyed last year.

Mr. MCKAY. Are you working on a program with the States as a policy direction, Federal participating with the States as the administrating agency?

Mr. REED. Yes.

Mr. GREENWALT. We are attempting to develop agreements with the States so they undertake the operational control using in part Federal funding as is the case now.

Mr. REED. I think the question is the one the Utah Legislature is in and that is being debated as to whether the Department of Agriculture should have the responsibility or the fish and game department. The Director has told me he is willing to contract with the Department of Agriculture, as long as there is review.

Mr. MCKAY. I think the present bill in Utah would have the Fish and Wildlife people administer the program, with a policymaking board with wildlife and agricultural people attached to it.

Mr. REED. That would be perfect. That is what we would prefer.

Mr. MCKAY. The question then arises, Is there a feeling that the Federal Government will move completely out of the participation in that program?

Mr. REED. No; we gave our word on that that we would continue a Federal presence for consultation and for the vast benefit of our background. We would minimize Federal involvement, but we would still maintain a minimum presence.

Mr. MCKAY. And funding and so on?

Mr. REED. Yes, sir.

FEDERAL RESPONSIBILITY IN UTAH

Mr. MCKAY. The reason being is that in my State about 70 percent of the lands are Federal, and it is generally felt that we have a kind of checkerboard situation between State, individuals, and Federal presence, and therefore the Fed has some responsibility to assist at least as a partner in this whole operation of control.

Mr. REED. I agree with that, Mr. McKay, and I think Federal presence in Utah would be substantially higher than Nebraska, where I hope we are getting closer to signing an agreement there, where the majority of the land is State or private land. Apparently we are getting closer in California. There is a strong possibility that Washington and Oregon will sign up before this committee goes to markup. Those States may sign. Governor Brown has asked for review right up in his office to see whether he wants to do it or not. We have tried to make the convincing argument that the coyote is a State animal and if this committee continues to authorize the funds, why not take it over? Why do you have to have a Federal body to kill a coyote? I am hoping the State will accept that.

Mr. MCKAY. I think where Federal lands are involved, Federal presence, either on board or assistance, has some responsibility to move in there to assist along the way in the administration of it.

Mr. REED. Yes, I agree. In the States where we are the heaviest landowner, you are right, Utah being one of them.

Mr. McKay. We had a major breakthrough when the sheep people put in over 20 percent of the control budget to turn that management over to Fish and Wildlife.

Mr. Yates. Mr. Evans.

PARK CLOSURES

Mr. Evans. I have a U.S. Park Service memo dated March 1, 1974, on staffing requirements in the National Park Service which states, "Continuation of the present trend inevitably will lead to the closing of some park areas so that others may be operated at prescribed standards." Does this year's budget reflect a continuation of that trend? Do any of our park areas face closure because of budgetary restraints, and if so, which ones?

Mr. Everhardt. Mr. Evans, the administration is attempting to hold down Federal employment as well as Federal expenditures. Both of these actions are affecting operation of the areas of the National Park System. In compliance with these efforts, we are trying to accomplish our workload through contracting and the hiring of seasonal employees.

We do not, at this time, plan to close any parks. There may be portions of areas closed, and most certainly, the hours of operation of some visitor centers and other facilities will be shortened.

PARK SERVICE LAND ACQUISITION

Mr. Evans. What are your plans for land acquisition in newly authorized units of the National Park System, such as Big Cypress National Park? What are your plans for the Big Thicket National Preserve in Texas and the Cuyahoga NRA in Ohio? What are the land acquisition personnel assigned to meet each of these authorized requirements? What about Voyageurs National Park in Minnesota, Sleeping Bear Dunes National Lakeshore in Michigan, and the Lower St. Croix of Wisconsin?

Mr. Everhardt. These questions relating to National Park Service land acquisition can best be answered in total perspective first, then by covering each area mentioned separately. During the last days of the 93d Congress, there was authorized to be acquired in either totally new areas to the System or by amendatory legislation to existing areas, some 698,637 acres of privately owned land having an estimated value of $381,110,000. Most importantly, this additional workload comprises the acquisition of at least 45,000 or more individual properties. As a comparison, the Service's land acquisition team, over the past 10 years, has purchased some 19,890 individual properties which is the second largest program by any Federal agency in land acquisition, but only approximately half of what our added workload has become.

In testifying before the Legislative Committees, the Service pointed out that to accomplish Big Cypress National Preserve, it would require 1,000 man-years. This equates into 100 people for 10 years. The Congress, in passing the Big Cypress Act of October 11, 1974, 88 Stat. 1258, stipulated that the area would be substantially acquired within 6 years from the date of enactment. This same provision was written into two other major laws, the act also of October 11, 1974, authorizing the Big Thicket National Preserve, 88 Stat. 1254, and the act of

December 27, 1974, authorizing the Cuyahoga Valley National Recreation Area, 88 Stat. 1784.

The manpower previously authorized by this committee for the National Park Service land acquisition effort consists of 273 positions. Because the National Park Service has always made maximum use of contracting for mapping, appraisals, titles, and other technical services where possible, we at the current time have only 168 of these positions filled with people actively engaged in land acquisition. To properly meet the exigencies of the problem, we would need to fill all of the remaining authorized positions and obtain an additional 142 new positions, according to our best estimates. However, because of personnel constraints on the Department, we are unable to fill any positions at the present time. Moreover, with the new energy requirements placed on the Department, it does not appear that this situation will change appreciably within the next few years.

In connection with this problem we have explored all avenues and have recommended several possible alternative courses of action. First, we explored with the Corps of Engineers the possibility of their taking on the Big Cypress. They were unwilling to do so without 200 personnel spaces from Interior, which, of course, is out of the question. However, it appears that they may be willing to take over Big Thicket and possibly Cuyahoga Valley within their own manpower resources. If they will take over both, we are going to attempt to reorganize by combining certain of our regional land staffs and free perhaps 20–22 people who might form the cadre for Big Cypress. Then, by concentrating on the major landowners for the next 2 years, those owning 1,280 acres or more, we can probably spend the State's $40 million and possibly accommodate some of the hardship cases which are bound to arise in such a large acquisition. I caution that this has very distinct disadvantages.

The major consequence is that it merely postpones the inevitable day when the issue of the multitude of landowners will have to be faced in even a shorter period of time. However, perhaps at the end of the 2 years, we can utilize term appointments, not to exceed 4 years, to complete the project. This will not reduce the employment ceilings needs as such but will permit completion of the program without a buildup of long-term Federal employment. As far as Voyageurs is concerned, we are committed to the acquisition of the Boise Cascade property as a first priority. This single transaction will probably consume most. if not all, of the funds in the 1976 and transition budget. Sleeping Bear Dunes and Lower St. Croix remain a problem as do numerous smaller areas such as Colonial Lake Mead, Knife River, Canaveral, and the like. Here, since we do not have the mandate to substantially complete within 6 years, we may simply have to either defer acquisition or proceed more slowly than we would like. For example, we currently have three people at Sleeping Bear Dunes. When the funds appeared to be close to exhaustion, we started moving personnel from there to other locations within the Service until only the three remain. Then, unexpectedly, on October 26, 1974, the Congress included an increase in the statutory ceiling which caught us with only a caretaker lands staff. Lower St. Croix, which the administration opposed, likewise was enacted. Our Upper St. Croix staff simply cannot handle the added work without some additional people. We are continuing to explore all alternatives.

TRANSFER OF RANGE MANAGEMENT RESPONSIBILITIES

Mr. EVANS. What was the reasoning behind the recent decision to shift the administration of three elements of the national refuge system—Charles M. Russell National Wildlife Range, the Charles Sheldon Antelope Range, and Kofa Game Range—from joint administration by the Fish and Wildlife Service and Bureau of Land Management to exclusive management by the Bureau of Land Management?

Critics fear this decision will lead to overgrazing by livestock to the detriment of the wildlife, and point to a joint BLM–FWS study in 1965 indicating overgrazing on the Kofa Range and the poor state of BLM grazing lands nationally. In light of these concerns, why was the Fish and Wildlife Service relieved of its responsibilities in these components of the refuge system?

Mr. REED. Historically, the joint management of these three game ranges has not worked because of the conflicting management objectives of the two Bureaus. In deciding which Bureau should, in the future, exercise sole jurisdiction over these areas, the Secretary considered the following factors.

The Charles M. Russell and Sheldon game ranges are important areas to preserve in order to safeguard the habitat of the wildlife species there. They were originally established at a time when antelope populations were at an all time low. The purpose for which they were established has largely been served—the antelope population has been restored to an optimum level.

Because of this and because of the relative scarcity of other wildlife species there, it is no longer necessary to have the areas maintained and supervised by the Fish and Wildlife Service.

The Service's expertise and limited money and manpower can be better applied to areas and species that are in greater need of professional wildlife management. There are no reasons, under the circumstances, that these areas should not be managed by another land managing agency, such as the Bureau of Land Management, provided that agency gives highest priority to the preservation of wildlife habitat and permits no activities that might be detrimental to that habitat.

Although both the Arizona game ranges, Cabeza-Prieta and Kofa, have significant wildlife resources, the Secretary decided, after analyzing all factors, that the fairest way to settle the jurisdiction question was to assign one range to each agency. Kofa was assigned to the Bureau of Land Management because it has more intensive recreation and more grazing than Cabeza-Prieta. In managing the important Desert Big Horn sheep population and other wildlife on Kofa, the Bureau of Land Management will be able, at any time, to call upon the professional wildlife expertise of the Fish and Wildlife Service which maintains an office nearby.

INDIANS' USE OF BIRD FEATHERS

Mr. EVANS. Despite Secretary Morton's statement of February 5, 1975, on Indian use of bird feathers, there continues to be great concern and distrust among Indian tribes relating to the Interior Department's policy. A resolution has been passed by the State of Montana expressing concern and the National Tribal Chairman Association has passed a resolution calling for, among other things, revision of the ap-

plicable laws and regulations. Is the Department continuing to work in the cooperative spirit of Secretary Morton's statement with the Indian tribes to see what the most reasonable resolution of the problem might be?

Mr. GREENWALT. Most certainly. The Service has held, and will continue to hold, discussions with the Association of the American Indian Traditional Cultural Activities, the United Southeastern Tribes, Inc., and other Native American tribes and organizations to determine just how the needs of Indians for protected bird feathers can be satisfied without endangering the wildlife resource. In addition, field agents of the Division of Law Enforcement at the local level are making a more conscientious effort whenever possible to explain our regulations to Indian craft shops and organizations and assist them with their problems.

The Department is also drafting a leaflet, in question and answer format, aimed at Indian craft shops, Indian tribes, trading posts, etc., which will resolve many of the uncertainties existing in the minds of American Indian craftsmen or religious practitioners. We are also preparing articles for various Indian craft publications to clarify laws and regulations, and thereby refute many of the misconceptions which have appeared in the media in recent months.

Ironically, one of the reasons it is so hard for Indians to obtain some protected bird feathers is because there is such a demand for them among non-Indians.

No religious significance can be attached to the sale of protected bird feathers to non-Indians, as some individuals have attempted to do. Most Indian tribes do not sanction the sale of such objects to non-Indians. To these tribes, the practice is a sacrilege.

Our intelligence reports indicate that at least several thousand eagles are killed each year for use in the feather traffic. On one occasion, 97 eagle carcasses were offered for sale to one of our agents. We have a letter in our files in which 40 more eagle carcasses were offered to an undercover agent for $100 each.

Mr. EVANS. Do you have any firm evidence to indicate the actual impact on the wildlife of the Indians' use of these feathers?

Mr. GREENWALT. In reality, the impact of Indian use of protected bird feathers is limited, because the greatest damage to the resource is done by commercial trafficking in eagles and migratory birds. And the overwhelming majority of these traffickers are non-Indians—curio dealers, tourists, collectors, even foreign entrepreneurs. To illustrate this point, let me emphasize that only 5 of the more than 60 individuals cited last December 5 for selling feathers were Indians. The fact is that we have never cited one Indian for selling feathers to another Indian, nor for the mere possession of feathers. Our citations have always been for sales to non-Indians.

Mr. EVANS. I am told that over recent years several hundred positions have been eliminated from the National Wildlife Refuge System, with negative effects such as dikes and levees not maintained leading to failures, internal structures in need of maintenance left in a state of disrepair, acres of agricultural land in need of soil conservation attention, biological management studies curtailed or foregone, and the like. What has been the level of personnel authorized by Congress and the level authorized by OMB for each of the last 8 years?

Mr. GREENWALT. Personnel levels are not established for the National Wildlife Refuge System as a unit by Congress or OMB. Rather the levels are authorized for the various programs of the Fish and Wildlife Service. For your convenience, I have a list of the number of permanent, full-time employees authorized by Congress and OMB to the Fish and Wildlife Service and the estimated number at refuge field stations during 1968 through 1975.

[The information follows:]

PERMANENT FULL-TIME EMPLOYEES

Fiscal year	Authorized to FWS by Congress	Authorized to FWS by OMB	Estimated number on refuge field stations
1968	4,369		930
1969	4,129		881
1970	4,090	3,740	846
1971	4,056	3,838	836
1972	4,216	3,958	901
1973	4,151	3,971	887
1974	4,204	3,985	843
1975	4,488	4,135	843

Mr. EVANS. What has been the allocation of these positions to the refuges themselves as distinct from being assigned or actually located at some other administrative level such as area office, regional office or Washington office?

Mr. GREENWALT. The total number of permanent full-time refuge system employees located at the Washington and regional office during this period has been about 130.

Mr. EVANS. What has been the impact of these personnel policies on the Refuge System?

Mr. GREENWALT. The impact of these personnel levels on production of wildlife outputs by the National Wildlife Refuge System has been minimal. The basic wildlife values of each refuge are being protected. However, refuge personnel levels have not kept pace with the growth of the System, so other public benefits have had to be curtailed. For example, new interpretation and environmental education programs have had to be postponed, existing recreation and habitat management programs cut back, and scientific studies and surveys held to a less than optimum level. Maintenance of facilities and equipment has been substandard and training of refuge employees has reduced. As a result, the overall efficiency and effectiveness of refuge management has been adversely affected.

Mr. YATES. Mr. Duncan, do you have any questions?

Mr. DUNCAN. I have a couple. Will you put me on the coyote mailing list?

Mr. REED. Yes, sir, and Mr. Evans, too, with great pleasure. We have asked Denver to do a major report to this committee and to authorization and the Agriculture Committee on a little more in-depth of what they think the meaning is of the first summer's run. These must be looked on as the first summer's result of following those flocks, and it is hard to ask anybody for deep thought after one summer.

You know how biologists are one time around. But some of the information in there is so paramount, so important to future consideration on toxicants that we need a little more in-depth from them, and we have asked the Denver Service Center for that, and I will see that you receive copies of that.

Mr. DUNCAN. If killing coyotes is the only objective, we have a lot of fellows in Oregon who will take it over for nothing.

Mr. REED. It is a very emotional issue in Oregon. I have heard that debated.

LOGGING IN PARKS AND REFUGES

Mr. DUNCAN. I am interested in the products of your land management. You referred to them briefly in response to some questions from the chairman. What kind of logging are you doing? Are you doing logging in the national parks?

Mr. REED. No.

Mr. DUNCAN. Not even in therapeutic logging?

Mr. REED. We have a blow-down problem.

Mr. DUNCAN. Are you clearing that out on a commercial basis?

Mr. EVERHARDT. We did in a developed area. We are not doing anything in the back country. In the Grand Teton there was some blowdown during a storm. Inside a developed complex, where you have concession facilities, we have done some cleaning.

Mr. REED. We had a high-speed tornado, practically a hurricane, with 95-mile winds.

Mr. DUNCAN. What about the refuges?

Mr. REED. Some refuges have logging.

Mr. DUNCAN. Is that a therapeutic logging or part of land management?

Mr. GREENWALT. It is designed primarily to improve resident wildlife habitat. There are some excellent examples of this kind of thing. It is generally pulpwood logging in the Southeast.

Mr. DUNCAN. Have you had problems in the national parks with hemlock loopers, spruce budworm or any of those?

Mr. REED. We have had tussock moths. I think they were on national park land and on State land and Indian reservations.

OFFSETTING RECEIPTS

Mr. DUNCAN. Perhaps in your budgetary justification you will have this, and if you have this, disregard my request, but if you haven't I would like to have a statement of your offsetting receipts by product and area, if you would. We have that for the whole department here, but I would like to have it for these three agencies, if you could. I think it would be helpful to have.

[The information follows:]

FISH AND WILDLIFE SERVICE

Statement regarding offsetting refuge receipts by product and area - FY 1974

States	Grazing	Haying	Timber	Oil & Gas	Misc.	Total
Alabama			18,767	562	1,545	20,874
Alaska	50		124		2,144	2,318
Arkansas		288	173,286		4,999	178,573
California	25,362	23,756		135	903	50,156
Colorado	31,667	3,100			3,230	37,997
Delaware	2,289				8,054	10,343
Florida	402		116,501		178,833	295,736
Georgia	562		292,375		5,093	298,030
Idaho	10,191	7,920			19,615	37,726
Iowa	283	1,543	1,371		5,203	8,400
Illinois	9,051		4,987		138,541	152,579
Kansas	8,753	4,354		3,280	425	16,812
Louisiana	2,015			1,606,464	30,490	1,638,969
Maine	337	102	4,135			4,574
Massachusetts		25			1,281	1,306
Maryland					4,026	4,026
Michigan		23	13,872		3,287	17,182
Minnesota	3,620	1,157	18,927		3,222	26,926
Mississippi			167,716	220	2	167,938
Missouri	1,564	54			575	2,193
Montana	89,797	9,796			41,164	140,757
Nebraska	175,328				38,419	213,747
Nevada	35,144	1,050			89	36,283
New Jersey					780	780
New Mexico	1,369	306			25	1,700
New York	601	325	1,180		5,285	7,391
North Carolina	753				431	1,184
North Dakota	60,815	37,020		18,600	13,567	130,002
Ohio					10,169	10,169
Oklahoma	550				101,024	101,574
Oregon	251,206	15,395			2,439	269,040
Pennsylvania	382	124			244	750
South Carolina			111		853	964
South Dakota	11,042	10,412			501	21,955
Tennessee			366		1,008	1,374
Texas	40,501	525		1,752	3,655	46,433
Utah			60		2,166	2,226
Vermont	96	307			10	413
Virginia	180				48	228
Washington	41,830	7,914	232		970	50,946
Wisconsin	594	18	14,206		10,088	24,906
Wyoming	1,941				520	2,461
Totals	808,275	125,514	828,216	1,631,013	644,923	4,037,941

UNITED STATES
DEPARTMENT OF THE INTERIOR
NATIONAL PARK SERVICE
WASHINGTON, D. C. 20240

February 26, 1975
AB

Statement on Fiscal 1976 Offsetting
Receipts to the Service

Fiscal 1976 offsetting receipts to the Service are estimated at $21,918,540, consisting of all proprietary and intragovernmental receipts, illustrated in detail on the Statement of Receipts, Standard Form 108 (copy attached).

Offsetting receipts for Fiscal 1974 and Fiscal 1975 are, $13,546,862 and $18,505,840, respectively.

STANDARD FORM 103
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
106-109

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service
(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
14-0890	Miscellaneous fees for regulatory and judicial services not otherwise classified ...		G		9,990	10,500	11,000	
14-1060	Forfeitures of unclaimed money and property		G		3,559	3,800	4,000	
14-1099	Fines, penalties and forfeitures, not otherwise classified		G		7,117	8,000	9,000	
14-1210	Contributions to "conscience fund"		G		25	50	50	
14-1299	Gifts to the United States, not otherwise classified		G		106	150	250	
14-8037	Donations to National Park Service		G		2,354,687	2,898,000	2,998,000	Increase expected from corporations for Bicentennial Celebration.
14-8068	Contribution for Jefferson National Expansion Memorial		G		985,000	.....	.....	
	Subtotal, governmental receipts				3,360,484	2,920,500	3,022,300	
14-1499	Miscellaneous interest collections, not otherwise classified		P	400	144	225	300	
14-1699	Miscellaneous dividends and earnings, not otherwise classified		P	400	5,403	8,000	10,000	

STANDARD FORM 103
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
108-109

A-11-22B

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service
(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
14-1810	Rent of land		P	400	221,268	231,000	239,000	
14-1830	Rent of real property, not otherwise classified		P	400	187,132	200,000	250,000	
14-1840	Rent equipment and other personal property		P	400	1,896	2,500	3,500	
14-2229	Sale of timber, wildlife, and other natural land products, not otherwise classified ...		P	400	14,023	15,000	16,000	
14-2249	Sale of power and other utilities, not otherwise classified		P	400	43,601	55,000	70,000	
14-2259	Sale of publications and reproductions, not otherwise classified		P	400	695	800	900	
14-2299	Sales of miscellaneous products and by products, not otherwise classified		P	400	41,887	45,000	48,000	
14-2412	Fees and other charges for accounting and auditing services		P	400	2,785	3,500	5,000	
14-2417	Service charges for allotments of pay for savings accounts.		P	400	382	400	450	
14-2419.1	Fees and other charges for other administrative services		P	400	3,199	3,500	3,800	

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STANDARD FORM 106
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
108-109

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service'

(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
14-2419.2	Fees and other charges for other administrative services, user charges		P	400	216	225	250	
14-2423	Commissions on telephone pay stations		P	400	15,183	15,500	16,000	
14-2429	Fees and other charges for communication and transportation services, not otherwise classified		P	400	220	250	300	
14-2464	Admission permits and fees		P	400	11,015	14,000	20,000	
14-2465	Business concessions		P	400	2,120,060	2,400,000	2,800,000	Increased business during Bicentennial Celebration.
14-2469	Fees and other charges for special benefits, not otherwise classified		P	400	15,264	15,500	15,500	
14-2499	Other fees and charges for miscellaneous services		P	400	4,212	5,000	6,000	
14-2629	Sale of other real property, not otherwise classified		P	400	14,282	14,500	14,800	
14-2637	Net proceeds from surplus property in the United States		P	400	515	700	900	

STANDARD FORM 108
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
108-109

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service

(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
14-2649	Proceeds from sale of equipment and other personal property, not otherwise classified		P	400	8,810	10,000	12,000	
14-2650	Sale of scrap and salvage materials		P	400	2,968	3,300	3,500	
14-2889	Repayments on miscellaneous recoverable costs, not otherwise classified		P	400	2,905	3,200	3,500	
14-3019	Recoveries for Government property lost or damaged, not otherwise classified		P	400	24,016	30,000	35,000	
14-3060	Refunds of erroneous payments ..		P	400	801	1,000	1,000	
14-3099	Miscellaneous recoveries and refunds, not otherwise classified		P	400	10,151	10,200	10,300	
14-5005.2	Surplus property sales - other-real property		P	400	20,417	25,000	30,000	
14-5006.1	Annual admission recreation permit, Golden Eagle Passport, National Park Service		P	400	1,780,332	2,500,000	3,000,000	Passage of legislation reinstating user fees and Bicentennial activities will increase these receipts considerably.
14-5006.10	Special recreation use fees, National Park Service		P	400	9,301,197	12,500,000	15,000,000	

STANDARD FORM 108
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
108-109

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service
(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
14-5663	Deposits for educational expenses, children of employees, Yellowstone National Park ...		P	400	230,969	265,000	275,000	
14-5666	Fees from visitors to Grand Teton and Yellowstone National Parks, 25% funds ...		P	400	20,105	25,000	25,000	
14-5667	Fees from leased Federally acquired properties, Independence National Historical Park		P	400	29,830	...	...	
14-8038	Advances from District of Columbia, National Park Services		P	400	-591,570	100,000	...	
	Subtotal, proprietary receipts				13,544,313	18,503,300	21,916,000	
14-3098	Recoveries and refunds, State and Local Government Fiscal Assistance Trust Fund, Department of Treasury		IG	940	9	...	...	
14-8052	Interest on endowment fund, preservation, birthplace of Abraham Lincoln		U	952	2,540	2,540	2,540	
	Subtotal, intragovernmental receipts				2,549	2,540	2,540	

STANDARD FORM 108
May 1969, Bureau of the Budget
Circular No. A-11, Revised.
108-109

A-11-22B

STATEMENT OF RECEIPTS— Department of the Interior, National Park Service
(Department or agency)

Receipt symbol	Receipt Account Title	Source category	Type	Function	1974 actual	1975 estimate	1976 estimate	Comments
	Total receipts, National Park Service				16,907,346	21,426,340	24,940,840	

Mr. REED. All right.

Mr. DUNCAN. The only other thing I wanted to mention was I noted in your statement that you consider the Exotic Species Protection Act—is that right?

Mr. REED. They are regulations.

Mr. DUNCAN. You consider that to be a rather complex act, and I want you to know the zoo director in Portland agrees it is very complex. We don't know really how to weigh our emotions out there, whether our delight that you finally found some way to permit our orangutan to get down south outweighs our chagrin at the fact that the problem arose in the first place or not. We don't know how to evaluate that.

Mr. REED. It has been a tough year.

Mr. DUNCAN. I would like to ask you if you are making any effort to clear up some of these complexities which in the view of the zoo director approaches the absurd.

Mr. REED. You are right.

Mr. DUNCAN. I will give you a hand on any of those.

Mr. REED. I am sure the director will want to testify to that when he gets to that as to where he is in his State permits. We don't want to manage something that is hopeless, either.

Mr. DUNCAN. That is all I have.

Mr. YATES. Thank you, Mr. Reed, and your colleagues, for coming in and giving us this fine presentation.

The committee will stand in recess until tomorrow at 1 o'clock.

OVERVIEW HEARING—ENERGY PROGRAMS

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

WEDNESDAY, FEBRUARY 26, 1975.

WITNESSES

DR. ROBERT C. SEAMANS, JR., ADMINISTRATOR
M. C. GREER, CONTROLLER

Mr. YATES. The committee will be in order.

We are delighted to have this morning the Administrator of the new Energy Research and Development Administration, a family known as ERDA. We have Dr. Robert Seamans, Administrator, who has had a long and distinguished career in the field of scientific endeavor.

Dr. Seamans, we are very glad to have you with us this morning. I notice that you have an opening statement. I wonder, do you want to read your statement into the record or make it a part of the record and highlight it?

Dr. SEAMANS. I would like to read it into the record.

Mr. YATES. Proceed, Dr. Seamans.

Dr. SEAMANS. Mr. Chairman and members of the committee, it is a pleasure to appear before you today to discuss the role of the Energy Research and Development Administration (ERDA) in meeting our Nation's energy needs.

ESTABLISHMENT OF ERDA

ERDA was established by the Energy Reorganization Act of 1974 to provide unified leadership and direction over Federal programs aimed at developing new and improved technologies capable of increasing our supply of energy as well as achieving greater efficiency in the consumption of energy. The formation of ERDA consolidates, within a single agency, the major energy research and development functions previously handled by the Atomic Energy Commission, the Department of Interior, the National Science Foundation, and the Environmental Protection Agency. ERDA is also responsible for carrying out most of the programs recently authorized by the Federal Nonnuclear Energy Research and Development Act of 1974 (Public

Law 93–577) and the solar and geothermal legislation contained in Public Law 93–473, Public Law 93–409, and Public Law 93–410. The agency officially began its tasks on January 19, 1975, under Executive Order 11834.

ERDA'S MISSION

Although ERDA has been operating as an agency for only a month, we are already making a good start toward performance of the vital role assigned to us in meeting this Nation's intermediate and long-term energy needs. Our task has been made easier by ERDA's excellent enabling legislation which provides a challenging but achievable mission along with a sound organizational and programmatic base with which to achieve it. Moreover, I know that ERDA enjoys the President's strong support and has received the executive priority essential for moving ahead.

The ERDA mission, however, will not be rapidly or easily accomplished. Our task is to attain significant advances in energy technology so that the Nation's abundant energy resources can be tapped to produce an adequate supply of clean, economical energy. Our problem is not a lack of basic energy resources for we have a third of the world's coal, enormous resources of oil shale, and substantial amounts of uranium. The problem is getting at these resources in an economically and environmentally acceptable manner. At the same time, better conservation techniques must be developed to reduce the demand for energy consumed by automobiles, homes, powerplants, office buildings and industrial processes. ERDA will bring to bear on these problems the concentration of scientific and technical expertise, organizational cohesion, and increased funding levels that are necessary for a concerted, priority effort to overcome them.

ERDA will draw heavily on the existing resources of the national laboratories and energy research centers. Also it will supplement—not supplant—the valuable work underway in the industrial and university communities, recognizing that ERDA's ultimate mission involves the effective transfer of proven energy techniques to the private sector for commercial application.

ERDA has been structured and will be managed in such a way as to assure a balanced pursuit of all promising energy technologies. Organizational components include those related to fossil energy development; solar, geothermal and advanced energy systems development; the development of nuclear energy, and energy conservation. Also included are organizational components responsible for environmental and safety research, defense-related activities, and essential staff functions, as depicted on the attached organizational chart.

ERDA's structure affords a sound base for bringing research and development efforts in fossil fuels, solar, conservation, and other energy areas rapidly and effectively up to the higher levels of funding and technical excellence that are needed for the successful accomplishment of our R. & D. objectives. The 1976 budget reflects these necessary increases and represents a stronger, more balanced energy R. & D. effort than ever before. I should note, however, that in view of the short period since our official activation we will, over the next few months, be reviewing ERDA's programs and may recommend some change in the

1976 budget request in order to achieve an even better balance across the full spectrum of ERDA's responsibilities.

ERDA'S FISCAL YEAR 1976 ENERGY RESEARCH AND DEVELOPMENT BUDGET

I would now like to spend a few moments highlighting ERDA's 1976 energy research and development budget. Charts II and III compare total Federal and ERDA energy research and development obligational authority and outlays for fiscal years 1974 through 1976. As indicated in chart II, total Federal energy R. & D. outlays for direct and supporting programs increase by $527 million to a level of $2.116 billion while the ERDA component increases by $379 million to a level of $1,662 billion. This represents a 30-percent increase over the 1975 level.

The most significant increases in ERDA's budget are found in fossil energy development; solar, geothermal, and advanced energy systems development; nuclear energy development; and conservation research and development. Let me elaborate on these activities for a moment.

In our 1976 request, the outlay estimate for fossil energy development is $326 million, an increase of about 57 percent. In this activity, emphasis will be placed on the development of technology for producing clean and efficient energy from coal, our most abundant natural energy resource, principally through the development of coal liquefaction and gasification processes and advanced power conversion systems, such as the open-cycle gas turbine. Also, an increased level of research effort will be supported to examine new, more efficient and environmentally sound approaches to tapping this Nation's large oil shale resources. And, we expect to play a key role in meeting the goal stated by the President in his State of the Union address to achieve synthetic fuel production equivalent to 1 million barrels of oil per day by 1985 through a vigorous fossil energy development program.

The solar, geothermal, and advanced energy systems outlays will increase from $27 million to $93 million, or 245 percent. It is our goal to develop as rapidly as possible applications of the solar and geothermal energy sources. We want to obtain early involvement of potential private industry users in the solar and geothermal areas. We also plan to undertake system studies to examine all aspects of energy including technological, environmental, economic, and legal aspects in order to assess and analyze the most feasible options for future development of all of the Nation's energy resources.

Substantial increases in nuclear energy research and development are also requested. Outlays for the fusion power research and development program increase by $67 million to a total of $214 million. Although it is still in the early stages of development, we are hopeful that fusion power can be a major contributor to our long-term energy needs. Nuclear energy R. & D. efforts will also increase in support of the production of nuclear materials for use as fuel in civilian power reactors, including such processes as gaseous diffusion, gas centrifuge, and advanced isotope separation; increases also appear in the civilian reactor development program, especially the liquid metal fast breeder reactor.

It is our intention to nearly double the effort for conservation research and development in 1976 to $58 million. This is an area in which I feel we must make intensive efforts. It is simply not enough to increase energy supply; we must also find new ways to reduce energy demand if we are to become capable of self-sufficiency by 1985 or any time in the foreseeable future. Among the energy systems we are investigating is magnetohydrodynamic conversion which will utilize our coal resources to obtain greater electrical energy efficiencies. Emphasis will also be placed on the development of conservation technology in the transmission of electrical power, energy storage techniques, and reducing energy utilization in commercial and residential buildings.

In support of these energy technology development programs, our 1976 budget provides increased funding levels for our basic research and environmental and safety research programs. The basic research program explores the frontiers of our knowledge related to the structure and behavior of matter and its relationship to energy. Environmental and safety research activities focus on the health and environmental effects of energy-related pollutants that may be released at any point along the fuel cycle, the biological effects of radiation, the management of radioactive wastes, and other safety matters.

In all, let me emphasize that our 1976 budget reflects the administration's determination to achieve a balanced, vigorous, and integrated research and development program across the entire spectrum of ERDA's energy R. & D. responsibilities.

ADDITIONAL ACTIVITIES OF ERDA FOR FISCAL YEAR 1976

In addition to our proposed 1976 budget, we are also initiating a variety of studies required by legislative action. These studies include an analysis of potential energy applications of helium, which is due this April; a review of patent policy, due December 1975; a joint review with the Department of Defense of the responsibility for nuclear weapons development and production due January 1976; and a thorough planning and analysis of energy programs and objectives by June 30, 1975. This last study will review technologies that might be used for near-term improvement in the balance of domestic energy supply and demand as well as research and development directed toward future needs over the longer term. Any proposed reordering of ERDA's inherited programs will be based on this comprehensive planning exercise.

Already we have been working closely with other agencies and departments—with the National Aeronautics and Space Administration and the Department of Housing and Urban Development on solar heating and cooling of buildings, with the National Science Foundation on solar and geothermal energy resources, with the Environmental Protection Agency and the Council on Environmental Quality on environmental quality and controls, with the Nuclear Regulatory Commission on nuclear safeguards and safety, with the Department of Commerce on patents and commercialization, with the Department of Interior on fossil fuels, with the Department of State on international R. & D. programs, and, of course, with the Federal Energy Ad-

ministration and the Energy Resources Council on a number of energy matters, including the President's Synthetic Fuels Commercialization program. We recognize the need to work within this organizational framework to insure effective coordination within the Federal Government of energy policy matters.

In summary, I feel that with ERDA's strong statutory mandate, its consolidated programmatic base, its funding priority, and the President's strong backing, we have the underpinning necessary for a vigorous R. & D. effort. And now, with your continued understanding and assistance, ERDA should indeed be able to get on with the important job to be done. Thank you. At this time I would be happy to respond to any questions you may have.

[Attachments to the statement follow:]

CHART I

ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

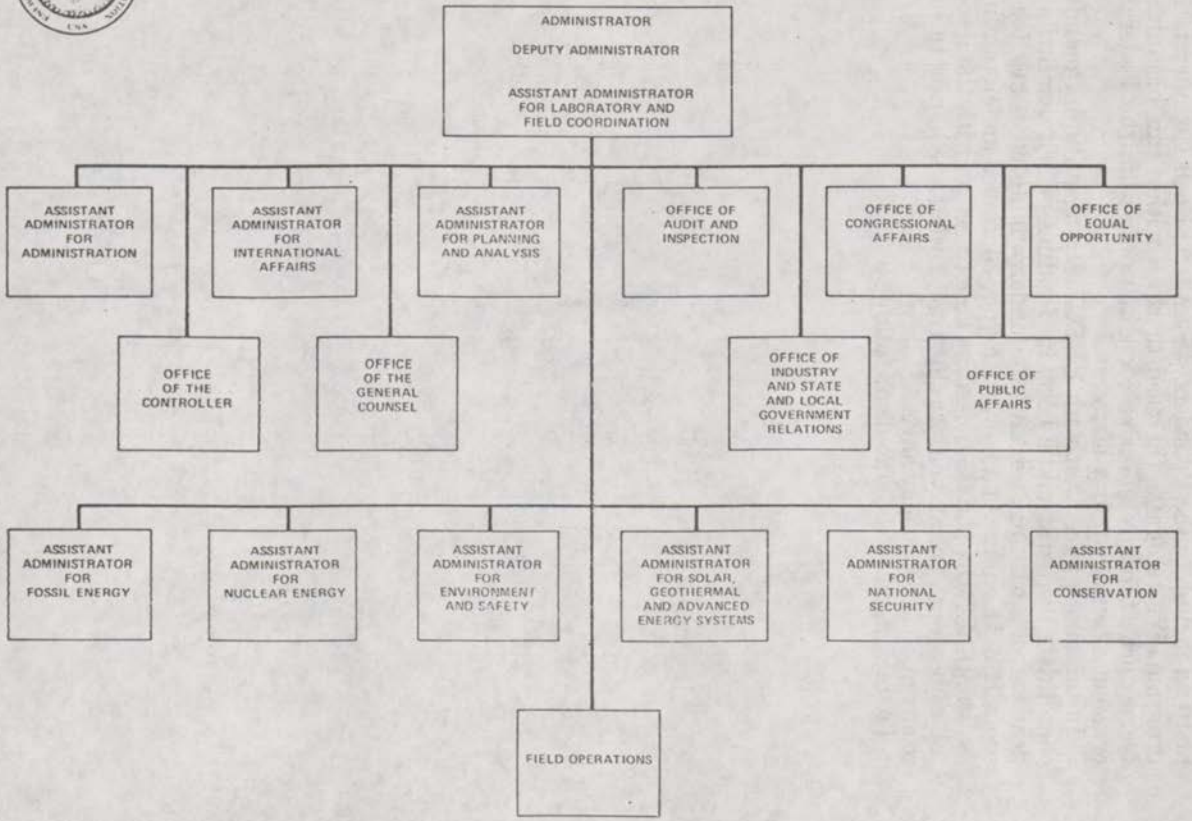

CHART II

ENERGY RESEARCH AND DEVELOPMENT PROGRAM
(In Millions)

	OUTLAYS					
	Total Federal			ERDA		
	1974	1975	1976	1974	1975	1976
Direct Energy R&D						
Fossil Energy	$ 90	$ 253	$ 380	$ 81	$ 208	$ 326
Solar & Geothermal, and Other	19	54	116	12	27	93
Conservation	27	54	83	9	32	58
Nuclear Energy	629	825	991	582	764	895
Environment	58	36	94	a/	2	4
Total Direct	$ 823	$1,222	$1,664	$ 684	$1,033	$1,376
Support Program						
Environmental Effects	120	173	241	88	115	141
Basic Research	156	194	211	116	135	145
Total Support	$ 276	$ 367	$ 452	$ 204	$ 250	$ 286
GRAND TOTAL	$1,099	$1,589	$2,116	$ 888	$1,283	$1,662

a/ Less than $500,000.

CHART III

ENERGY RESEARCH AND DEVELOPMENT PROGRAM
(In Millions)

	OBLIGATIONS					
	Total Federal			ERDA		
	1974	1975	1976	1974	1975	1976
Direct Energy R&D:						
Fossil Energy	$ 110	$ 435	$ 440	$ 101	$ 379	$ 384
Solar & Geothermal, and Other	45	102	123	19	71	102
Conservation	39	86	88	18	54	64
Nuclear Energy	756	943	1,102	708	877	996
Environment	66	103	83	a/	2	5
Total Direct	$1,016	$1,669	$1,836	$ 846	$1,383	$1,551
Support Program:						
Environmental Effects	138	264	273	88	140	146
Basic Research	175	233	250	115	143	152
Total Support	$ 313	$ 497	$ 523	$ 203	$ 283	$ 298
GRAND TOTAL	$1,329	$2,166	$2,359	$1,049	$1,666	$1,849

a/ Less than $500,000.

Mr. YATES. Thank you very much for an excellent statement, Dr. Seamans. We will place in the record, at this point, the biography of Dr. Seamans which, as I said before, is a very distinguished one.

[Dr. Seamans' biography follows:]

DR. ROBERT C. SEAMANS, JR.

Dr. Robert C. Seamans, Jr., took office as Administrator of the new Energy Research and Development Administration (ERDA) on December 30, 1974. As ERDA's first Administrator, he is responsible for consolidating and administering Federal energy R. & D. programs formerly carried by the Atomic Energy Commission, the Department of the Interior, the National Science Foundation, and the Environmental Protection Agency. ERDA has the central responsibility in the Federal Government for planning, coordinating, encouraging, and conducting R. & D. aimed at advancing all energy source and utilization technologies, including fossil, nuclear, solar, geothermal, and other energy-related programs.

Prior to becoming ERDA Administrator, he served as president of the National Academy of Engineering, a post to which he was elected in May 1973.

Dr. Seamans was born on October 30, 1918 in Salem, Mass. He attended Lenox School, Lenox, Mass.; earned a bachelor of science degree in engineering at Harvard University in 1939; a master of science degree in aeronautics at Massachusetts Institute of Technology (MIT) in 1942; and a doctor of science degree in instrumentation from MIT in 1951. Dr. Seamans has also received the following honorary degrees: Doctor of science from Rollins College (1962) and from New York University (1967); doctor of engineering from Norwich Academy (1971), from Notre Dame (1974), and from Rensselaer Polytechnic Institute (RPI) in 1974. He is a member of the board of trustees of the National Geographic Society.

From February 1969 until 1973, Dr. Seamans was Secretary of the Air Force. Prior to that he was with the National Aeronautics and Space Administration where he served as Associate Administrator from September 1960 until December 1965, and then Deputy Administrator until 1968. During his years at NASA he worked closely with the Department of Defense in research and engineering programs and served as cochairman of the Astronautics Coordinating Board. Through these associations, NASA was kept aware of military developments and technical needs of the Department of Defense and was able to advise that Agency of NASA activities which had application to national security.

Dr. Seamans joined Radio Corporation of America (RCA) in 1955 and in 1958 became chief engineer of the Missile Electronics and Controls Division at RCA in Burlington, Mass., a position he held until joining NASA in September 1960. After serving at NASA for more than 7 years, Dr. Seamans resigned in January 1968 to become a visiting professor at MIT and in July 1968 he was appointed to the Jerome Clarke Hunsaker professorship, an MIT-endowed visiting professorship in the Department of Aeronautics and Astronautics. During this period with MIT, he was also a consultant to the Administrator of NASA.

From 1948 to 1958, Dr. Seamans served on technical committees of NASA's predecessor organization, the National Advisory Committee for Aeronautics. He served as a consultant to the Scientific Advisory Board of the Air Force from 1957 to 1959, as a member of the board from 1959 to 1962, and as an associate advisor from 1962 to 1967. He was a National Delegate, Advisory Group for Aerospace Research and Development (NATO) from 1966 to 1969.

From 1941 to 1955 he held teaching and project positions at MIT during which time he worked on aeronautical problems, including instrumentation and control of airplanes and missiles.

Dr. Seamans is a member of Sigma Xi, American Association for the Advancement of Science, American Astronautical Society, American Society for Public Administration, American Academy of Arts and Sciences (Boston), National Space Club, Council on Foreign Relations, Foreign Policy Association, International Academy of Astronautics, and the American Institute of Aeronautics and Astronautics. He is also a Fellow of the Institute of Electrical and Electronic Engineers and an Honorary Fellow of the American Institute of Aeronautics and Astronautics.

He has received the following awards: Naval Ordnance Development Award (1945); American Institute of Aeronautics and Astronautics, Lawrence Sperry Award (1951); Godfrey L. Cabot Award, Aero Club, New England (1965); NASA Distinguished Service Medal (1965 and 1969); Goddard Trophy (1968); Gen.

Thomas D. White U.S. Air Force Space Trophy (1973); Department of Defense Distinguished Public Service Medal (1973); and the Department of the Air Force Exceptional Civilian Service Award (1973).

Dr. Seamans and his wife, the former Eugenia A. Merrill, reside in Washington, D.C. They have five children and three grandchildren.

Mr. YATES. Dr. Seamans, your statement indicates you may be reviewing and changing emphasis on various programs from time to time. What is your expectation? Will you be placing more emphasis on the development of fossil fuel energy?

Dr. SEAMANS. Yes; I believe we will, Mr. Chairman. You are obviously correct in your observation, we are putting 41 percent of our effort on fission energy. The program we have in the fossil fuel area as in the solar and other embryonic areas has been building up step by step.

As I indicated in my statement, we are up 57 percent in 1976 over 1975, and I would expect this trend would continue.

ATOMIC ENERGY RESEARCH

Mr. LONG. The major portion of our energy research budget is allocated to atomic energy research, and the Federal Government has invested billions in such research during the last two decades. What is the Federal Government's total investment to date in atomic energy research?

Dr. SEAMANS. ERDA outlays for the conduct of nuclear energy research total approximately $5.4 billion through fiscal year 1974. This total includes costs for the light water reactor safety research program formerly conducted by AEC. The light water reactor safety research program is now conducted by the Nuclear Regulatory Commission. While we do not have financial data on programs of other Federal agencies, the bulk of all nuclear energy research has been conducted by ERDA and is included in the above estimate of $5.4 billion.

Mr. LONG. What percentage of our energy needs is presently supplied by atomic energy?

Dr. SEAMANS. The latest preliminary data from the Federal Power Commission indicates that approximately 8 percent of total electrical power production for December 1974 was generated by nuclear powerplants.

Mr. LONG. Given the problem of disposal of atomic wastes, why hasn't the Federal Government allotted more funding to atomic fusion processes, rather than fission, which would not generate such wastes?

Dr. SEAMANS. The goal of the fusion program is the demonstration of economic, safe, reliable, and environmentally acceptable electrical energy production from the fusion process. This goal has been described as one of the most difficult technological problems ever attempted. Its attainment depends on a number of key steps involving the construction of increasingly larger engineering facilities. The best estimates of the timing of these steps lead to a fusion power demonstration plant in the late 1990's. These estimates assume a balanced and orderly program laid out according to current priorities and resource availability. Some increased funding might yield accelerated development; however, significantly more resources allotted to fusion power development would be a high risk venture which might not significantly speed up the program. Although fusion power appears to be

an environmentally attractive energy source, a significant increase in funding will not necessarily bring us clean energy much sooner.

PROGRESS OF COAL RESEARCH

Mr. YATES. What progress are we making in the field of coal research?

Dr. SEAMANS. We are making very good progress. The way to measure it is to take a look at the pilot plant operations. We have coming on line very shortly four pilot plants concerned with the generation of high-Btu gas, the kind of gas that can be used in your homes and in our industrial processes. Also, with this budget, we are planning to go ahead with four additional pilot plants for low-Btu gas which can be used in power generation. Also included are pilot plants for coal liquefaction and planning and design effort on several coal conversion demonstration plants.

OIL SHALE DEVELOPMENT

Mr. YATES. What is the situation with regard to the development of the oil shale industry?

Dr. SEAMANS. As I indicated in my statement, this is a very great asset; but it is also an extremely difficult asset to utilize for several reasons: To generate large quantities of oil from shale requires excavation of very large quantities of material. It also involves in the processing, very large quantities of water as well as the environmental effect of the tailings. Finally, you end up with a greater volume of material than actually comes out of the ground in the excavation. We are investigating in situ processing of oil shale, processing underground. If this can be economically realized we can have available to us large quantities of oil and gas. It is very difficult to carry out these conversion processes even on the surface in self-contained apparatus and to take the same thing underground with the attendant additional vagaries increases the problem, but we believe there is hope and for that reason we are putting sizable amounts in this area.

PRIVATE DEVELOPMENT OF OIL SHALE

Mr. YATES. It is my understanding that at least one of the private companies which indicated some time ago it was going to proceed with oil shale development has now stopped. Are you in touch with them? Can you tell us what the prospects are as to their continuing this operation?

Dr. SEAMANS. I have not had a chance to work with them myself but our office has been in contact with them. In addition to the problems of bringing the material out, processing it, taking care of the environmental concerns, and the large quantities of water required, I should mention the cost of doing it. There is concern about the competitive costing the developers would be bound to get into. Even at $10 a barrel—and it is not at all clear the process could be economically carried out at anything like that figure—competition in the marketplace could be difficult without some kind of Government help.

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ESTABLISHING GOVERNMENT COOPERATION

Mr. YATES. You have had experience with NASA. NASA was an undertaking by the Federal Government for space travel. You worked in conjunction with private entrepreneurs in achieving that goal although Government had the primary responsibility. Should that format be followed in connection with the development of an industry like oil shale, for example?

During World War II, for example, the Government also went into the business of manufacturing artificial rubber and did very well. I wonder whether or not a Government corporation might be better to expedite the research and development of these different fuels? What is your feeling on that?

Dr. SEAMANS. I think that is a very important consideration which you have brought up. I think we are really learning how best to proceed at this time. As you point out, NASA received tremendous support from industry. Actually, at one time, 85 to 90 percent of the total NASA dollars was going to industry. They were carrying out most of the design, construction, testing and so on. It will be our intention in ERDA, to utilize industry in the same fashion in the development phase. However, the objective is to have sufficient energy available to home and industry users who primarily are in the private sector. How we transition from the Government R. & D. effort to commercialization of the technology is the principal most difficult issue we face in ERDA. There are a lot of ways to do it. We have paid a great deal of attention to this transition. It is being done now by cost-sharing. This participation by industry insures that we are working on processes that will be economically viable. There are a variety of other ways of doing this. One of these ways is to establish a special corporation. In our enabling legislation we have the option of proceeding this way. We have not decided where we may want to use this particular type of arrangement but it may very well be an attractive way to go in some of these endeavors.

Mr. EVANS. May I ask a question there, Mr. Chairman?

Mr. YATES. You may, Mr. Evans.

Mr. EVANS. How much confidence do you have in the facts and figures to make a comparison of the feasibility of one process as opposed to another?

I have a feeling Government keeps bumping into secrecy; into situations where people do not want to share information and ideas. Also, will you comment on the extent to which you have good confidence in hard figures and facts you have to rely on in budgeting?

RESEARCH AND DEVELOPMENT STRATEGY

Dr. SEAMANS. It really comes down, in part, to a justification for the program I have just described. First, we build pilot plants which are relatively small-scale but large enough to prove out the principle; then we move to demonstration plants which prove out the engineering before going to the next step which is commercial operation.

It is this series of steps which gives us the information to determine whether one method or another is going to be the best or most competitive, or has severe environmental problems. I do not think it can be

done as a matter of judgment or as a matter of looking over paper studies. You have to address the problem directly and try out the ideas on some scale in order to know where we stand.

OIL SHALE TEST FACILITY

Mr. EVANS. Let me give you an example: several months ago in Colorado, I was briefed in a very short period of time by a representative of the Occidental Corp. It was about a half-hour period. They had a movie and a man who explained details and answered questions. What he told me sounded great. They had a 30-foot cubic room under this shale. They took that ore out, they did not care what they did with it because they were not going to use it and it matched the surrounding rock. They drilled upward in this room, filled the holes with explosives. Then they went on top, injected gas and air, ignited the mixture, and they burned from top to bottom with oil being leaked out of the rock and falling by gravity into a collection system below. It sounded great. It was efficient, it did not use any water, and if that was not grand enough, I was told after the successful development, they wound up with enough low Btu gas, after using that same gas for their own needs in the in situ production, to create 300 megawatts per year. That seemed like the best of all worlds.

That is what they told me. If I had my head screwed on right and my ears open, that is the impression I got.

As they go into this pilot plant and have their test runs, do you have full confidence they are giving you or the Federal Government all the facts and figures they have pertaining to the development of this in situ process; or are there some facts or figures under the carpet some place they do not want to share with anybody?

GOVERNMENT-INDUSTRY INFORMATION EXCHANGE

Dr. SEAMANS. First of all, Occidental has been doing interesting in situ work. In regard to the level of confidence we have in their data, I would comment on our cost-sharing pilot operations. We go out for competitive bids, and we do it in such a way that we do not prescribe the specific method of doing the job to the point where we are excluding proprietary work. In several of our pilot operations, the winner of the award won the contract by virtue of his previous proprietary work. By having industry working jointly with the Government, we do find out, because we are invclved in the testing, and know exactly what the advantages are of that method.

If a contractor chooses not to work jointly, of course, that is his prerogative and we cannot force his hand; however, it is our experience that when we get down to specific discussions, the companies are open with our key people in discussing how their methods actually work and what their results are. I think that by continuing this process and by gaining the confidence of the various industries and contractors—that we will observe proprietary work and will not divulge to their competitors what we have learned—then we will succeed in getting good comparative information.

Mr. EVANS. The second question is, is that good policy? For example, I am of the opinion in research programs one of the reasons for

having Federal funding is to get around antitrust rules, and share information. In this process, whatever is developed because of the Federal participation, is open to all who can benefit and use it. In energy research, does it not seem to you better to develop new discoveries in a fashion which permit the largest use by the most people? Do you not think that would be a much better policy?

Dr. SEAMANS. It appears to me first of all, that it is in the Government's interest to know what is going on throughout industry. Otherwise, we cannot properly plan a Government program since there would be no reason for the Government to follow along and in effect, unknowingly duplicate what has already been done. I think knowledge of what is going on nationally, be it private or public, is important for ERDA. We should be knowledgeable of the total program in R. & D.

Secondly, if a company with your own funds has developed a technique that can increase the supply of oil, for example, it seems to me that it would be in the Nation's interest to have them proceed with the commercialization of this new technology. If it is open to everyone, it is not clear that anybody will put up the large funds necessary to capitalize on this information. That is an important fundamental issue; it is the whole question behind patent policy as well. To what extent do you want to give a company which has a particular idea an opportunity to run with the ball so they can capitalize and not do all the spadework and have their other companies come along and pick it off so the original company does not benefit from its investment?

Mr. EVANS. As the chairman mentioned, in the development of synthetic rubber, it was through the Federal initiative and cooperative from the private industry. Would that be feasible in connection with energy?

Dr. SEAMANS. I am not familiar with the development of synthetic rubber. It was done with almost complete Government subsidy, as I understand it. After the war, it was sorted out and picked up on a commercial basis. I, myself, think that we should utilize the profit motive and preserve incentives for contractors to spend their own funds for research and development. I do not think you achieve this if there is complete sharing of all the information which comes out of that effort.

Mr. EVANS. One final question. Are you satisfied that you get enough facts and figures and information as they relate to new projects to enable you to make recommendations to our committee?

Dr. SEAMANS. I am satisfied that the process we are following will assist us.

NASA PATENT POLICY

Mr. YATES. What did you do in NASA about patents? The Government was in control of all development. Suppose a contractor in the course of working for the Government came upon a new process or a new way of doing things, would not the Government own that and could not the Government make that available to other companies?

Dr. SEAMANS. Yes; if the innovation came out of the work being done for NASA with Government funds, then that patent became the property of the Government. It was the prerogative of the adminis-

trator of NASA to give an exclusive patent to a company if the company could show that by having an exclusive patent position they would then exploit it and move the technology ahead. What I am talking about here, though, is not that issue. Obviously, in ERDA's case, if we are financing work and a patent comes out of that effort, the Government would own it. What I am talking about is where a company with their own funds, with private capital, carries out development work and has a proprietary position.

Mr. YATES. In your work, you are moving into unknown areas. Is it not better to have a primary Government ownership so you can make it ultimately available to all the people who will be engaged in this activity?

In the past there has been a question as to whether contractors tell you what their costs are. Do they? In some cases this is considered proprietary information. I know this is true of oil drilling off the coast of Mexico. The companies do not tell what their costs are. I do not know whether your contractors make available the information which they have accumulated as a result of the company's own experience as well as their experience as your contractor. I imagine this is in the nature of the entrepreneurial process. If a company is willing to take the risks and spend its own money, there is no reason it should make the information available to other competitors except in this case when you are in a special and unique position. The Government has a goal it wants to achieve and it may not be to the interest of the private companies to cooperate in achieving that goal. As you pointed out, this is a difficult type of situation.

Mr. DUNCAN. Mr. Chairman——

Mr. YATES. Yes.

Mr. DUNCAN. The Forest Service in conducting new experiments in logging does have the authority and exercises it to require cost figures from the participants even to the point of auditing the books. I know this because I was involved in an incident wherein my client objected to the Government going into his books. We did it with the understanding it would be done with a modicum of confidentiality and nothing would be divulged to competitors. They do have this authority and they do utilize it.

OIL SHALE LEASES

Mr. YATES. There are four leases by the Secretary of the Interior for oil shale development. Under those leases would the Government know the costs that the companies experienced in developing those leases?

Dr. SEAMANS. Frankly, I am not familiar with those particular projects inasmuch as they are handled by the Department of the Interior. I have been addressing myself more to the R. & D. type effort. I think, myself, whenever there is any form of cost-sharing between the Government and industry, it follows that the Government should have cost information from the contractor.

However, in the case of drilling in the gulf, matters of that sort, that is really not within our purview. They do not make that kind of information available to us.

Mr. YATES. But you are interested in oil shale development, and the cost of bringing in the oil is of primary interest to you?

Dr. SEAMANS. Yes.

Mr. YATES. We will ask BLM when they appear before the committee whether the leases provide for giving the Government the basic information as to the cost of development.

Dr. SEAMANS. There is no question that in everything we do, and this is what really differentiates ERDA from NASA, the ultimate cost of production has to always be kept in mind. If it is not competitive, there is no point in carrying out the development, assuming it is going to be carried on by the private sector.

OTHER FEDERAL AGENCIES ENERGY PROGRAMS

Mr. YATES. Although ERDA was created to coordinate and consolidate energy research programs, there are still many energy research programs conducted outside of ERDA:

EPA is conducting many of the same types of coal research projects as ERDA.

FEA has a major program in end-use energy conservation research, and ERDA has a $3 million request for this same purpose.

Interior has major programs in coal mining technology research and health and safety research.

National Science Foundation and Tennessee Valley Authority also have coal research programs.

What is your relationship with this other research? Is there duplication? Should there be an overall guiding hand so you know what they are doing and they know what you are doing?

Dr. SEAMANS. Each of the areas mentioned requires some detailed discussion. The Environmental Protection Agency had a program prior to the formation of ERDA. In the discussions that were held with the Congress there was a question of whether this controlled technological development should be the responsibility of ERDA, or should it stay with EPA. A decision was made to leave it in the Environmental Protection Agency. At the same time, we have in ERDA, a broad enough charter so that we can pick up some of this activity at an appropriate time. I think it made sense to leave the specific tasks where they were, but obviously, we in ERDA, have to know what EPA is doing. We are doing that.

Similarly, it was decided that it was so closely coupled with leasing that the mining effort would stay with Interior.

It is true, as you point out, that all of the R. & D. is not to be carried out in ERDA, but certainly a large percentage is. In those areas where we are not responsible and the work is not contained in the ERDA budget, there is a necessity for us to know what is going on so we can speak to the entire program.

OIL SHALE DEVELOPMENT

Mr. YATES. What relationship do you have with the four leases the Department of the Interior has issued with regard to oil shale development?

Dr. SEAMANS. I have not been involved with that. I can submit that information for the record after talking to our fossil fuel people but my understanding is that we were not involved.

[The information follows:]

DEPARTMENT OF THE INTERIOR OIL SHALE LEASES IN COLORADO AND UTAH

ERDA has no direct authority in connection with the four oil shale leases in question, two of which are in Colorado and two in Utah. These leases were issued in 1974 by the Department of the Interior on the basis of competitive bonus bids, the leasing procedures as such being handled by the Bureau of Land Management. The successful bidders were Standard Oil Co. of Ind. and Gulf Oil Co. for the first Colorado lease; Atlantic Richfield Co., Ashland Oil Co., Shell Oil Co. and The Oil Shale Corp. for the second Colorado lease. The first Utah lease is held by Phillips Petroleum Co. and Sun Oil Co., and the second by the same companies augmented by Standard Oil Co. of Ohio.

Following issuance of the leases, it became the responsibility of the U.S. Geological Survey, as prescribed by law, to monitor operations under the leases to be sure that terms stipulated therein were observed by the lessees. In this particular case, the Department of the Interior also organized an oil shale environmental advisory panel to advise and assist the U.S. Geological Survey in its monitoring duties, particularly in regard to enforcement of environmental stipulations of the leases and making judgments concerning the adequacy of these stipulations as developments progress. ERDA does have a direct part in this connection, having technical representation on the advisory panel along with representatives of other appropriate Federal agencies, State and local governments, and the private sector.

Mr. YATES. Inasmuch as those leases will involve some research and development, what is your relationship with their program? I am trying to find out what the areas of ERDA's jurisdiction are.

Dr. SEAMANS. At the moment, we have a very broad program. Just to make things a little bit tidier by taking on something more is not necessary as long as we are aware of the program and get the information from them.

Mr. YATES. Are you saying you do not have any oil shale research and development at the present time?

Dr. SEAMANS. No. We have a research and development program on in-situ oil recovery.

Mr. Greer can give you the details.

Mr. GREER. We do not have a cooperative program with Occidental, whose operations are separate and apart from the Interior leases. However, there has been interaction with Occidental and we expect to continue to do so. We probably ought to cover that in the program hearings. It is not a lease.

Dr. SEAMANS. At this time, it is in the nature of informal interaction on the development project.

Mr. YATES. That will enable us to know the cost of the program.

Mr. GREER. I think our people expect to get out of this effort information as to what costs will be required.

Dr. SEAMANS. That will be one of the more important objectives.

PROBLEMS OF COAL CONVERSION COMMERCIALIZATION

Mr. YATES. A recent GAO report on Federal coal research programs identifies three potential problems which may delay commercialization of coal conversion processes:

1. Possible lack of specialized equipment.
2. Need for early plant site location.
3. Substantial capital requirements.

What are you doing to help alleviate these and other problems which might slow down the commercialization of our coal research efforts?

Dr. SEAMANS. I think we face a very fundamental issue not just in coal processing but in the whole broad sweep of power conservation and generation. That is the need for sizable amounts of capital. The National Academy of Engineering carried out a study of what these needs might be. Looking at all areas it is six or seven billion total in the next 10 years. What we are doing is trying to make people aware of this and also to work toward methods which would be most effective in our effort.

In addition, there are quite a few specific areas where components are not being produced in such quantity today to satisfy the potential needs. Again, we have not yet tried to come up with a complete list of where the shortages may be. It would appear to me, this may be more of an FEA responsibility than ours.

As to the first part of the question——

Mr. YATES. Related to the need for plantsite location.

COAL CONVERSION DEMONSTRATION PLANT

Dr. SEAMANS. I could give you one example. We have selected a contractor for a demonstration plant, Coalcon. One of the issues is the plant location. We intend to use high-sulfur coal, so the plant will be in the Eastern United States. We are establishing with the contractor the detailed criteria for site selection. The contractor will recommend the best location to us for our approval. At this time it would be premature to try to site-in all the coal plants which will be needed.

OIL SHALE PROJECT

Mr. YATES. What is your oil shale program?

Mr. GREER. There is a substantial amount of work as to underground fracturing.

The program people should address this. There is some experimental work being done. They have some sites, I think, in Wyoming, where they are doing some actual assessment work. We will give you a list of the contractors with which we are working. I am not really familiar with all the people.

[The information follows:]

OIL SHALE CONTRACTORS

Fracturing of an oil shale deposit that is to be subjected to in-situ processing is usually a necessary preparatory step in order to provide enough openings through the shale for passage of gases and liquids and for effective heating of the deposit. Most of ERDA's research and development, on the fracturing step and subsequent underground retorting has been conducted at experimental sites near Rock Springs, Wyo., with the fracturing and related preparatory work being contracted on a competitive-bid, service basis to companies that specialize in providing such services to the petroleum industry. The principal companies contracted over approximately the past 2 years include Halliburton Services, Dowell Chemical Co., Anderson Seismograph Co., Log Masters, Inc., Laurence Dean Drilling Co., and Teledyne-McCormick Selph Co.

Mr. YATES. Are you associated in any respect with what is going on at Rifle, Colo.?

Mr. GREER. We will have to submit that.
[The information follows:]

OIL SHALE PROJECT AT RIFLE, COLO.

The Rifle (Colorado) oil-shale operation is an industry-sponsored experimental program principally devoted to testing of a particular retorting system. More specifically, the equipment under investigation, known as the Paraho retort, features a vertical kiln originally developed and put into commercial use by Development Engineering Inc. (DEI) for processing limestone, DEI being a subsidiary of the Paraho Development Corp. located in Grand Junction, Colo. The equipment might also be described as an improved version of the Bureau of Mines gas combustion retort that was developed some years ago.

DEI's program, with that company serving as operator, is actually being conducted at Anvil Points several miles west of Rifle, the site of the experimental facility that was constructed and operated by the Bureau of Mines over the period of 1944 through 1955 and which now has been transferred to ERDA. The current operations are pursuant to a 5-year lease agreement between Government and DEI which was negotiated by the Department of the Interior on May 11, 1972. Under terms of the lease, the cost of the program is being borne entirely by DEI and its sponsors. The Government has two ERDA employees on site as technical observers, and is receiving all data coming from specific phases of the program for evaluation and publication after a 3-year period. DEI must grant free licenses for Government (Federal or local) to practice patents that may come from the work, including necessary background patents, and must also license to any valid applier on the basis of reasonable royalty. DEI also is obligated to perform a variety of environmental research, including work on spent shale disposal. In return, DEI and sponsors have use of the facility for prescribed experimental purposes at no charge.

The lease agreement obligated DEI to demonstrate at least one retort at a minimum cost of $2.5 million. However, enough industry sponsors were obtained to expand the minimum program materially, the current funding being set at $7.5 million and several optional methods of operating being scheduled for test using both a small pilot retort and an intermediate size retort. Operations are underway but have not yet advanced to the point where retort unit capacities can be defined or definitive conclusions reached concerning process efficiencies or costs. In addition to DEI, other industry sponsors of this project, each of which is sharing in the $7.5 million cost are: Sohio Petroleum Co., the Cleveland-Cliffs Iron Co., Arthur G. McKee & Co., Shell Development Co., Carter Oil Co. (Exxon), Webb-Gary-Chambers-McLorraine (group), Phillips Petroleum Co., Marathon Oil Co., Southern California Edison, Gulf Oil Corp., Kerr-McGee Corp., Standard Oil Co. (Indiana), Mobil Research & Development Corp., Sun Oil Co., Texaco Inc., Atlantic Richfield Co., and Chevron Research Co. (Standard Oil of California).

OIL AND GAS RECOVERY

Mr. YATES. Last year, the committee provided additional funds for an accelerated program in research on secondary and tertiary recovery of oil and gas. The expectation was that this program would be an effective short-term answer to energy supply problems. The budget estimate costs for this program in 1976 of $22,605,000.

Can you tell us at this time what the results have been of the 1975 program; and is the money you are requesting sufficient to give further momentum to this program if, indeed, it was a good program?

Dr. SEAMANS. It is an important program. It is an area where we can realize some increases within a 5-year period, for example. We do have a fair number of projects underway. Interestingly enough, in some of our contracts the Government is only putting up a third or a quarter of the funds, in other cases it is 50–50 sharing according to the specifics. This is an area in which there are quite a large number of techniques for both oil and gas recovery. This is a program which is also being financed by industrial concerns. What we are doing is

to come into areas where there is higher risk, where industry does not feel there is a sufficient return to make the investment themselves. As to whether this is aggressive enough, I would really prefer to get the judgment of the Assistant Administrator who has this responsibility.

RESEARCH ON OIL RECOVERY

Mr. LONG. For our short-term energy needs, it would appear useful to significantly increase the yields of operative oil wells through advanced recovery techniques. I understand from previous testimony before this subcommittee that about two-thirds of the oil in an underground reservoir is left in the ground. I raised this issue last year, and this subcommittee increased the appropriation for research on advanced secondary and tertiary recovery techniques and on tar sands and heavy oils recovery. In our report, we said:

> The committee believes that an effective short-term answer that research can offer to help solve the energy problems facing the Nation is to develop the capability to recover petroleum and natural gas already located but unproducible by methods now in use. In the course of its hearings, the committee found that the budget request for this type of research was below that recommended by the interagency working panel which proposed the program for increased oil and gas recovery. The committee believes that through additional testing, with emphasis on technological development, many recovery methods may provide the means for freeing billions of barrels of oil and trillions of cubic feet of natural gas.

What has been the result of this year's research on increased oil recovery?

Dr. SEAMANS. Last year's increased appropriation has permitted the letting of a major cost-sharing contract to demonstrate "miscellar-polymer" flooding on a large scale. This is one of the most highly regarded new methods of oil recovery, and the 3-year contract is going well. In addition, two multiyear contracts have been let for the large-scale demonstration of thermal recovery of heavy oils. These two contracts are just commencing. In addition, a contract is underway in chemical explosive fracturing to test the effectiveness of this method for freeing more natural gas.

Mr. LONG. Should not the Federal role and budget for increasing our oil yields be stepped up?

Dr. SEAMANS. These contracts will have near-term results. The requested budget will permit continuation of this contract program. However, in the course of soliciting contract proposals, additional money could have been invested in demonstrating promising recovery methods. Both independent and major oil companies are participating in the current program.

Mr. YATES. In connection with your experiments and your investment sharing, are the costs of the operation being made available to the Government so you know what costs of producing that oil will be?

Dr. SEAMANS. When using new technologies, the ultimate cost depends on how the next experiment comes out. There have been estimates based on how the experimental work is proceeding but that information will be made to the Government.

Mr. YATES. I would think it would have to be.

Dr. SEAMANS. That is really part of the experiment.

ADVANCED AUTOMOTIVE SYSTEMS

Mr. YATES. The President has proposed a 40-percent improvement in auto fuel efficiency by 1980. The ERDA budget estimate for "advanced automotive systems" is $8,240,000, an increase of $3,750,000 over 1975. How much of this ERDA program is aimed at increased efficiency and how much at pollution abatement? Is it possible to accomplish both of these objectives at the same time?

Dr. SEAMANS. It is aimed at both. This is a program that EPA was responsible for until it was recently transferred to ERDA. Originally the emphasis was on reducing automotive emission. After a time it was switched to improving efficiency. So the thrust was in both areas.

The work that is going on is supportive of the President's objective. However, by and large, the improvements being discussed and what the auto industry have agreed to, are not directly held to the developments in these projects here. These projects are directed at longer term advances.

Mr. YATES. In the transportation subcommittee on which I serve, one of the agencies is engaged in the same kind of activity. I assume there are a number of agencies engaged in this effort.

Dr. SEAMANS. We took over from EPA, but the Department of Transportation is also obviously involved in this. Our program must be coordinated with Transportation.

I had lunch with John Barnum just last week to discuss how we are going to proceed, but as I see it, ERDA is responsible for overseeing the total Government effort, to make sure it all adds up to improving efficiency.

Mr. YATES. Will you be granting contracts?

Dr. SEAMANS. Yes. We already have one contract with Chrysler. We are also working on a number of special advance propulsion systems where we have a number of contractors working with us.

Mr. EVANS. There has been recent publicity about the Japanese Company Honda.

If my memory serves me right, it has come forward with what is described as a stratified charge concept that by taking existing automotive engines and by adjusting the block to accommodate with a rich explosion system followed by a lean burn, that a dramatic increase in efficiency of these engines is achieved. Whether that is true or not, is this the kind of development that would come within your jurisdiction and if so, what do you do about that sort of thing?

Dr. SEAMANS. We have to pick various areas where advances may be made. That is one of the areas. Another one is a lightweight diesel engine. The Sterling engine is another cycle that has promise. In each of these areas we have to assess how much is going on already and then where there are deficiencies—where there is need for additional effort—we must see that that effort takes place either as part of our ERDA program, or possibly be picked up by the Department of Transportation or be done privately.

Mr. EVANS. Let's take both those instances, the stratified charge process and the lightweight diesel engine. You have already said that

these two items would be items that would come to your attention and that you would do something about. Let's take either one of them. What would you do about either one of those systems, either stratified charge approach or lightweight diesel engine? What does ERDA do with this newly discovered purported information?

Dr. SEAMANS. I think the first step is to try to determine the validity of the claim if it comes in in that form. If there actually is an engine that is available, we have to be sure that we have good scientific data on how that engine performs.

Quite a bit of this kind of testing is being done by the Department of Transportation. They have a prescribed route to take an automobile on to determine its efficiency. Prior to that the engine itself has to be tested in a proper engine laboratory. The Department of Transportation has a research center in Cambridge, Mass., that is evaluating information of this type.

One of our jobs is to be sure that we have that information available prior to deciding what projects we should proceed on.

Mr. EVANS. Have you done that in regard to these two or are you doing this?

Dr. SEAMANS. That is the process we are in right now.

Mr. EVANS. The Department of Transportation is undergoing the testing and evaluation of the claims made with regard to these two systems, is that correct, or are you?

Dr. SEAMANS. When you get down to the specifices of who is testing a particular engine at this time, I prefer to submit that for the record. I don't really know where that testing is taking place.

[The information follows:]

ADVANCED AUTOMOTIVE PROPULSION CONCEPTS

Testing of advanced automotive propulsion concepts based on the stratified charge engine is currently the responsibility of the EPA. A lightweight light duty diesel engine has not been developed. The fiscal year 1976 request for the advanced automotive power systems program includes research and development of a lightweight, light duty diesel engine that will have high fuel economy and low emissions. Such an engine concept would impact on current problems that are preventing it from widespread use in the marketplace. At the present time ERDA does not have an automotive test laboratory.

Mr. REGULA. Will you yield?

Mr. EVANS. Yes.

Mr. REGULA. Doesn't the military get into this heavily? I know that a White Motor subsidiary in the 16th district is building engines operating on a stratified charge concept somewhat different from Honda's. This company has a contract with the Army. My question is does the military finance R. & D. in this field?

Dr. SEAMANS. Of course.

The military has a large R. & D. budget in connection with personnel carriers and they obviously need engines. I am aware of the project you mentioned. I am not aware of the details of its application to future automobiles.

Mr. REGULA. Do they keep you advised to avoid duplication of total Federal effort?

Dr. SEAMANS. Yes. It is part of our job to be on top of all these programs and know what is going on. If we are not getting information, we must see that we get it.

Mr. McDade. In that connection, Secretary Morton heads the Energy Resources Council. I assume you are a member.

Dr. Seamans. Yes.

Mr. McDade. Would you state for the record who the other members are?

Dr. Seamans. The other members of the Energy Resource Council are Mr. Zarb, head of the FEA, Dr. Stever, who is Head of the Science Foundation, Secretary Simon from Treasury, Mr. Train, who is head of EPA, I believe the Secretary of State, and I can give you a complete list for the record.

[The information follows:]

MEMBERSHIP OF ENERGY RESOURCES COUNCIL

(By Title as in Executive Order 11814)

MEMBERS

Chairman: Secretary of the Interior, Rogers C. B. Morton.
Executive Director: Administrator of FEA, Frank G. Zarb.
Assistant to the President for Economic Affairs; L. William Seidman.
Secretary of State; Henry A. Kissinger.
Secretary of the Treasury; William E. Simon.
Secretary of Defense; James Schlesinger.
The Attorney General; Edward H. Levi.
Secretary of Commerce; Frederick Dent.
Secretary of Transportation.
Secretary of Health, Education, and Welfare; Caspar W. Weinberger.
Secretary of Agriculture; Earl L. Butz.
Secretary of Housing and Urban Development; Carla A. Hills.
Director of Office of Management and Budget; James T. Lynn.
Chairman, Council of Economic Advisers; Alan Greenspan.
Administrator of Energy Research and Development Agency; Robert Seamans.
Administrator, Environmental Protection Agency; Russell Train.
Chairman, Council on Environmental Quality; Russell Peterson.
Director, National Science Foundation; H. Guyford Stever.
Executive Director, Domestic Council; Kenneth Cole.
Administrator, General Services Administration; Arthur Sampson.
Director, Office of Consumer Affairs; Virginia Knauer.
Chairman, Nuclear Regulatory Commission; William Anders.
Invited to Attend: Chairman, Federal Power Commission; John Nassikas.

EXECUTIVE COMMITTEE OF THE ENERGY RESOURCES COUNCIL—MEMBERS

Chairman: Secretary of Interior Morton
Executive Director:
Administrator Zarb;
Assistant to the President Seidman;
Secretary of State Kissinger;
Secretary of Treasury Simon;
Director of OMB Lynn;
Chairman of CEA Greenspan;
Administrator of EPA Train;
Administrator of ERDA Seamans.

Mr. McDade. Fine. We would welcome it. How often does the Council ordinarily convene either in person or through representation by staff?

Dr. Seamans. We have been meeting in person, I would say, about every other week.

I have been to several meetings in the last month.

Mr. McDade. Isn't the basic function of this organization to assure that the total energy effort is coordinated and administered in a way

that avoids duplication and keeps the various organizations within the Federal establishment aware of what the other is doing?

Dr. SEAMANS. Yes; that is certainly the overall objective. I think when we get down to the specific details we have been discussing here, that is better done bilaterally between th responsible program people and in the various organizations where the work is being done. If there is any question about responsibilities or getting the data, that is an item that would be taken up with the Resource Council.

Mr. MCDADE. Is there a separate mechanism for programmatic people to share information about what they are doing?

Dr. SEAMANS. Yes. The Resource Council is not set up as a method for distributing technical data between the agencies. It is set up to be sure that the machinery of Government is providing the method for doing it. But the actual procedures for getting the information which we need, not just in automotive, but in all of these areas, is something that we are setting up step by step with each of the agencies that I mentioned in my opening statement.

Mr. MCDADE. You have given us some very helpful charts about your outlays and obligations for the next fiscal year, indicating that your agency will be responsible for outlays of about $1.6 billion.

Everybody I have talked to about the problem of energy indicates that if you are going to discuss it intelligently, the first thing you must do is distinguish between short-term solutions and long-term solutions.

You are basically a research agency which by definition leads me to believe you are looking at the long-term solution. By that I mean more than 10 years. Is that an accurate statement?

Dr. SEAMANS. The plan I mentioned in my statement that we will present to the Congress at the end of June is really to break out our program into three parts to show what we are doing now in our R. & D. that could benefit the country in the next 10 years, what we are doing that will have value in the intermediate period between 1985 and roughly 2000, and what we are doing that is really for the long haul, for the next century.

I think it will turn out that by and large what we are doing will have value either in the intermediate or the long term. But wherever we can, we will press on to bring along a technology that will help us in the next 5 to 10 years; I believe we should and we will be looking hard for those areas.

Mr. MCDADE. Don't you think that should get great emphasis, if you have any potential short-term solutions?

Dr. SEAMANS. I surely do. We will be doing just that. I have a special team. NASA people are working with us on that study as are some of the other agencies. We have given Mr. Jack Schmidt, the former astronaut, a specific assignment to assess what is going on in NASA that can help in the energy field in the next 5 to 10 years.

Mr. MCDADE. If I were to ask you to supply for the record how much of your $1.6 billion is being expended on potential short-term solutions, less than 10 years, hopefully in the 5-year category, you could supply that, could you not?

Dr. SEAMANS. I would be happy to supply an estimate later. I will give you a really hard figure on June 30.

TERTIARY OIL RECOVERY

Mr. McDADE. I understand that. I don't mean to pin you down, but we are trying to get some insights into what you are doing.

The question that has been raised, just briefly, on tertiary oil recovery. I am led to believe that this has tremendous potential in the short term. I did note that it was not emphasized in your overview statement. Would I be correct to say that ERDA is looking at tertiary oil recovery as one of the most important efforts in the short term?

Dr. SEAMANS. Yes; correct. The reason for looking at secondary and tertiary recovery is to get a payoff in 5 years' time.

Mr. McDADE. Isn't it true that if that can be accomplished we can, to a large extent, ameliorate our present shortage of oil?

Dr. SEAMANS. The question of what the yield can really be in terms of millions of barrels a day is not clear. It would not make up our total shortage.

Mr. McDADE. What would be the high and low figures at this point?

Dr. SEAMANS. Well, I really hesitate to speculate without discussing it with those who know much more about it than I.

Mr. McDADE. Would you furnish a statement for the record?

Dr. SEAMANS. I will be glad to.

[The information follows:]

POTENTIAL YIELD FROM SECONDARY AND TERTIARY OIL RECOVERY

The potential for our proposed secondary and tertiary oil recovery program is an increase in daily oil production of 1 million barrels per day by 1982. This objective is the aim of our 5-year program of cost-sharing demonstration projects with industry at the proposed levels of funding and the estimated number of projects required to prove the selected technologies.

Our natural gas stimulation program is expected to result in an increased daily production of natural gas of 6 billion cubic feet per day by 1982.

These estimates are based on a reasonable success ratio of the field demonstrations projects. A low and high range may be in the neighborhood of 800,000 to 1,200,000 barrels per day of oil and 5 to 7 billion cubic feet of gas per day.

Mr. McDADE. Can you enlighten the committee about any other choices that ERDA has made as of today that fall within the short term period?

Dr. SEAMANS. Yes. I think solar heating is another area that could have payoff in the next 5 to 10 years. We are working with HUD and with NASA on a program to go out on contract not only to determine which of the technologies are the most efficient, but also to help the industry build a capability so that a homeowner who wants solar heating can go somewhere and buy the equipment at a known cost. You cannot really do that.

Mr. McDADE. Do the cost figures look promising?

Dr. SEAMANS. I believe they will be in a ballpark where homeowners will be interested in making the investment. It will be a $4,000 or $5,000 kind of investment but it could become very attractive.

Mr. McDADE. If you have a total electric home, it might look good today.

Dr. SEAMANS. When you write it off over 4 or 5 years; it could be attractive.

Mr. McDADE. I also serve on the subcommittee that reviews the Na-

tional Science Foundation. They indicated in testimony last year that this was a 1985 potential. They were new in the business at that time. Has there been some important development that leads you to conclude that this is a potential within a 5-year period?

Dr. SEAMANS. It is not within the 5 years. It is something that can benefit within 5 to 10 years.

Mr. MCDADE. Are there any others besides solar that you know about today?

Dr. SEAMANS. Let me give it more careful thought and give you a more carefully considered view when I make my submission for the record.

There is one item I forgot to mention when we were talking about coordination or effort. First of all, the Director of OMB is on the Energy Resources Council. Mr. Lynn of OMB when coordinating efforts between agencies is very much involved. I want to make that clear.

[The information follows:]

NEAR-TERM SOLUTIONS

ERDA programs which may provide some benefit within the next 5 years are in the areas of end use conservation, solar heating of facilities and secondary and tertiary gas and oil utilization. Our comprehensive energy plan to be submitted to Congress by June 30, 1975 will be much more definitive regarding the impact of ERDA programs in the near-term.

SOLAR ENERGY RESEARCH

Mr. LONG. For our long-term energy needs, solar energy is promising as a limitless, non-polluting, and—once technologically harnessed—inexpensive source of energy. The solar energy budget is proposed to increase from about $9 million in fiscal year 1975 to $57 million in fiscal year 1976, a fivefold increase. Yet the $57 million is still a drop in the bucket compared to the total $2.2 billion energy research budget. Why shouldn't solar energy research become a major component of our energy research program?

Dr. SEAMANS. The solar energy program is a major program in ERDA funded at levels which are intended to produce results in the minimum possible time. This program is anticipated to grow significantly in the future.

Mr. LONG. Solar heating and cooling has been demonstrated by such projects as the Timonium, Md., Elementary School in my district and by others. When will such systems be widely used for residential and commercial applications, and what can the Federal Government do to further promote solar heating and cooling?

Dr. SEAMAN. A national solar energy plan for heating and cooling of buildings is being developed now. The program is aimed at beginning a widescale demonstration program this fiscal year and continuing through fiscal year 1979. This program is being coordinated with the Congress. The demonstration program to be carried out under Public Law 93-409 calls for demonstrations of solar heating in all types of buildings within 3 years and demonstrations of solar heating and cooling within 5 years. It is intended and expected that at the end of the demonstration program that a commercial base for widespread availability will have been established.

Mr. LONG. What is the status of research on conversion of solar energy to electricity?

Dr. SEAMANS. Numerous studies and experiments have been conducted over the past 3 years in wind power generation, solar thermal power generation, photovoltaics power generation and ocean thermal power generation. Each of the above offer the potential of making a major contribution to the electrical power requirements of this Nation.

In the case of the wind systems, a 100 kW test facility is under construction now with plans for pilot plants (up to 3 megawatts) planned for construction beginning in fiscal year 1976.

In the solar thermal systems area, RFP for a facility which will be used to test full sized system components will be out for bid next week. Plans in this area call for starting a pilot plant construction in fiscal year 1978.

Photovoltaics and ocean thermal are being actively pursued as research projects at this time with pilot plant construction planned in the early 1980's.

Mr. MCDADE. The fossil fuel people, I hope, are aware of the potential of anthracite coal. I find very few people in Washington who are, sad to report.

I hope particularly on the question of short term that you people might look at it. We heard a year ago in this committee that FEA and Interior had identified 43 powerplants that could be converted from petroleum to the uses of coal. Well, we are still hearing it, none of them are converting. The problem is a difficult environmental one which involves the Clean Air Act. I am advised that anthracite coal which has a very low sulfur content could very well impact, particularly in areas like that, in the short term if there was a concerted effort to take a look at it.

Dr. SEAMANS. When I was answering your question, I was responding on the issue of what R. & D. might pay off. That is the reason I did not include this possibility. I think obviously that we can do something in 5 to 10 years making use of existing technology. But this gets into extraction or types of things that can be done from a mining standpoint, surface mining, or what is permissible from the environmental standpoint.

It also gets into whether the railroads have carrying capacity, things which are other than R. & D. issues.

Mr. MCDADE. More production and conservation issues.

Dr. SEAMANS. That is right.

Mr. MCDADE. You have some pieces of the conservation budget and I guess not much production, right?

Dr. SEAMANS. Production technology, but not the actual building of the production facilities.

Mr. MCDADE. I would encourage you to elaborate on any short term possibilities that you see, whether it be on the production side or the conservation side.

Dr. SEAMANS. Well, as you know, the President, with his plan, has come in with a variety of steps to bring supply and demand closer together. This is an area that Mr. Zarb has been right in the center of and one that I am sure he will be discussing with you this afternoon. There are not very many of these that really relate to research and development.

Mr. McDade. On the conservation side.

Dr. Seamans. On either side.

I am looking at a total list here of the midterm program, that is to bring supply and demand closer together by 1985.

The synthetic fuel program is one which we are involved in. Most of the programs have to do with leasing, the conversion of coal we have been talking about, automotive efficiency standards insulation tax credits, thermal standards, et cetera, which are primarily based on what we know how to do today.

TERTIARY OIL PRODUCTION

Mr. McDade. I am familiar with those. Yet I talk to a lot of people in the scientific and industrial community who indicate there is a potentially rich short-term dividend in tertiary recovery. I do not see it emphasized here. I know the Department of the Interior, when they had this particular responsibility did not seem to understand it. But they have turned around and I think a lot of people are pleased with the way it is proceeding. I think we are deeply concerned about whether we have as much effort in that area as we need to get a full-scale project.

I think if you could pull this particular rabbit out of a hat, that is a heck of an "if," but you could make some relatively rapid progress before 1986.

Do you agree with that?

Dr. Seamans. Certainly before 1985. I would say that anything we have learned how to do in that area could have payoff in the next 5 to 6 years.

Mr. McDade. I have even heard 2 to 3. Now these are just conversations.

Dr. Seamans. Let me say one more thing.

In this area, from what I have known about it and Dr. Gouse and his people have reviewed with me, we have a sound program. I am not convinced one way or the other as to whether we are doing enough or not. This is a very important area that we will be reviewing in the planning study that is now underway. If we feel more could be done, this is an area where I would recommend a budget increase.

Mr. Greer. I just talked to our program people this morning and they tell me that the response to the area has been very good with a lot of proposals from industry.

Mr. McDade. That is a complete 180° turnaround.

Mr. Greer. They tell me there are 10 contracts or grants already let and some additional ones to be let soon. The program is proceeding at a very active pace.

The impression we get is that these are 3-to-4-year kinds of projects and the payout would be downstream of that. We will have the program people address that specifically.

Mr. McDade. I am delighted to hear your response. It is an effort where we share a mutual interest. Of course we want to assist you in achieving your goal, so we encourage you to look at it very strongly.

Mr. Yates. Mr. Duncan. Diesel engines.

Mr. Duncan. Is the Sterling engine you were talking about a diesel engine?

Dr. SEAMANS. No, it is a gas engine.

Mr. DUNCAN. But you are working on the diesel, too?

Dr. SEAMANS. We are in the planning stage. We have no actual program underway at this time.

Mr. DUNCAN. Now this question has been alluded to. I am not sure it has been answered. Suppose you get a diesel engine that you think is good and it tests out. Then what is the next step? Do you have any further responsibility or are you relying on the market forces and the attractiveness of this device to sell itself to the public?

It is the same thing with the solar heating plants, what is the next step?

Dr. SEAMANS. In all the areas of endeavor that we have mapped out, we are ultimately relying on the marketplace and the private sector to put the commodity into production. The steps that we can take to see that it happens are quite varied. There are a lot of different options that we have, including cost sharing agreement to procure a certain number of a production line, or putting in a price floor in some cases, like in the oil business.

Each case has to be looked at separately. In the case of the diesel, it is possible to make an efficient engine. It is right on the margin with respect to certain of the emission standards. There is concern on the part of industry that they might be ready to produce such an engine and the standards might be changed a relatively small amount. In that case it would be scientifically impossible to do much about it after they have made the investment. So the environmental considerations on a matter of this sort are very critical if you want people to make a long term investment.

Mr. DUNCAN. The reason I asked you that is because my understanding is the Mercedes-Benz diesel was one of the first to qualify under our environmental standards as being acceptable. My question was going to be really, apparently if that fact is true and I am assured that it is, that the technology exists, a more efficient engine that uses a lower grade fuel at less cost and less invasion of the resource and uses it more efficiently, why hasn't that engine been used in other vehicles except Mercedes and Citroen? If you go into the market for acceptance no American manufacturer has tried it in a passenger vehicle.

Do you have any comments on that?

Dr. SEAMANS. It does meet the environmental standards of today as I understand it. However, there are some potential changes in those standards that the present diesel could not meet.

Also, the diesel engine is on the heavy side, although not for the car in which it is now installed. But looking to the future we want to get the weight of the automobile down. That is the real way to save energy, to accelerate and decelerate less mass. So it is a question in the long run of scaling down the weight of the diesel. That is going to take some more engineering work and maybe some advanced technology. That is what we are looking at, at this time.

Mr. DUNCAN. It seems to me that the Germans are moving ahead within a free market concept.

Mercedes now has a five-cylinder diesel which is constructed with a lighter metal. Whether we are using aluminum or not I do not know.

But it seems to me that that is a device that could be utilized with present technology to give us some relief before 1985.

Dr. SEAMANS. I am a diesel enthusiast. I happen to have a two-cylinder diesel in a boat. It runs for 2 hours on a gallon of diesel fuel. That is real efficiency. I think there is real opportunity in the diesel. But when you get to the issue of why hasn't Detroit picked it up, I think that would be a good question to ask them.

Mr. YATES. Are you going to ask them that?

Dr. SEAMANS. I will, too; yes.

Mr. DUNCAN. I think it is important.

You are suggesting that we need to be apprehensive of a further effort to tighten environmental standards rather than relieving them in order to meet this energy crisis?

Dr. SEAMANS. In this case that is correct.

Mr. DUNCAN. Thank you, Mr. Chairman.

SYNTHETIC FUEL PRODUCTION

Mr. YATES. Dr. Seamans, returning to Mr. McDade's questioning, is it realistic to assume that we can produce 1 million barrels a day equivalents of synthetic fuel by 1985?

Dr. SEAMANS. I think it is, yes.

Mr. YATES At what cost?

Dr. SEAMANS. At costs in the order of $10 to $12 a barrel, in that price range.

Mr. YATES. What will the cost to the American taxpayers be to achieve that?

Dr. SEAMANS. Let me explain the status of this particular program. The FEA, ERDA and others are involved in the present planning that is now spearheaded by Mr. Hill of the OMB. The process that we in ERDA would have in mind is to go out with bid packages to begin with for plants that would produce 30 to 40 thousand barrels a day.

We would not specify the technology to be used but there would be a lot of other requirements that would go into the bid package, including the question of what the Government liability would be. But the intent would be that the financing would be entirely private. There would be some kind of threshold in case the market for oil fell out the bottom. There would be some kind of price floor. That would be one incentive that could be put in.

Mr. YATES. I hear a lot of talk about the price floor in order to protect industry. Shouldn't there also be a price ceiling to protect the consumer?

Dr. SEAMANS. Sure. You have to have another stipulation about the excess profit as well. This all is included in the bid package.

Mr. YATES. But the excess profit will go back to the taxpayer as opposed to the consumer, who will be paying the actual price for the product at a floor approved by the Government.

My own feeling is he ought to be protected by having a price ceiling so he does not pay too much. I say this knowing that Congress may pass an excess profits tax to return the money to the Treasury. The person paying that is not protected. I yield to Mr. McDade.

Mr. MCDADE. Hopefully one might be able to use the tax code to rebate those costs, I don't know.

When you talk about a price floor and you were addressing the question of synthetic fuels, are we talking about considering price floors across the board for any kind of energy? You hear people in the anthracite industry, which is a clean-burning carbon, saying they would increase production dramatically tomorrow if there was a guarantee for the market; in other words, a price floor.

Are they included in this kind of schematic thinking?

Dr. SEAMANS. They could be included in the national thinking. What I am talking about is the synthetic program where the bid packages must address the very issues that we are talking about here. Industry would be invited to bid, there would be an evaluation, and the award would be made.

Mr. MCDADE. But that is an R. & D. project, is it not?

Dr. SEAMANS. Correct.

Mr. MCDADE. Suppose one could establish production through the establishment of a price floor mechanism?

Dr. SEAMANS. I would say that very well may be, but that is not my watch. That is something for Frank Zarb.

Mr. MCDADE. OK, I will ask him when he comes up. Thank you very much.

Dr. SEAMANS. But may I say these bid packages would be built up over time. They would have to be executed in the next 5 years if we are to achieve the capability of 1 million barrels a year from a synthetic program by 1985.

Mr. YATES. Are you thinking of a price floor up to $10 or $12 a barrel?

Dr. SEAMANS. No, I am thinking of a floor of six or seven.

Mr. YATES. Mr. Duncan.

Mr. DUNCAN. Isn't the price floor in the absence of a price ceiling—in lieu of a price ceiling—a windfall profits tax, isn't that a deliberate administrative device to attempt to control demand?

Dr. SEAMANS. I will have to think that over. I am not quite sure.

Mr. DUNCAN. You and the chairman were engaging in a dialog on the price floor. He thought the consumer ought to have a price ceiling to protect him. You returned with the theory of a windfall profits tax. The chairman commented that it would advantage the taxpayer but not the consumer. Isn't the price floor and indeed a high price of oil, which is what the Secretary of State seems to be talking about with regard to foreign oil, isn't that a deliberate administrative attempt? I use the word "deliberate" without an insidious connotation. Isn't that a deliberate attempt to control demand by price?

Dr. SEAMANS. I understand the thrust of your question. I would say that today's effort is to put our effort on conservation, to get people to use less fuel so that we can cut down our imports and become less dollar dependent on foreign sources. But that is today's effort. The long term is certainly to produce energy at the lowest cost we can.

Mr. DUNCAN. If you would not admit that it is an objective, it is at least a result, isn't it? You say encourage conservation. I say reduce demand.

Dr. SEAMANS. I think that is today's objective.

ENERGY CONSERVATION RESEARCH

Mr. LONG. Most people agree on the need to curb wasteful use and to conserve energy. The President has proposed taxes and higher prices

to encourage conservation. Others want to ration fuel. The Government only proposes, however, to spend about $32 million on energy conservation research. Why spend so little on such a large problem?

Dr. SEAMANS. The fiscal year 1976 ERDA request was put together by other agencies prior to the establishment of ERDA. At the time the budget was prepared there was no complete plan for programs in conservation R. & D. We are now in the process of preparing a comprehensive plan that will be submitted to Congress on June 30, 1975. The plan will be developed cooperatively with other agencies to avoid duplication and to achieve consistency and practicality. We also intend to work with industry to permit consideration of non-Federal plans as they may influence the overall plan in terms of emphasis, specific program areas and funding levels.

Mr. LONG. What more can be done to keep down demand on energy?

Dr. SEAMANS. Limiting energy demand through conservation will succeed only when and if actions and commitments are made by a very large sector of the American economy. ERDA's role will be to: Become involved to some extent in all aspects of conservation, emphasizing R. & D. studies and technology development; and, provide the technical information each decisionmaker will need and develop the systems that will most efficiently utilize our energy resources. We are presently working in some areas such as electric energy storage, transmission and distribution of electric energy and on advanced automotive propulsion systems. We are also organizing to expand our efforts into many conservation areas such as buildings, industrial processes and end use utilization.

Mr. DUNCAN. What rate of increase in energy demand are you projecting or is your only goal based upon an increase in production?

Dr. SEAMANS. As you know, a couple of years ago before the embargo people were talking about four percent increase per year getting up to 58 million barrels a day equivalent by 1985. This would put an intolerable demand on a supplier. Every effort should be made to reduce that demand. I believe that we can achieve in the order of a 2-percent-per-year increase, which will then take you up to around 48 to 49 million barrels a day equivalent. I am now talking not about government policy, but I am talking about my view of the matter.

Mr. DUNCAN. When you say "equivalent," that would be the equivalent in barrels of oil demands for all types of energy.

Dr. SEAMANS. That is all types of energy, yes; on the order of half that amount.

Mr. DUNCAN. Because the balance is hydroelectric?

Dr. SEAMANS. Hydroelectric, nuclear and all other sources.

Mr. DUNCAN. But your goal is 48 to 49 million barrels by 1985?

Dr. SEAMANS. I believe that is a reasonable goal for the country.

Mr. DUNCAN. What is our present consumption?

Dr. SEAMANS. Overall consumption today is in the order of 36 or 37 million barrels per day equivalent.

Mr. YATES. In response to my question of what it would cost the taxpayers, you said you thought in terms of letting contracts under which industry would advance the funds.

Dr. SEAMANS. That is right.

Mr. YATES. Does this mean that a taxpayer would not incur any additional burden?

Dr. SEAMANS. There would be no direct Government expense in the building of these synthetic plants. That would be the objective. The research now going on in coal conversion would not find its way into these first synthetic plants. We hope in four years or so, when we are letting the last of these contracts, they would benefit from the pilot and demonstration operations that are partly Government financed.

Mr. YATES. What are your target dates for the completion of the research period?

Dr. SEAMANS. We have demonstration plants targeted for the year 1980.

Mr. YATES. So it is another 5 years.

Dr. SEAMANS. It just about meshes. We will be getting data from the pilot operations on the high Btu gas in a year's time.

Mr. YATES. At the present time the Government is looking toward increasing energy supply rather than conservation. I am sure you will tell me that every barrel of oil we conserve is one barrel less we have to produce.

Why should energy conservation be given such a low priority in the ERDA budget?

Dr. SEAMANS. First of all, I try to emphasize here that conservation is extremely important. We must use every means that we can to use less energy so that the growth will not be as great as it has been over the past 10 years.

It is very difficult, however, to come up with meaningful research and development projects that will lead to conservation. This is one of the difficult areas that we face.

The program that we have before you is based on a buildup that has taken place in a number of different agencies. It has not been, in my view, a sort of concerted attack on the issue. I am sure that we will come up with a more carefully integrated conservation program.

I personally believe that it will require additional funding.

Mr. YATES. Mr. McKay.

Mr. MCKAY. I agree with your thought that you need to move out into the private sector with cooperation either through advances or cost sharing so that when you get through with the cost sharing the private plants are on their way; is that right?

Dr. SEAMANS. Yes.

Mr. MCKAY. I think we had a similar experience with the Office of Coal Research that this was a more effective way to go rather than spending it in laboratories, although we do need research.

Dr. SEAMANS. Yes, sir.

Mr. MCKAY. Are you doing basic research in such things as insulation?

I just got some insulation put in my home and the contractor said, "You may be premature, because we are coming up with better standards as to what insulation is and what is effective."

Dr. SEAMANS. In the budget, there is a $3 million request for end use energy conservation. What you are describing would be included in that $3 million.

That sum is for studying what R. & D. would be meaningful and what more should be done. We don't, at this time, have a program underway.

Mr. McKay. Do you have any people applying to you—maybe you have not had time yet—for research funds in that area of conservation?

Dr. Seamans. I am not sure of the answer to that question.

Mr. McKay. That would affect the homeowner immediately.

Dr. Seamans. As you know, this is closely coupled in with the responsibility of HUD. It is also really closely coupled in with solar heating and cooling.

Mr. McKay. That could come under the solar research end of it.

Dr. Seamans. I think the insulation is probably a separate part. It is part of making a more efficient house.

It should be efficiently insulated as well as provided with the cheapest source of power.

The two are interrelated. We have a ways to go on that in my view. I do remember we have a proposal in this area from the State of Maine to do work on the insulation of houses.

That is also where they want to learn new methods for converting wood into methanol.

Mr. McDade. Will you yield?

Mr. McKay. I will yield.

METHANE PROJECT

Mr. McDade. Methane is a word one uses with respect to new sources of energy in gas and coal. Is ERDA looking at that in its research budget we have before us?

Dr. Seamans. Yes. Part of the gasification program is related to the generation of methane.

Mr. McDade. Would that be on the short-term side as well?

Dr. Seamans. My own judgment at this time would be that this is an area that would lead to significant production in the order of 8 to 10 years. I think it might just get under the wire.

Mr. McDade. Thank you.

HYDROGEN GENERATION

Mr. McKay. I didn't see anything in your statement about research in hydrogen as a potential. That is probably long term.

Dr. Seamans. That is definitely long term. We have some work going on. We have NASA working with us in that area. They have had a lot of experience using hydrogen as a fuel.

Mr. McKay. I know there is a little experiment going on in my district trying to find a method of recouping hydrogen of coking ovens, steel plants, and other things.

Dr. Seamans. Hydrogen is a key element in anything we do in the methanation area.

Mr. McKay. They have already demonstrated a clean fuel. All you have to do is change the timing in the automobiles and you could take off right now if you find a way to use that source.

Dr. Seamans. NASA has been doing some automotive work where in effect you add water. The process is such that the water is broken down and hydrogen is made available. This improves the efficiency of the car which is another way of utilizing hydrogen technology.

Mr. McKay. Aimed at the same hydrogen sources?

Dr. Seamans. That is correct.

Mr. McKay. In the West we talk about energy sources. Maybe this has no direct bearing on your area, but it has at least indirectly. That is water and the uses of water, how it can be more efficiently used in a country where you get as low as 3 inches a year. The East doesn't know what that is all about. There is a lot of energy, coal, oil, and other resources of energy out there that need to be developed. Is there anything in your field that you work on relative to water and water uses related to energy?

Dr. Seamans. It is a fact of life that there is limited water out in the West. This affects everything that is done there. It affects surface mining since rehabilitation of the land requires a rainfall in the order of 8 to 10 inches. So if you have less rain than that it is going to be very difficult to rehabilitate the land. Obviously the water is already being used.

We recognize water is a limiting factor in what can be done in the West.

Mr. McKay. We have to rehabilitate some ground on less than 10 to 12 inches of rainfall a year. But it is possible.

Would your office be authorized to give grants to something like a university doing research in the uses of water and extending the number of gallons per usage, more efficient use of it?

Dr. Seamans. We are definitely going to expand our university program to include studies of uses of water and water conservation would be quite appropriate.

Mr. McKay. Oil shale will have to have some water. The studies of efficient use of water and its recapitulation would be a viable part of your research?

Dr. Seamans. It certainly is.

Mr. Yates. You indicated earlier in the morning that because the East has high sulfur coal, you were thinking of issuing the Coalcon contract in the East.

Is that correct?

Dr. Seamans. That is correct.

Mr. Yates. May I ask why the State of Illinois is not in the East too? We have lots of high sulfur coal.

Dr. Seamans. I thought of you being in the East.

Mr. Yates. We consider ourselves to be westerners.

Dr. Seamans. It is not on the seaboard.

As to what areas are being considered specifically, I would be glad to advise you. I don't really know.

Mr. Yates. I just wanted to make sure that the penalties we have for having high sulfur coal are also balanced by the possibility of getting an installation of that kind which deals with anthracite.

Mr. McDade. You said you were thinking of engaging in a contract with Coalcon. Who are they?

COAL GASIFICATION

Dr. Seamans. Aerojet General and Union Carbide.

Mr. Yates. Well, let me conclude the questions I have by referring your attention to the contracts that you are entering into with industry for coal gasification. Are operating and construction costs shared

equally by industry and Government in those contracts or is it two-thirds, one-third?

Dr. SEAMANS. On pilot it is one-third, two-thirds and in demonstration it is 50–50.

Mr. YATES. What happens to the ownership of these facilities, would the Government own an amount equivalent to its investment?

Dr. SEAMANS. Frankly, this is a matter still somewhat under review with the demonstration plants. They will be operated by industry but as to how the revenues will be treated, et cetera, those plans have not been finalized.

Mr. YATES. I'm not referring to revenues. I am referring to the actual ownership of the physical facilities. I would think if the Government invested a certain amount of money that its investment would be protected.

Dr. SEAMANS. The contractor has a 5-year use of the facilities. Perhaps Mr. Greer can help me.

Mr. GREER. It depends on the arrangements we work out. If the Government puts up most of the money and has capitalized the project, we would want to assume ownership and would be required to do so under the law.

On the other hand, there is some advantage to not having a used demonstration plant after it has served its purpose. We perhaps would like to have the contractor buy out the Government's share and remove it from the Government books.

Mr. YATES. What would be the advantage if the Government invested money?

Mr. GREER. If the purpose is to demonstrate a technology which in the final analysis can be transferred to industry and the operation of that plant is more for industrial purposes than Government purposes, you may want to work it out so the title of the plant is referred to the supplier of the fuel.

Dr. SEAMANS. And have a financial transaction related to that.

Mr. YATES. I hope the Government's interest will be protected.

Dr. SEAMANS. You can be sure they will be.

Mr. YATES. When you come before us for your regular budget hearing, will you bring copies of the contracts with you?

Dr. SEAMANS. Yes.

Mr. YATES. If the end product of the demonstration plant is to be a clean liquid fuel what will be the roles of the contractor and the Government in marketing this fuel and how will the receipts from these sales be distributed?

Mr. GREER. We would hope to work out an arrangement with the receipts corresponding with the investment and risks associated. If the Government puts up 50 percent of the money we hope to get 50 percent of the revenues. We would try to negotiate a fair deal.

Mr. YATES. Mr. Evans.

Mr. EVANS. I notice on your statement, chart 2, talking about outlays where you show direct energy R. &. D.. fossil energy here over on the right hand column you have $326 million for solar and geothermal and other you have $93 million and so forth. If my figures are correct, it looks like fossil energy gets 33 percent of the total, solar and geothermal, 7 percent, conservation only 4 percent, nuclear energy 65

percent, environment is just barely in there. I know you have been on board a very brief time, since the end of December, right?

Mr. GREER. December 30.

Mr. EVANS. Did you inherit these figures or did you develop them?

Dr. SEAMANS. These figures were inherited by me and by ERDA. They were put together by the various participants prior to initiation of ERDA as a separate entity, working with OMB.

During the month of December OMB informed me of the budget process they were involved in, but I had absolutely nothing to do with the decisionmaking.

Mr. EVANS. Referring to questions posed by Mr. McDade earlier, which I thought were quite appropriate in talking about the near term, medium term, and long term, your decisions here or the decisions that will be made here in terms of amounts of money are extremely interesting and important.

I would hope that we will be able to know in the future as we review these budget requests that we would have some sense of how you decide to spend and why you decide to spend 65 percent for nuclear R. & D., or why you decide to spend a certain sum for fossil, et cetera, so that we can have the benefit of your thoughts and priorities and judgments.

Dr. SEAMANS. This certainly is a valid request. We will attempt to do so. It is a consideration that is going into our planning. However, as you know, we do not put the budget together by starting with a sum and then saying, all right, what are the priorities and then divide it up according to priorities on a percentage basis. Rather, it is built up from the bottom on the basis of what are the meaningful projects that we are prepared to go ahead with at this time. It is done on a case-by-case basis. How the percentages turn out is based on that buildup rather than the other way around. Of course, once you get done you can look at these figures and it is indicative of how rapidly a given program is moving ahead. Obviously there are certain areas that in the long run need more attention.

Mr. EVANS. With a certain given amount of money each year when you are making decisions as to how you are going to cut that amount up and spend it in the next fiscal year I think this committee would want to know how you would do it.

Dr. SEAMANS. There is not a given amount of money. The amount of money is provided on the basis of where you can show something can be done that will improve the energy situation in the country.

Mr. EVANS. Something could happen in the next year or year after, a breakthrough in coal gasification or oil shale or something that could, and I think should, if it did happen, cause you to rearrange your dollar figures here because while you may not look at this that way, we do feel great pressure to hold down spending. At the same time, there is great pressure to push it up.

We have to make judgments also.

Dr. SEAMANS. I like to use the space program as an example which is more applicable here. We have to capitalize on success. If something is moving along well and could lead to a great advantage for some reason, we ought to move out on it.

Mr. EVANS. I am pleased to hear you say that.

Mr. YATES. Dr. Seamans, are other nations ahead of us in this energy race? Is Germany ahead in synthetic fuels research?

Dr. SEAMANS. We don't believe so although they have been involved in synthetic fuels since World War II.

Mr. YATES. I wondered whether or not in the course of research programs you entered into contracts with other nations.

Dr. SEAMANS. The international program is an extremely important part of our endeavor. We do have some cooperative arrangements. We have an important program with the British in coal combustion. They have really had some advances that they wanted to share with us. It has been to our advantage to work with them.

We have a program with the Soviet Union in magnetohydrodynamics. We have a program in Poland I am not familiar with.

Mr. YATES. Would you describe for the record magnetohydrodynamics?

Dr. SEAMANS. It is a way of improving the efficiency of an electrical powerplant, a coal burning, gas burning, or nuclear plant.

Mr. YATES. Is it an engineering device or process?

Dr. SEAMANS. It is a process. It involves a plasma.

Mr. YATES. What do you mean by plasma?

Dr. SEAMANS. It is an ionized gas in which MHD flows through a magnetic field. This induces electrical currents in the ionized gas. It is possible to use this technology to sort of bootstrap the operation and go to plant efficiencies maybe as high as 55 or 60 percent.

Mr. YATES. We have heard from many people that this is a very important process.

Dr. SEAMANS. The Soviet Union actually has a pilot plant that is in experimental operation. We are going to take some of our equipment over there and try it in their installation near Moscow.

Mr. YATES. Does your budget look to the construction of such a plant?

Dr. SEAMANS. I don't think we are ready for a complete plant but we are doing preliminary engineering work utilizing facilities in Tennessee. Senator Mansfield has helped us develop a program for the State of Montana.

Mr. YATES. And vice versa.

Is the Soviet Union ahead of us in other things other than magnetohydrodynamics?

Dr. SEAMANS. I am not sure they are ahead of us. They have done some engineering work that is ahead of us in the MHD field. My impression is that overall, we have the more advanced technology.

Mr. YATES. What did you say about the Germans in the field of coal research? You did not conclude as to whether the state of their research was more advanced than ours?

Dr. SEAMANS. I am not up to date on that.

Mr. YATES. Mr. McKay.

Mr. MCKAY. What about the South Africans? Do they not gasify coal?

Dr. SEAMANS. Yes.

Mr. MCKAY. Do we know what it costs the South African Government to produce gas?

Dr. SEAMANS. I cannot answer that.

Mr. MCKAY. Can you furnish that information for the record?

Dr. SEAMANS. Yes.

Mr. MCKAY. Could you also do it in terms of the cost for a barrel of oil, if it can be converted?

Dr. SEAMANS. It is more convenient to think in terms of a barrel.

[The information follows:]

GAS PRODUCTION COSTS—SOUTH AFRICAN GOVERNMENT

The actual production costs from the South African Government for gas production are not available from this Office. This data would have to be developed from individual contracts and would be estimates. These costs have not been officially published.

Mr. MCKAY. The energy short nations on the Continent, for example, the French, they have been generating electricity and heat for homes using organic waste and all sorts of refuse for years; have they not?

Dr. SEAMANS. Yes; they have programs. The Swedes—maybe you mentioned them.

Mr. MCKAY. I did not mention the Swedes.

Dr. SEAMANS. They have done interesting work in supplying excess steam from a generating plant underground to heat their town. This is part of the conservation program, to see what we can do with waste and with some of the coal liquefaction techniques. It appears they can use coal as well as waste, which might augment the coal by 15 to 20 percent. You might be interested to know they work very well with cattle manure, also.

Mr. YATES. Would you put in the record the state of research in other countries?

Mr. MCKAY. Could you include the state of the art and costs?

Dr. SEAMANS. Where it is available.

[The information follows:]

ORGANIC WASTES AND POWER GENERATION

In general, the state of the art in other countries for using wastes for energy production is about the same as in the United States. There are a number of plants in Western Europe which incinerate wastes and recover energy for power production and heating. Few of these recover materials also. This technique has seen earlier adoption in Western Europe because very often the same quasi-governmental organization is responsible for waste collectional disposal as well as electric power generation and district heating. While energy recovery from waste incineration has not proved to be economic in itself, in the larger context of energy recovery plus waste disposal, the situation is altered. Most advanced industrial nations, in face of increased fuel costs, increased materials costs and increased waste disposal costs are looking again at the techniques and economies of recovering energy and materials and wastes.

Other countries do not appear to be as advanced as the United States in the area of conversion of wastes to fuels or fuel supplements. Japan is currently studying the use of pyrolysis to convert wastes to oil and are operating a very small (essentially laboratory scale) pilot plant.

Mr. YATES. Mr. Duncan.

Mr. DUNCAN. In connection with your conservation activities, I would like your support of this on a bill I am introducing as to recyclical containers. Oregon is way ahead of the Nation in many, many respects; this happens to be another one. We instituted this many years

ago over some very concentrated objection of the industry, including some of my clients, an aluminum container company.

Have you done anything on that at all, or have you looked into it?

Dr. SEAMANS. It is part of our responsibility to look into it, but at this stage I am not familiar with any effort.

Mr. DUNCAN. By the time the hearings come up I hope we can call upon you as a witness in support of the bill.

Mr. YATES. Mr. Regula.

Mr. REGULA. Do you feel your legislative mandate has given you enough authority to accomplish the mission?

Dr. SEAMANS. Yes.

Mr. REGULA. Second, are you doing active work in studying the conversion of energy to power as part of your activities?

Dr. SEAMANS. Yes. We took over from Interior the power conversion, power transmission, power storage, and improving efficiency in those areas.

Mr. REGULA. Thank you.

Mr. YATES. Thank you, Dr. Seamans and the other witness. We look forward to seeing you later for our regular hearing.

FEDERAL ENERGY ADMINISTRATION

WITNESSES

FRANK G. ZARB, ADMINISTRATOR, FEDERAL ENERGY ADMINISTRATION
LEONARD B. POULIOT, ASSISTANT ADMINISTRATOR FOR MANAGEMENT AND ADMINISTRATION, FEA
DAVID G. WILSON, PRINCIPAL DEPUTY GENERAL COUNSEL, FEA
BRUCE A. PASTERNACK, ACTING DEPUTY ASSISTANT ADMINISTRATOR, FEA
ERNEST E. SALISBURY, JR., DIRECTOR, BUDGET AND FINANCIAL MANAGEMENT, FEA

Mr. YATES. Mr. Zarb, we welcome you to this overview hearing on the operations of the Federal Energy Administration. We are delighted to have you before us and hear your views on what is happening in your agency.

At this point we will put into the record the biographies of Mr. Zarb, Mr. Pouliot, Mr. Wilson, and Mr. Pasternack.

[The biographical sketches follow:]

FRANK G. ZARB

Education

B.B.A., 1957 and M.B.A., 1972, Hofstra University.

Experience

Mr. Zarb was appointed by President Gerald Ford to be FEA Administrator in December 1974. His immediate past position was that of associate director, Science, Energy, and Natural Resources for the Office of Management and Budget. Among his responsibilities at OMB was that of overseeing budgeting for all Federal energy programs.

Mr. Zarb came to the Federal Government in April 1971 and was appointed

to the position of Assistant Secretary of Labor for Administration and Management. Prior to that appointment, he had held the post of executive vice president of CBWL-Hayden, Stone, Inc., since September 1970. From 1969 to 1970, he served as senior vice president of the investment banking firm of Cogan, Berlind, Weill & Levitt, Inc. Before that, he was an official with the New York investment banking firm of Goodbody & Co. from 1962 to 1969. Between 1957 and 1962, Mr. Mr. Zarb worked in the industrial relations department of the Cities Service Oil Co.

Mr. Zarb is a member of the board of arbitrators, National Association of Securities Dealers, and of the board of advisers, New York Institute of Finance and has been an allied member of the New York Stock Exchange and a member of the Chicago Board of Trade and the Chicago Mercantile Exchange. He edited "Stock Market Handbook" published in 1970 by Dow, Jones-Irwin, Inc. He has also served as chairman of the Joint Securities-Bank Industry Committee on Securities Protection.

Mr. Zarb's acceptance of this position marked his return to FEA, an agency he helped to organize during the height of the energy crisis.

LEONARD B. POULIOT

Education:

A.B., U.S. Mexico City College; M.A., George Washington University; completing Ph. D. degree program, University of Cincinnati; associate professorial lecturer, management science, George Washington University Graduate School.

Experience:

Mr. Pouliot joined the Federal Energy Office on April 14, 1974, as Assistant Administrator for Management. In July 1974 he was appointed to his present position of Assistant Administrator for Management and Administration.

Prior to this appointment, Mr. Pouliot served as the Associate Assistant Secretary for Administration (organization management and personnel) at the U.S. Department of Labor. Before that, he was the Deputy Administrator of the Food and Nutrition Service, U.S. Department of Agriculture, responsible for management and administration.

A career professional, his extensive years of Federal service include the Smithsonian Institution, where he was the Director of Management and Personnel Resources; the Department of State, where he served in the Assistant Secretary for Administration's office with responsibility for overseas administration; and later as First Secretary at the U.S. Embassy in Bonn, Germany. He has also held responsible leadership positions with the Department of the Army.

DAVID G. WILSON

Education:

A.B., Princeton University, Princeton, N.J., 1963, cum laude; J.D., Harvard University Law School, Cambridge, Mass., 1966.

Experience:

Mr. Wilson joined FEA in January 1974 as the Deputy General Counsel for Regulation and was appointed as the Acting Principal Deputy General Counsel on June 27, 1974.

Mr. Wilson's previous experience includes positions as Associate General Counsel for Price at the Cost of Living Council; staff assistant, the White House Office; trial attorney for the Antitrust Division, Department of Justice; 3 years' service in the U.S. Army; and attorney and law clerk for the law firm of Ross, Hardies, O'Keefe, Babcock, McDugald, & Parsons.

Mr. Wilson is also a member of the Illinois Bar Association.

BRUCE A. PASTERNACK

Education:

B.E., engineering, Cooper Union, N.Y.; M.A., systems engineering and operations research, University of Pennsylvania; completed course work for a Ph. D. in environmental management and public administration, Drexel University.

Experience:

Mr. Pasternack presently serves as the Acting Deputy Assistant Administrator for Policy in the Federal Energy Administration. In this capacity, Mr. Pasternack

is responsible for coordination and development of energy policy, management of the FEA decision process and major FEA policy reports.

Prior to his current position, Mr. Pasternack was Director of the Office of Policy Evaluation and was responsible for policy development and analysis for the President's Energy Message. He also served as the Deputy Project Manager of the Project Independence Report, where he coordinated all policy development, technical review, and administrative matters dealing with the report.

Mr. Pasternack also served as Executive Assistant to the Assistant Administrator for Policy and Analysis. In this position, Mr. Pasternack served as key policy advisor to the Assistant Administrator and developed legislative initiatives for data, analysis, and conservation.

Before joining FEA, Mr. Pasternack was a staff member for energy programs at the Council on Environmental Quality. In this capacity, he served as the coordinator of a Presidential study of the environmental impact of potential oil and gas production on the Atlantic Outer Continental Shelf and the Gulf of Alaska. He also worked on the CEQ strip mining study conducted for the Senate Interior Committee, drafted environmental legislation, and was responsible for environmental monitoring and solid waste activities at the Council.

Mr. Pasternack previously worked as a systems designer and project manager for environmental analyses and information systems at the General Electric Co. He also served as chairman of the urban systems department affirmative action program.

OPENING STATEMENT OF MR. ZARB

Mr. YATES. Mr. Zarb, would you like to have your statement inserted in the record or would you prefer to read it?

Mr. ZARB. I would like to put my statement in the record.

Mr. YATES. All right.

Your statement may be placed in the record at this point

[The statement follows:]

Mr. Chairman, I appreciate the opportunity to appear before you today to discuss the serious energy challenge facing this Nation. I congratulate you on your assignment as chairman and welcome the new members of the committee.

We are at a pivotal point of time in our history when the decisions we make concerning energy will chart the course of our Nation's destiny for this generation and generations to come.

An American Energy Policy is needed now and we must act promptly if we are to restore our energy independence by 1985. The task ahead will demand a great deal from all branches of the Government, from industry, the academic community and from the American people.

Decisive action by the United States to meet the energy challenge will serve as a beacon for other nations to face up to the escalating energy problems.

The embargo of 1973 proved to be a stark reality for industrialized nations. Cheap oil compounded by neglect in developing additional sources of energy placed the United States and other large consuming nations in a position of energy vulnerability. Not only were supplies disrupted, but the prices of oil quadrupled. The embargo caused a significant drop in our gross national product as well as the unemployment of upwards to one-half million members of our labor force.

In 1970, we paid $3 billion for imported oil. Four years later, we paid $26 billion. If the United States does not reverse this trend, our bill for imported oil will reach $32 billion by 1977.

It would be nice to say that our dependence upon foreign oil has decreased since the embargo. Unfortunately, this is not the case. Thirty-six percent of the oil we now use is derived from foreign sources versus 31 percent at the time of the embargo.

I am sure that you will agree that this trend is intolerable and that the need for action is explicit.

The Administration's proposals to deal with the mounting energy problems are reflected in the fiscal year 1976 budget recommendations and the proposed Energy Independence Act of 1975 submitted to the Congress on January 30, 1975. Prior to a discussion of the budget implications of the energy program, let me highlight

the actions deemed necessary to get this country back on the track of energy self-sufficiency.

Basically, there are three critical phases to the action plan:

1. Near term.
2. Midrange 1975–85.
3. Long term (post 1985).

Near-term goals require immediate action to conserve and reduce the amount of energy consumed. Frankly, we are limited in the steps that can be taken to increase the domestic production and supply of energy in the near term. Therefore, the Federal, State, and local governments, industry and the American people must form a partnership dedicated toward the elimination of wasteful uses of energy along with a day-to-day commitment to conserve, in every way possible, the precious energy resources now available to us.

Voluntary conservation measures have not been adequate. More must be done through voluntary efforts and an increased public awareness of the seriousness of the energy challenge is a high priority. Public education on the need, type, and extent of conservation needed will result in reduced demand of energy and I look forward to a return visit with this committee in early March to discuss a supplemental request to the budget of the Federal Energy Administration for a public education program.

The important Project Independence Report accomplished by the Federal Energy Administration and subsequent policy studies demonstrated that the United States had to formulate an all-inclusive energy plan with specific targets and goals. A piecemeal or random approach to correct the energy imbalances simply would be a "band-aid" remedy and 5 years from now we might still be discussing policy initiatives. This is the reason for the comprehensive proposal now before the Congress. One specific conservation goal is a reduction of our imports by 2 million barrels per day by the end of 1977.

I might add here that this kind of a reduction is in our national interest and aptly reflects the determination of the United States to get on with the job of becoming less vulnerable to foreign influences. Avoiding a dollar outflow of $32 billion by 1977 for petroleum import is, I am sure, of particular interest to this committee.

Actions to meet the near term goal

In the first crucial years, there are only a limited number of actions that can increase available domestic petroleum supplies: decontrol of domestic crude oil prices, the development of the Elk Hills, Calif. Naval Petroleum Reserve and conversion of industrial boilers from oil to coal-firing capability. Since these actions are estimated to produce only 300,000 barrels per day in 1975 and 600,000 barrels per day in 1977, the remaining import savings required to meet the President's goals must result from energy conservation.

Legislation has been proposed for the purpose of developing the Elk Hills Naval Petroleum Reserve. This legislation provides for an increase in petroleum production from NPR–1 from 160,000 barrels per day by the end of fiscal year 1975 to 300,000 barrels per day by 1977. Oil or proceeds from sale or exchange of this increased production will be used first to topoff military fuel tanks, and then for establishing the National Strategic Petroleum Reserves and for exploration, development, and production of NPR–4 and other Naval petroleum reserves.

No increase in obligational authority would be required beyond the amount included in the President's budget for fiscal year 1975 and fiscal year 1976 to attain this increase in production. Total obligations are estimated at $84.9 million in fiscal year 1975 and $129.7 million in fiscal year 1976. The revenues gained from the increased production from the Elk Hills Naval Petroleum Reserve, estimated at $112 million in fiscal year 1975 and $468.9 million in fiscal year 1976, will far surpass the budget obligations requested for the corresponding years.

The Administration has also submitted a set of comprehensive amendments to the Energy Supply and Environmental Coordination Act of 1974 to increase the number of oil-burning facilities that can be converted to coal in 1975 through 1977. The increased coal conversion activities to be administered by the FEA would not impact the current year 1975 budget, but would require $2.5 million in budget obligations during fiscal year 1976.

There is sufficient evidence to show that the higher prices of petroleum prod-

ucts such as motor gasoline does dampen demand. Our consumption would have been at least 1 million barrels per day more if the prices had not risen so sharply. The oil-producing cartel also is reacting to this impact. Although the cartel cut back production of some 9 million barrels per day, there is now a surplus of oil on the world market.

There were many other ideas and alternatives explored in coming to grips with the near-term options. These included a greater infusion of Government controls such as rationing, import quotas, allocation systems, Sunday closings of gasoline stations, odd-even days of gasoline purchases, restrictions in the number of cars per family and so on.

The hardships and inequities that would be imposed upon the American people along with Federal and State bureaucracies to administer such regulatory measures convinced us that the American way of free market supply and demand was indeed a more effective and palatable alternative than all of the others.

Actions to meet mid-term goals (1975–85)

The goals of the Administration's energy program is the elimination, by 1985, of our Nation's vulnerability to economic disruption by foreign suppliers. In other words, by then our petroleum imports should amount to only 3 to 5 million barrels per day, and we should be able to offset a 1 year cutoff of these remaining imports through implementation of standby measures and use of national storage reserves.

To attain such a goal, we must start immediately to remove constraints and provide new incentives for domestic production. Legislation has been proposed asking the Congress to authorize the exploration, development and production of NPR–4 in Alaska, which could provide at least 2 million barrels of oil per day by 1985, and to deregulate the price of new natural gas. Since the initial funds required for exploration of NPR–4 will be obtained from the proceeds resulting from increased production of NPR–1, the implementation of this proposed measure will not result in any budget impact for fiscal year 1975 and fiscal year 1976. It should be noted that the President has proposed that the government's share of production from NPR–4 (at least 20%) be earmarked for financing the national strategic petroleum reserves.

We must continue an aggressive leasing policy for the Outer Continental Shelf areas, including the Atlantic, the Pacific, and the Gulf of Alaska. Increased OCS leasing could add approximately 1.5 million barrels of oil per day and additional supplies of natural gas by 1985.

In addition to finding more oil and gas, we must take advantage of our most abundant energy resource, coal. Although the President vetoed the surface mining legislation passed by the last Congress, the President has submitted a bill which builds on that valuable piece of legislation in a constructive way. It will correct the problems which led to the President's veto and strike a balance between our desires for reclamation and environmental protection and our need to increase coal production substantially over the next ten years. With the passage of the proposed surface mining bill, the increased leasing of Federal lands for coal production is anticipated to produce $70 million of additional revenues in fiscal year 1976.

To further increase the consumption of coal, we need to amend the Clean Air Act, clarifying the meaning of significant air quality deterioration, extending compliance dates through 1985 to allow implementation of stack gas scrubbers and permitting use of intermittent control systems in isolated powerplants through 1985. These Clean Air Act changes will have no impact on the budget for fiscal year 1975 and 1976.

Of course, the market for coal, as well as the availability of electric power, depends upon the electric utilities industry. In recent months, utilities have cancelled or postponed more than 67 percent of planned nuclear expansion and more than 30 percent of planned additions to nonnuclear capacity. The delays and difficulties this industry is currently experiencing could lead to higher imported oil requirements and inadequate supplies of electricity within 5 to 10 years.

The electric utilities need assistance through higher investment tax credits, mandated reforms and State utility practices, and a change in tax laws applicable to all industries, including utilities, which allows deduction of preferred stock dividends for tax purposes. The President has proposed that the current, 4 percent investment tax credit for utilities be raised to 12 percent for 1 year (three years for facilities which burn neither oil or gas), after which time it

would be lowered to 7 percent, a rate which applies to other industries. Industries other than utilities would be granted the increase from 7 percent to 12 percent for 1 year only.

In addition the President has requested the Energy Resources Council to review the entire regulatory process and financial situation relating to electric utilities and to determine what further reforms or actions are needed.

To accelerate the growth of nuclear power, the Congress needs to pass a Nuclear Facility Licensing Act to expedite siting and licensing of nuclear plants.

Broader legislation to reduce energy facilities siting bottlenecks and assuring sites for needed facilities with proper land use consideration is urgently required. This has been proposed to the Congress. This legislation provides for facilities siting grants to States for a comprehensive coordinated planning process for energy facility siting.

All of the actions I have mentioned would increase our available domestic supplies of energy. Oil production could reach 13 to 14 million barrels per day versus approximately 9 million barrels per day currently. Coal production could double and nuclear generation could increase from a 4- to 30-percent share of our electrical generation capacity by 1985.

However, as in the short term, supply actions are not enough. We must also dramatically cut our historical demand growth through the implementation of energy conservation actions. The President announced a number of energy conservation measures to reduce demand including: Greater automobile efficiency; mandatory building thermal standards, a 15 percent energy conservation tax credit for residential insulation, a low-income insulation assistance program, voluntary appliance efficiency, and mandatory appliance and auto efficiency labeling.

The implementation of these energy conservation actions could provide import savings by 1985 of 1.7 to 2 million barrels per day.

In addition to these measures to increase domestic supplies and reduce demand, standby measures and emergency storage would yet be needed in 1985 to insulate the United States from foreign curtailments. The President has requested Congress for authority to develop an emergency storage system of 1 billion barrels for domestic use and 300 million barrels for military use by 1985. Initial engineering, planning, and environmental studies will be completed within 1 year.

The President has also requested a set of emergency standby authorities to be used to deal with any significant and future energy shortages.

Actions to meet long-term goals (beyond 1985)

For the longer term, the goal is to sustain a position of energy independence, and to enhance it, so that the United States will again be capable of supplying a significant share of the free world's energy needs. This means that, as a Nation, we must reaffirm our commitment to a strong energy research and development program, aimed not only at developing capability to tap all our major domestic energy resources, but also in improving the efficiency of energy utilization in all sectors of our economy.

A national synthetic fuels commercialization program to assure a rate of production capacity for synthetic fuels equivalent to 1 million barrels of oil per day is also a priority. Currently, FEA, the Department of Interior, and the Office of Management and Budget are jointly undertaking a study to determine the increased obligational authority required in fiscal year 1976 and beyond to implement this program.

The creation of the Energy Research and Development Administration has consolidated major research and development functions into one organization, and the President has pledged to seek whatever funds are needed for future R. & D. activities.

Resource requirements for the total energy program

The Federal energy program as outlined in the President's energy message to the Congress will require budget authority in fiscal year 1976 of $2,491 million and outlays of $2,240 million. These amounts include all supplementals being requested for fiscal year 1975 and proposed budget amendments for fiscal year 1976.

These funds are being justified by the Federal Energy Administration, Department of the Interior, Federal Power Commission, Nuclear Regulatory Commission, and several other agencies with the major part of the funds being re-

quested by Energy Research and Development Administration. A breakdown of the budget authority and outlays for fiscal year 1976 follows:

[In millions of dollars]

Department/agency	Budget authority	Outlays
Interior	$50	$47
ERDA	1,885	1,638
Environmental Protection Agency	112	113
Federal Energy Administration	187	208
Federal Power Commission	36	36
Nuclear Regulatory Commission	220	198
Total	2,491	2,240

A breakdown by program for fiscal year 1976 is as follows:

[In millions of dollars]

Program	Budget authority	Outlays
General operating programs	$548	$498
Regulation	178	164
Research and development	1,764	1,577
Total	2,491	2,240

Fiscal year 1976 outlays for energy programs will increase by over 50 percent from fiscal year 1975 yet, they are modest when viewed in the context of the cost of remaining vulnerable to foreign supply cutoffs. It is estimated that last year's embargo cost on our country approximated $13 billion in loss of gross national product. If none of the President's proposed energy measures were implemented, and another embargo were imposed, the impact on our GNP could be even more severe.

The increased obligational estimates here are also modest when compared to the cost of purchasing petroleum from foreign sources at current and projected prices. In 1977, the 2.2 million barrels per day savings resulting from implementation of the measures discussed here today would save the United States $8 billion. In 1985, the 9 million barrel per day savings would save the United States approximately $23 billion. We believe, however, that these funds are ample to carry out the President's program in an effective manner.

Resource requirements for the Federal Energy Administration

The fiscal year 1976 appropriation request for the Federal Energy Administration totals $112,435,000 and 1,715 positions which is a decrease of $14,600,000 and 1,410 positions under our appropriations available in fiscal year 1975. This decrease is premised on the expiration of the Emergency Petroleum Allocation Act on August 31, 1975. Should this act be extended in its present form our requirements in fiscal year 1976 could increase by $25 to $30 million. These figures do not include a $15 million proposed supplemental for fiscal year 1975 or a $75 million proposed budget amendment for fiscal year 1976.

Conclusion

Mr. Chairman, this concludes my prepared remarks. I will be happy to answer any questions you or the committee members may have.

FLOOR FOR OIL PRICES

Mr. YATES. I would like to ask you a few questions. One of the things that concerns me is what seems to be shaping up as a fundamental tenet of this administration. That is to establish floor for oil

prices and other petroleum prices. Perhaps you had better explain what the administration has in mind.

Mr. ZARB. It has led to a lot of confusion. When we calculated a plan for independence or invulnerability by 1985 and put together a series of measures which would get us to a point where we would not be vulnerable to cartel action, we ended with a question which said, "What is the likely reaction of the cartel nations to be to all of this now and over the next several years?" We looked at some of the short term reactions and dealt with those through the Department of State and other sources of analysis on what national bodies do given different effects and stimuli.

We then asked what would happen if we were successful, we had a good program, agreed with the Congress, and we all moved together and agreed that this was the plan we were going to use to become independent. And what would happen if in 1977 or 1978 the cartel countries concluded—"These fellows are doing very well and it is not in our interest for them to do well, so why not lower the price of oil to $5 or $4.50 for a couple of years and they will get back to their nasty habits and Project Independence will go away."

We concluded that this was a real threat because if we were in their position, then this would be one of the techniques we would examine, given the best interests of a producing nation.

NEED FOR AUTHORIZING LEGISLATION

So we asked the Congress in the President's omnibus bill for a piece of legislation which stipulates that the President of the United States is authorized and required to maintain domestic production levels so as to insure the achievement of Project Independence. If the Congress passes it, it will tie the President to keeping the price of domestic oil at a level which is consistent with achieving independence.

If you ask me what that level would be right now, I could not give you a precise answer, but I would say for the normal crude oil range it would be between $6 and $8, including the OCS and North Slope of Alaska. That is the minimum protection price or as some call it, the floor price.

Then you ask, "What about oil shale, liquefaction, solar and geothermal; how does that apply to that?"

Well, it doesn't. The whole notion applies to conventional sources of oil, albeit more complicated recovery techniques may be used to get to them.

Mr. YATES. Mr. Seamans testified this morning that he thought it would apply to liquefaction.

ADMINISTRATION REQUESTS TO CONGRESS

Mr. ZARB. I will carry that on. We also determined that we needed to have some authorities for the President to be assured that we bring into commercial production coal gasification and liquefaction and oil from shale. So we concluded that we needed a separate set of authorities for that category. This gets to be very, very difficult, but nevertheless, we think we have to solve the problems and get to them.

What we are asking the Congress for, is authority for the President to collect the range of potential technologies, which would include gasification, shale, and liquefaction, and provide assistance to those technologies through subsidies, guaranteed price floors, et cetera. That authority would have us select out perhaps eight plants, a plant being one central facility to develop one synthetic fuel which would produce 1 million barrels of synthetic fuels for the market stream by 1985, a rather ambitious program. This involves two separate concepts and products, both having different kinds of floor prices, because with shale we would have to talk about $13 to $15 a barrel and that is probably pretty low.

If you get into solar and geothermal, you also get into high numbers. So there are two different kinds of development assistance that we would ask for. One is the cartel protection for the conventional development of oil and the other is for the exotics and the need to help subsidize the development of exotics.

NEED FOR PRICE CEILING

Mr. YATES. If you propose to have a floor, why shouldn't you have a ceiling as well? If you are going to tell the consumers that we are taking away the ordinary operation of supply and demand and ask you to pay what may be more than a market price in order to protect the producers, why shouldn't you give the consumers a break, too, and put a ceiling on it so they are not overcharged?

Mr. ZARB. You might pursue that and it might be viable, depending on the matters we talked about. It seems to me that what we are saying, probably all of us, is that we would like the free market to operate here but the facts of life are that we have a cartel operation that makes it not such a free market. So if we took the market line—let's say this is the $6 line and this is the $15 line—the Government is concerned about allowing the free market to operate within this range and anything below or above that we would want to do something meaningful about. Now, to achieve independence we have to have this, at least to have an independent credibility.

Mr. YATES. When you say "this," you pointed to something.

Mr. ZARB. The $6 line, because we can have this whole thing put together and the American people say, "Suppose these people flood you with cheap oil and you have not provided the protection necessary?" You have to have that to demonstrate to the cartel that we mean business. The facts are that under normal circumstances unless we have a shortage of some form or another that is carried into the extreme we are not going to have to worry about the $15 level. When we start to squeeze up to the $15 level we have to worry about the break point and whether we use a windfall profits tax, and whether that is the best mechanical method of getting equity. I think it probably is—some form of decontrol and some form of windfall profits.

Mr. Ullman and the Ways and Means Committee are working on what I consider to be pretty constructive approaches.

Mr. YATES. The President doesn't apparently.

Mr. ZARB. I think he does.

Mr. YATES. He has not said so.

Mr. ZARB. He did in Miami, yesterday. He said he felt for the first time we are beginning to see signs of real focusing in on the issues and some forward progress.

EXCESS PROFITS TAX

Mr. YATES. I am glad we are moving to some form of agreement. But I make the same point with you that I made with Mr. Seamans who also mentioned the compensating possibility of the excess profits tax. That goes to the Treasury. It does not go to the consumer, who has to pay the floor price, is not protected against any price above that floor. The protection that you have offered is a windfall profits tax which goes to the Treasury and not the consumer. It goes to the taxpayer rather than to the consumer.

Mr. ZARB. No; it does not.

Mr. YATES. Tell me how it doesn't.

Mr. ZARB. It goes to the consumer.

Mr. YATES. Tell me how it goes to the consumer.

Mr. ZARB. OK.

This is part of the subtle——

Mr. YATES. Mystique?

Mr. ZARB. I am going to sell it. With all the programs we looked at in terms of options, all of them had an enormous set of problems and an enormous subset of problems. One was always equity. The consumer, particularly the one who could afford to pay a lot because of inflation, was one.

WINDFALL PROFITS

We calculated we would put on a windfall profits tax and in its rawest form before it is meddled with, it collects $12 billion from the industry; $9 billion in oil profits accruing to the oil industry by virtue of this program, and $3 billion from their base profits. So we take $3 billion in addition to what they would earn this year by virtue of this program.

That may have been too deep, because the independent producers have a pretty good case to demonstrate we may have gone too far with that sector. But the $12 billion became part of $30 billion which we redistributed to taxpayers at the corporate, city, State, and individual levels. But it gave us the advantage of putting some "body english" on how we returned it.

We returned it to the guy who cannot afford energy, so that he can pay the higher prices.

Part of that higher price would become windfall, and we give more of this dollar back to low income people. That had nothing to do with energy, but straightened out distortions at the lower end of the tax tables that brought on inflation.

Mr. YATES. Why don't you have both a ceiling and a floor to protect the consumer?

Mr. ZARB. Where you set the ceiling is the question.

Mr. YATES. Well, you are the expert.

Mr. ZARB. If you set it low enough, you would not need windfall profits.

Mr. YATES. Suppose you set the ceiling near the floor?

Mr. ZARB. The $8 floor.

Mr. YATES. Yes.

Mr. ZARB. Two disadvantages from our standpoint: This is hard for me to sell, particularly publicly because it says I am going to keep prices down. To get the conservation effect I need, I need prices higher.

Mr. YATES. I see.

Mr. ZARB. If we let the pricing up and take it back in windfall profits, we are achieving a more complicated but more equitable arrangement.

Mr. YATES. Mr. Evans?

INDEPENDENT BUSINESS

Mr. EVANS. We are talking about a consortium, but not independent businesses.

Why not treat them like a public utility: Examine their books and allow them a reasonable rate of return.

Mr. ZARB. The net effect of all of this does that. It examines their books and records and allows them a reasonable return and takes the rest back.

Mr. EVANS. You get into a different problem, though. Businessmen, knowing they face this excess profits tax, can find wondrous ways in which to, I think, misspend.

ABUSES WITHIN PUBLIC UTILITIES SECTOR

Mr. ZARB. There are abuses in almost anything we do. I think we have to work like heck to eliminate those abuses and to audit and do the kinds of things necessary to make people behave according to the rules. The notion of going to the public utility concept is troublesome. That is an industry probably in the worst shape of any industry today, partly because of the regulatory aspects, because we have uneven regulation. Some of the State level are insane regulations which have taken the public utilities to the point where they almost have to be picked up by the States.

But you make a good point. For every program you put out there will be a set of people trying to abuse it. We have abuses now within the public utility sector.

Our investigators are turning up at least five primary cases where with or without collusion of the executives working with brokers and middlemen, consumers are paying more for fuel passed through than they should be. We are broadening our scope now to cover all the major utilities in the country before the end of the year. We are writing to the Governors this week and asking them to pass along to the utility commissions their need to examine these requests for fuel adjustments a lot more carefully than they have.

I think whatever we put out, there will be abuses, and we will take whatever protective measures are required. This one matter I mentioned will have a lot of visibility this year.

Mr. EVANS. Are you getting the information you need from the refineries and oil companies to make these judgments?

Mr. ZARB. Well, we now have the authority to get everything we need, I think. We have been moving along rather smartly in building our own data base and different sectors of acquisition of information.

We have a long way to go. In some cases we have been collecting what might not be the right information. But I think in terms of progress we are making good progress. Bruce, you may want to comment further on that.

Bruce works as deputy to the head of our policy and analysis area.

REFINER'S DATA COLLECTION SYSTEM

Mr. PASTERNACK. We have a system now installed and operating which collects data on a weekly and monthly basis from refiners and checks their crude runs, their profits and costs.

We work with our General Counsel's office to examine enforcement problems and determine whether people are charging the right prices and whether they are making abnormal profits.

Mr. EVANS. What confidence do you have in the figures you are getting?

Mr. PASTERNACK. We go out and do spot checks on compliance.

We have enforcement procedures and try to validate the data. We are confident that our figures are accurate.

Mr. ZARB. It does not tell us if somebody is cheating and made a deal with a middleman and forged papers to say it was imported oil and we find the oil appears to be domestically originated and travels to sea and comes back. These are people who set out to distort the system and the only thing we can do is send our people out to investigate the paperwork.

The best thing would be to get the utility commissions to do this themselves.

Mr. YATES. Dr. Long.

NEED FOR ENERGY REGULATION

Mr. LONG. Mr. Zarb, of course public utilities are regulated because they are natural monopolies. It is impractical to have two or three telephone companies in one town or even in the United States. It is impractical to have two or three gas companies in the same locality to compete with each other. In the case of energy, there does not seem to be any reason why there are not enough firms producing oil and selling it to get competition if our policy was to enforce competition.

It is well known, of course, even to the humblest intellect, that the oil companies have been allowed to get away with all kinds of monopolistic practices, such as owning their own gas stations, owning coal resources, and refineries. Some of them even own uranium resources.

FREE MARKET OPERATIONS

Now if we let the free market do its work, why couldn't the free market do the job of both increasing supply of oil and reducing the price to the consumer so there will be a fair price to the consumer without profiteering?

Mr. ZARB. Well, there is only one thing that prevents that. If we completely decontrol and we had a free competitive system, prices

would move pretty smartly to supply-and-demand levels, except that we have a cartel out there that does not compete in the free market. They put out one list of retail prices.

Mr. LONG. Our Government is powerless to deal with this cartel or does not want to?

Mr. ZARB. No. Well, I don't purport to be an international expert. I have asked some of the same questions you have from those who are international experts. The first thing that comes to your mind is, why don't we take counteraction. You quickly dispose of the obvious military counteraction because that is not very realistic, I don't think.

Mr. LONG. I am not talking about international production of oil. That may be beyond our control. I am talking about letting the prices go up to encourage domestic production and the exploration of alternative sources.

Mr. ZARB. The problem is they go up to the world price level and not to a free market level.

Mr. LONG. For a while they would, yes.

RATIONALE TO DEVELOP SHORT-TERM DOMESTIC SUPPLIES

Mr. ZARB. Until we develop sufficient supplies on our own so our own supplies would come in less expensively than the world prices, and that would take at least 10 years.

Mr. LONG. Why would it take that long?

Mr. ZARB. Just sheer physical volume and technological development. Maybe in 1984, and even then I think we will be importing a small amount we can accommodate through administrative mechanisms. But I have not found a reasoned development that demonstrated we can do it in a shorter period of time. Certainly Dr. Seamans has not encouraged me.

Mr. LONG. Is that because of the huge capital requirements, because we do not have real incentive mechanisms being allowed to work because you are holding down the price they can get for their oil or because simply the engineering problems of getting the drilling equipment and finding the oil or getting the gasification of coal mines, are such that it cannot be done within less than 10 years.

Mr. ZARB. All of the above plus one. The one is legal constraints. Let's examine where our involvement would get us the additional sources we are talking about over the 5- to 10-year period to bring on additional oil, considering the fact that domestic production is declining at the rate of 6 to 8 percent a year in this current year. We have to make up for that plus bring on additional supplies. We can go to the following places: North Slope of Alaska, Pet-4 is a good geological structure and probably our best opportunity; Prudhoe Bay, Alaska; OCS Pacific; OCS Atlantic; continued development in the OCS gulf, secondary and tertiary recoveries all requiring additional capital.

SECONDARY AND TERTIARY ENERGY RECOVERIES

Mr. LONG. What is wrong with that? Why aren't we moving in that direction?

Mr. ZARB. Secondary and tertiary recovery, I think the technology is being developed. We have in some area limitations because we do not have a free price; it is under control.

If it was freed, we would get that out.

The OCS, to be realistic——

Mr. LONG. Let's stay on secondary and tertiary for a while. I understand that most of the oil that ever was in these wells is still there. We have only taken out about 25 to 30 percent.

Mr. ZARB. There is a lot of oil to be recovered.

Mr. LONG. Why aren't we using the kind of imagination and initiative that made this country great in going after that?

Mr. ZARB. Because it is controlled in price and no one will make the investment and the additional requirements——

Mr. LONG. That is the point. Isn't Government actually in the business of holding down oil production and depriving us of the incentives necessary?

Mr. ZARB. Yes. Beyond that, even if we had that freedom, at this point we would still have the legal problems with the OCS, State suits and environmental suits.

Mr. LONG. I'm still on secondary and tertiary.

I agree with some of these others. I think we are going to waste our environment going after too much. But if we have all this secondary and tertiary plus the gasification of coal mines which people talk about, and of course there are many other ideas I could mention. For example, people bring to me ideas of heating homes by solar energy that they tell me are perfectly feasible, but they cannot get anybody to listen to them.

SOLAR ENERGY

Mr. ZARB. That I think we should not let go into the record uncorrected. Solar energy happens to be a private hobby of mine. I know a little bit about it. It is a very, very exciting technology that someday is going to be very important to this Nation.

The fact is that it still has not developed the techniques to store the solar energy over long periods of time with any degree of economic efficiency. We cannot equip a California home with the equipment to store that. The Government is pouring $75 million into that a year.

Mr. LONG. Is that large enough in view of the enormous stakes involved?

Mr. ZARB. If Bob Seamans said we could make twice as much progress with double the money, we would double it.

Mr. LONG. I wish I felt the confidence in our Government that would make me believe that if it were a good idea they would go after it. People don't always go after good ideas.

Mr. ZARB. You shouldn't be so skeptical, Mr. Long. This is a good Government. It makes mistakes and has problems, but it will do the right thing.

The President has exempted the energy ideas from his attempts to stop excess spending from going out of control. He means it.

FISCAL YEAR 1975 ENERGY R. & D. REQUEST

Mr. LONG. We had in the last Congress a budget request for research and development financed by the Government which could have been used to go after secondary and tertiary recovery.

It was a very chicken feed amount. At my suggestion this subcom-

mittee raised the appropriation by $10 million. That increase got no support at all from the administration and was cut down to a $5 million increase in the House-Senate conference. If the administration had supported something like that, I have no doubt at all that it would have been accepted. When I asked why the sums requested were so pitifully small, in view of the thousands of millions of dollars involved that are at stake, by your own admission here, we were told you were leaving this up to the oil companies to do most of the real fundamental research here.

Are we entitled, on the basis of what you just told me, to have confidence that the oil companies will do the kind of thing they have to do?

Mr. ZARB. Sure, if you free the price up so they have sufficient return on their invested capital.

On secondary and tertiary recovery we do not have to teach them to do it. They already have the technology.

Mr. LONG. I am willing to push the price up.

Mr. YATES. Let the record show that I am not.

Mr. LONG. Most Congressmen don't trust the free market. They have a profound distrust of free markets. This administration has not come out for a free price.

You have said there are some limitations on your ability to get a free price. Until you do that, it looks like the Government has to provide the leadership on research and development.

Mr. EVANS. Will you yield for a question at that point?

Mr. LONG. Yes.

PRIVATE INVESTMENT IN ENERGY RESOURCES

Mr. EVANS. Do you have an opinion about whether or not there should be Federal legislation to prevent oil companies from investment in solar energy or investment in coal gasification?

We are talking about the free market price and new technologies and new scientific developments. Do you think it is good to have this overlapping of control on energy resources?

Mr. ZARB. You know, Mr. Evans, I really do not know the answer to that question. I have struggled with it mightily. Take an energy company like Exxon, for example, that for years has been a multi-legged energy company. Probably it works within the rules. They are usually, in my view, responsible people. They have made mistakes and we have caught them, but usually because of lower level type of things. But they are pretty responsible management people.

They say "We are in the energy business and we have enormous basic capital in these huge laboratories."

They say, "We should be thinking for our stockholder for the 20 and 30 years down the road and should begin to think about putting money in liquefication and gasification and shale and acquiring coal leases."

Now there are some advantages to that.

You have know-how, capital ability. So long as they develop their coal leases, for example, rather than sitting on them, as speculators, then their entrance into the liquefaction business promotes the real development of liquefaction and gasification and not in a monopolistic

way, so they enter a competitive market that is enforced in terms of antitrust. I am not entirely sure that this is bad.

Mr. EVANS. Don't you think their interests and the Nation's interests may not coincide?

Mr. ZARB. Of course, that is true of probably all of us as individuals from time to time. I don't know exactly what that means.

BUSINESS INVESTMENT INCENTIVES

Mr. EVANS. If we are striving in the next 5 or 10 years for less dependence upon foreign sources of energy, that is a national goal we have here. They may be looking at it from a standpoint of maybe experimenting with coal gasification or geothermal or solar, but on a time frame that works out to pay them off on their capital invested in oil. That may delay them from going ahead as fast in developing energy to compete with their heavy investment in oil. They have their own problems with their stockholders, but their decisions may not coincide with what the national goals are.

Mr. ZARB. Well, suppose there is that risk. The market being what it is and the values being what they are, there is an incentive for them, if all the things we think need to be done get done, for them to make these investments here domestically, particularly, as we said, if we protect domestic prices to a point below which we will not let them go.

Second, they have a fiduciary obligation to their stockholders and know their resources are finite. But there are opportunities for that kind of thinking.

COAL LAND LEASES

I have in mind the acquisition of coal leases just to buy them up and sit on. That is a possibility. I think we ought to stop it and stop it in its tracks. I think we ought to have language in the contracts that says unless you produce these coal fields within a reasonable period of time, you lose your rights.

Mr. EVANS. Are you expressing your opinions to the Secretary of Interior?

Mr. ZARB. Yes, sir. He has been instructed to have that language in all the leases.

Mr. LONG. Would you support legislation to forbid oil companies from buying up these coal lands?

Mr. ZARB. Not as just a notion that they should not.

Mr. LONG. It is an alternative source of competition, isn't it? If you believe in free enterprise, you did remark, I thought pejoratively, on the international cartel.

Mr. ZARB. I would ask this question. Can we allow this base of capital to develop the coal lands and develop the coal technology quickly and in a free competitive way in the best interest of the American consumers? Now you are saying that we are incapable as a society of constructing the laws and enforcing them in a way that can be done and you might be right.

I believe it is achievable. I worry a little about not allowing them to participate in that field without first answering the first question and that is not getting our coal development.

Who is going to produce it?

ENFORCING ANTITRUST LAWS

Mr. LONG. We have antitrust laws that were specifically designed for them.

Mr. ZARB. I don't enforce them, but I am in favor of them.

Mr. LONG. Isn't the ownership of coal mines pretty inherent in the whole idea of antitrust?

Mr. ZARB. Only if it is used in a way that is monopolistic and not consistent with the free sector? If I were a major oil company and I bought a coal lease and I was competing with all the other sectors that own coal leases and building a liquefaction plant and competing with a liquefaction community in a free way——

Mr. LONG. You are judging them on the basis of what you think they do rather than on what they are capable of doing.

I think most people who think in terms of competition realize that once you allow anybody the ability to withhold or restrain competition, that they will do it and that is extremely difficult, in fact, once they have the capability, of knowing whether they do compete or not.

POTENTIAL PROBLEMS OF REGULATORY AGENCIES

Let me shift the questioning a little. In answer to Mr. Evans, I think he is worrying about whether there ought to be a regulated agency or a utility.

Of course the thing about most utilities is that they end up by exerting tremendous control over their regulators. They regulate the regulators.

Mr. ZARB. Whatever they are doing to each other, they are doing a bad job of it.

Mr. LONG. Once we allow the coal industry to become so large that we have to regulate it in order to solve its problems, are we not in danger of ending up again with the oil companies regulating the government, controlling it? As a matter of fact, that is what they have done all along, most people feel, in achieving all kinds of tax shelters and everything else.

Mr. ZARB. That may be true with respect to tax legislation which has more to do with the relationship between that community and the Congress. I can assure you that they do not run their own regulators.

I am their regulator. We run a fairly independent operation so we are not at that point, even if the utilities are. But I just don't think that that is really the right answer, in all due respect.

It just does not seem to work out when Government gets in and manipulates.

AMERICAN OIL PRICES

Mr. LONG. What is the price right now at which these oil companies must produce American oil and sell it?

Mr. ZARB. $5.25 cents for old oil.

Mr. LONG. So right now we are paying very high prices for importing oil, but we are holding the price of domestic oil down.

Mr. ZARB. Old domestic oil, not new which floats at the world price.

Mr. LONG. If you got more oil out of secondary and tertiary, that would be old, right?

Mr. ZARB. It would be unless we had a change in the law.

Mr. LONG. So we have a disincentive to increase.

Mr. ZARB. It is worse than natural gas where we have the silly system of two tiers.

Mr. YATES. Again we disagree.

Mr. ZARB. I know, Mr. Chairman.

Mr. EVANS. Is that law or regulation?

Mr. ZARB. That is the law. Everywhere I go in the country I get my ears beat in about the shortage of natural gas.

Mr. LONG. Isn't it true that we have policies to try to prevent any ultimate corrective process here for getting increases of supply of oil to meet the expanding demand. As your own paper here pointed out, we are importing more oil than we did at the time of the embargo and not less.

Mr. ZARB. Right.

INCREASING OIL IMPORT SUPPLIES

Mr. LONG. Since we are consuming less in this country or consuming no more than we did at that time, this means we are still continuing to replace domestic sources with foreign oil; is that not so?

Mr. ZARB. No. It is the other way. We are replacing domestic sources with foreign oil. Our imports are up because domestic production is down. Our consumption is slightly up, the inflation has held that up and the mild winter has depressed it somewhat. But we are consuming a little more because the price level has held constant and the economic recession has held it down and the mild winter has given us a break. We are consuming more, importing more, and producing less.

Mr. LONG. That is the point I made. This is not very encouraging about the future.

Mr. ZARB. No, sir.

Mr. LONG. Do we have anything going at all that will give us some hope that we will be moving by corrective market forces toward self-sufficiency at some time in the future?

PRESIDENT'S ENERGY PACKAGE

Mr. ZARB. We have the President's energy package which is completely comprehensive and gets to all elements and in my view, if implemented, would have us independent from that day forward——

Mr. LONG. Does the President's energy package include taking the ceiling price off of all oil?

Mr. ZARB. Yes, sir.

SHORTAGE OF DOMESTIC OIL PRODUCTION

Mr. LONG. I certainly would support that. The thing that depresses me is to hear, with oil so short as it is, oil company stock prices are certainly not doing very well.

Mr. YATES. I did not know there was a shortage of oil. I read in the paper there was a glut in oil supply throughout the world.

Mr. LONG. Isn't there a shortage of domestic production?

Mr. ZARB. We are short of U.S.-produced oil by 30 percent.

As a result we depend upon the cartel and as a result they stick it to us with price and try to influence our national-international policy.

Mr. LONG. But the American oil companies ought to be making money. I gather most of the big ones mainly rely on supplies overseas. But there are a couple like Union Oil of California that have most of their resources here in this country.

Mr. ZARB. They are not doing too badly. They are doing better than last year. Some sectors that are locked into completely imported oil are hurting. They are doing less business and their earnings are declining. That will be a problem before this is all over.

INCENTIVES NEEDED TO INCREASE DOMESTIC OIL SUPPLY

Mr. LONG. That is not the way you get people to go all out to increase the supply of something you want to increase.

Mr. ZARB. No, sir.

Mr. LONG. You give them a very discouraging way to go.

Mr. ZARB. They need some degree of certainty, too. We have an energy package on the table. Congress is working on theirs. Once we have that nailed down and we have a law or series of laws so they know where they stand, I think things will improve in the industry.

Right now they are withholding.

One day they hear a public figure say "Let's nationalize the whole thing because they are all bad guys," and the next day the President says, "We want to decontrol."

So I think they have to know what they can count on.

Mr. LONG. This is the history of all people who abuse their monopoly privileges.

They end up by being overregulated. If the oil companies ever get overregulated they will have nobody but themselves to blame as did the railroads that were ruined by overregulation, and by Government subsidized competition for the airlines and trucking.

I have no sympathy for the oil companies at all. But I do believe that we have the expertise and entrepreneurial initiative to do the job if the Government will let them do it and will create the kind of competitive environment in which that type of thing can prosper.

Mr. ZARB. I surely agree with that.

Mr. LONG. I hope you are recommending in your job the kind of policies to the administration which would move us in that direction.

Mr. ZARB. I believe I am.

Mr. YATES. Mr. Regula.

Mr. REGULA. Thank you.

CONTROL OF FUEL PASSTHROUGH COSTS

Mr. Zarb, you mentioned earlier today the "passthrough" on cost of fuel. What control do you have over a wholly owned fuel facility where the utility owns, for example, a coal company, to assure that

the passthrough does not reflect a big profit picture in the subsidary?

Mr. ZARB. In coal, I have no authority whatsoever.

Mr. REGULA. Do you have any experience on an information basis aside from regulatory authority?

PRICE OF COAL

Mr. ZARB. A month or 8 weeks ago, I asked for the staff to do an analysis for me to demonstrate what has happened to the price of coal, because we have had some distortions in that market since the embargo.

After the embargo, we went into the strike, and prices of coal went out of sight.

Mr. YATES. This is after the price of oil went from $10 to $14 a barrel.

Mr. ZARB. The strike was well after that, in October. It concerned me a lot that we were seeing this erratic behavior in the market price.

We have done an analysis. It tends to demonstrate that the price of coal from its highs is coming down. The long-term contracts, and there are a lot of long-term contracts, are at a very reasonable price level. Some new contracts are being written at a higher price level and not consistent with the wage settlements.

[The following information was furnished:]

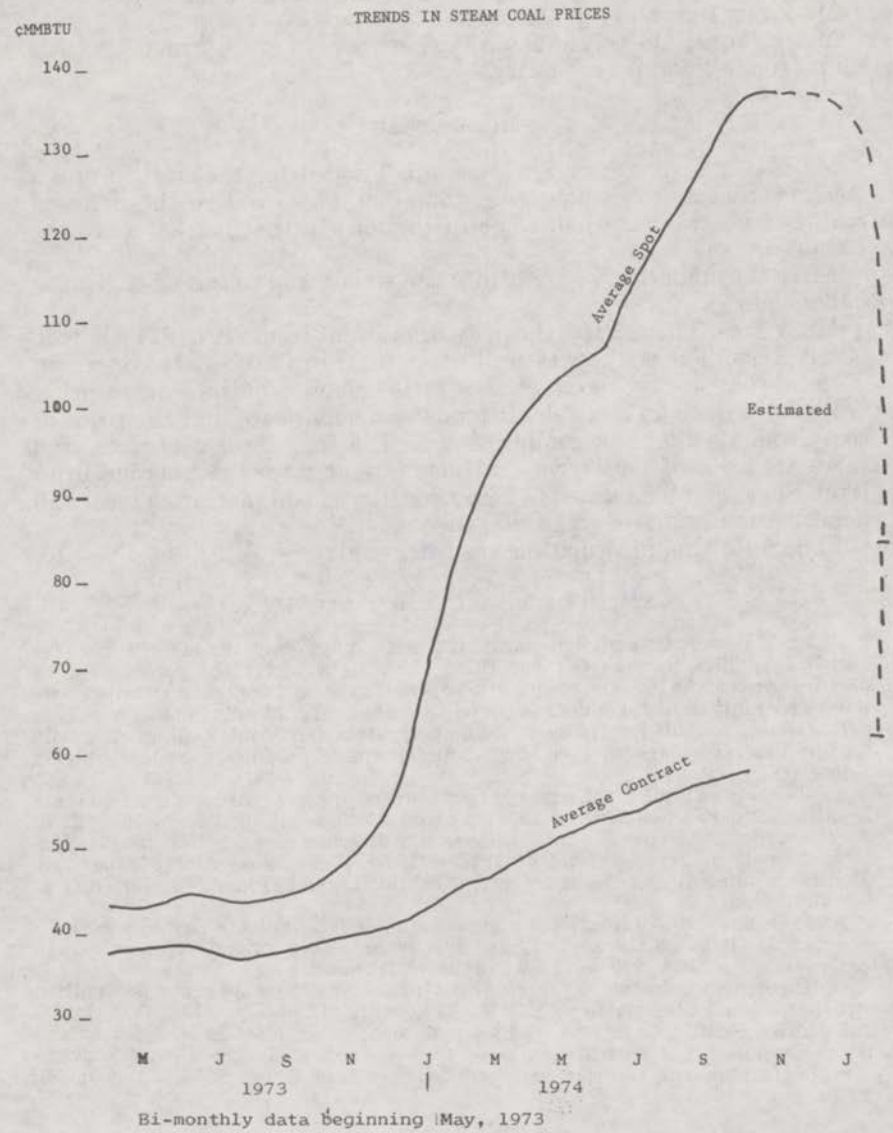
STATISTICAL ANALYSIS OF PUBLIC DATA

Federal Power Commission form 423 data have been assembled for the period July 1972 through October 1974. These data report the prices paid by utilities for coal f.o.b. plant by quality, contract type, and source. A detailed computerized analysis of these data is currently underway, but only summary results are available for this interim report. Summary data can be misleading, especially for the contract market, since they include captive production and are highly aggregated.

As shown in exhibit I, the average spot market price of coal rose from 45 cents a million Btu in the spring of 1973 to about $1.40 a million Btu in the fall of 1974, or from $10.50 per ton to $30.75 per ton. In some cases, better grade Appalachian coals achieved a level of around $2.50 a million Btu or $60 per ton. Monthly volume during the same period, exhibit II, rose from 5.5 million tons to 9.5 million tons.

Mid-February 1975 reports from buyers and sellers indicate that a sharp decrease in activity on the spot market has accrued with prices for Appalachian coals overaging $15 to $20 per ton when they can be sold.

On the contract market, average prices rose from about 38 cents per million Btu, $8.50/ton, in the spring of 1973, to 61 cents a million Btu, $13.50/ton, in the fall of 1974. Small amounts reached average highs of $35 a ton in New Jersey and South Carolina. It is generally expected that contract, exclusive of captive, prices for Appalachian and Interior coals will average from $20 to $25 per ton during 1975.



Bi-monthly data beginning May, 1973

EXHIBIT I

TRENDS IN UTILITY COAL PURCHASES

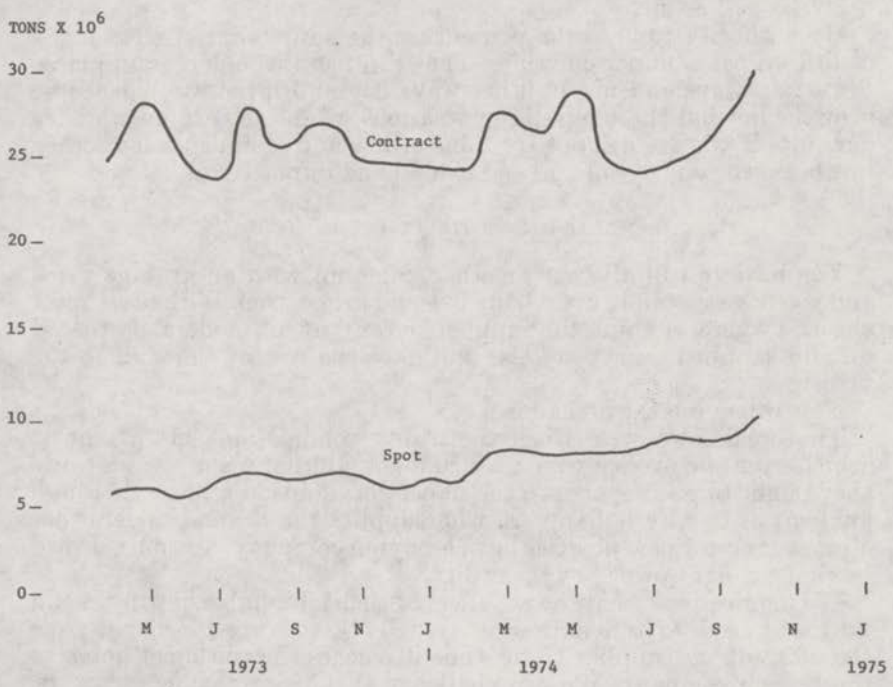


EXHIBIT II

UTILITY RATE CONTROL

Mr. YATES. In determining cost of fuel where a utility wholly owns a producing subsidiary, what would be the measuring stick?

Mr. ZARB. Let me point out where our concern is and where the State's concern is with respect to utilities. The States control utility rates. They have a crazy quilt pattern around the Nation. Some allow this to pass through and some do not. It is just a "hodge-podge." They go to their rate commission and ask for an increase in rates and get it or don't get it.

Mr. YATES. On the passthrough?

Mr. ZARB. Yes, sir.

My authority runs to the prices that the suppliers can charge the utilities. That is under our rules. They can passthrough certain prices in certain ways and not in other ways. By and large we find people obey the law but there have been occasions where, for example, under our rules if you are a supplier of one utility and 12 independent other businessmen you have old oil and new oil and imported oil.

ANALYSIS OF UTILITY OPERATIONS

You have to roll all that together, come up with an average price and you have to supply everybody in equal proportion. We have at least one case where we think the supplier took all of his moderately priced oil and supplied everybody else and gave the rest of the stuff to the utilities.

Now where was the breakdown?

The breakdown was, when the utility commission gets a request which says our oil has gone up x amount and here is my paperwork, they ought to go deeper into the paperwork and do a more thorough analysis as to why it happens, who supplies the oil and under what circumstances. Some utilities have a buying company, a wholly owned buying company owned by the utility.

We inquire as to what the net effect of such a buying company is and why that needs to be in existence. Actually there is a price change from the point of the supplier to the time it reaches the consumer going to the buying company. We can challenge that price change structure. But in the end it really is up to the States to reinforce this and enforce their local laws.

As I say, we are moving both ways, doing our own analysis and asking all Governors to work with us in this endeavor.

NATURAL GAS SALES

Mr. YATES. We are getting some economic distortions by the sale of natural gas intrastate rather than interstate, using Ohio as the case in point. The result is that industries that are gas intensive might elect to go to Texas because they are sure of supply at a higher price because of intrastate versus interstate.

Could there be a possibility of deregulating the gas at the wellhead going into the interstate line that is sold to the industrial consumer to preclude the erosion of the economic base of industrial States that depend on gas from the South?

PROPOSAL TO DECONTROL GAS

Mr. ZARB. For the within-State gas it is free to the market. When it moves across State lines, it becomes controlled. We propose to decontrol that gas as it becomes new gas so that new gas found or old contracts renewed become decontrolled as they flow across State lines.

Mr. YATES. Are you talking in terms of all gas, including that going directly to the consumer?

Mr. ZARB. Yes.

Mr. YATES. You may propose that but I am not sure the law will be changed given the impact of consumerism on the Congress. My question is, would it be possible to prevent the economic dislocations of the industrial base that result from the present system by permitting deregulation of the industrial portion of the interstate traffic in gas?

Mr. ZARB. Sure.

It would not be facing up to the full problem, but for political reasons maybe that is not possible.

At this point I am willing to work any kind of rearrangement if we can get some relief. I get letters all the time from people who have been curtailed and not from an oil State. Ohio is one of the States where factories are coming to me and asking for an allocation. I cannot allocate natural gas. I do not have the authority. They say, "What can you do for us?" The only thing we can do for them is allocate in a substitute fuel where it is available and where they can burn it.

They usually have to constrict operations and lay people off and then I get the letters from people who have been laid off.

I don't know another answer for it except to decontrol.

BOTTLING UP RESERVES

There have been some charges that speculators are bottling up known reserves.

Mr. YATES. I heard Congressman Aspin say that on TV last night. Is this within your jurisdiction?

Mr. ZARB. No.

The FPC is looking into it.

Mr. YATES. We asked Secretary Morton about it with respect to the OCS producers. He said he knows of no instances. He has inspectors out looking at it. Yet as late as yesterday Congressman Aspin said this is occurring in the Gulf of Mexico.

Mr. ZARB. He ought to be specific as to where it is so an investigator can go out and we can nail it down. Both my predecessors had complaints that the oil industry was bottling up oil and speculating on a freer price. They both went through investigatory routines and I am going through the same thing. It is kind of like an education for each new Administrator.

You are never sure. People say it is happening and even though you have all the papers saying it has been looked at before, you still want to go out and look at it.

GASOLINE PRICE INCREASES

Mr. REGULA. The headline in our weekend paper said "Zarb predicts 15-cents-per-gallon increase in gasoline by fall." Not too long

ago I heard you say at a briefing that a dollar-a-barrel increase on imports would raise the pump price of gasoline 1½ cents.

In my calculation the maximum import charge would be 4½ cents per gallon which is quite different from 15 cents per gallon. In view of the fact the President cannot do more than this amount even if his veto is sustained, is the 15-cents-per-gallon based on assumptions of congressional passage of the entire Presidential package?

Mr. ZARB. Yes; decontrol and everything.

Mr. REGULA. I think it would be premature to predict that happening.

Mr. ZARB. So often newspapers say things I said and so often they say things I never even thought of saying.

In response to an inquiry that asked, I am sure, if the President's program were enacted how much of it would go through to gasoline and how much to other products, I keep saying 13 to 15 cents to gasoline and 6 to 8 cents to other products. I was not predicting the reactions of the Congress. That would be presumptuous.

Mr. REGULA. Thank you.

Mr. YATES. Mr. McDade.

ENERGY PROGRAM RESPONSIVENESS

Mr. MCDADE. Before I ask any questions, I want to offer a compliment to you and your associates in FEA. I cannot tell you how many times I have had to deal with your organization either at the regional level or in Washington, whether on natural gas curtailments or back in the old days of the odd-even gas system in Pennsylvania. Everybody was flying by the wire.

I remember being in a county where they claimed to be bone-dry, completely out of gasoline. The retailers, who were under heavy public pressure were threatening a protest by striking. The area literally faced a shutdown of virtually all its transportation services.

I talked to your people in the Philadelphia office and they really innovated. We never did have a strike or transportation shutdown. That has been my experience. It was a different time. So I think it is not inappropriate to express my appreciation to you and your people for the terrific job you do under very difficult circumstances.

Mr. ZARB. Thank you.

AUTHORITY TO REGULATE COAL PRICES

Mr. MCDADE. Do you think you ought to have authority to regulate the price of coal?

Mr. ZARB. I do not know. I would not know until I know more about what is really happening to the price of coal vis-a-vis other fuel products. I was worried during the strike. I even had a piece of legislation drafted for the extent of the strike and the strike was over and prices started to come down.

I believe that because of the market of coal for the next couple of years, and if the Congress does not help us with the Clean Air Act amendment that will be longer than the next couple of years, we will be demand-constrained.

We are beginning to develop coal—the mines in Kentucky are be-

ginning to develop it and there is new attention to mining coal. But we are limited in our ability to burn it.

Except for the metallurgical coal, our ability to burn coal in New England to alleviate the import problem is almost zero.

ANTHRACITE COAL USE

Mr. McDade. That is bituminous coal. There is anthracite coal that almost nobody in Washington knows about. It is cleaner-burning with larger reserves. People in that industry say if somebody in the Government would put a floor in, or a long-term-buy agreement, and you can stock anthracite coal, that you could really increase the availability of energy resources for electrical generation and other purposes.

In fact, some people maintain today that you could take those 42 powerplants that have been identified and put anthracite coal in them and be within the Clean Air Act as it is written.

Do you know the answer to that?

Mr. Zarb. I know the answer to it. I would not be able to do it. I have used my authorities to the extent that I can.

Mr. McDade. Are you sure that anthracite coal would not meet the Clean Air Act if you could put it in the utilities?

Mr. Zarb. In every case, I am not sure because obviously you may have one or two cases where there is a distortion.

I know during the embargo we had authority to order the conversion to coal.

After the embargo those utilities or the bulk of them—I don't remember what percent, but it was sizable—went back to oil based upon environmental constraints.

Mr. McDade. They were all burning bituminous coal, were they not?

Mr. Zarb. I am not sure.

Mr. McDade. The point is what kind of coal are they burning? There are different compositions between bituminous and the other.

COAL LEGISLATION REQUIREMENTS

Mr. Zarb. I am asking for two changes, one is the Clean Air amendments and the other is the difference in my authority to mandate conversion to coal.

If we got that and were able to create a demand for coal, and right now at these price levels utilities are better off burning coal than residual oil where they are paying $16 to $17 a barrel in some cases. Coal is cheaper so it would be in their economic best interests to do that. We would create a demandpull on coal and prices would reach a reasonable equilibrium and the system would work.

Now the utilities are not converting and it is because of environmental constraints. There are no other reasons or justifications not to convert.

Mr. McDade. Based on burning bituminous coal?

Mr. Zarb. Why don't they buy the other coal?

ANTHRACITE COAL SUPPLIES

Mr. McDade. Because there is no guaranteed supply. This other coal is called anthracite.

Mr. ZARB. It is better coal?

Mr. MCDADE. It is the best coal in the world.

This is one of the things that I think you people ought to be looking at. We are in an energy shortage situation. There is about 1 billion tons of recoverable anthracite coal on the surface from 100 years of past mining that can be produced at a relatively inexpensive rate. But the people in the industry do not want to convert their boilers because they cannot get a supply and how do they know somebody might not knock the price out of oil and they will be left high and dry and would not be able to get the product?

The key is to be able to put a commitment somewhere so that if you are going through the capital investment of changing the boilers you are going to have a supply.

Mr. ZARB. I will answer that for the record after we look further into it.

[The following information was furnished:]

1. Domestic Production and Use: All reported production of anthracite in the United States originates in 11 counties located in northeast Pennsylvania. In 1974, this production totaled an estimated 6.3 million short tons, a decrease of almost 8% from that of 1973, with a value of $158 million f.o.b. preparation plant. Fifteen companies accounted for 68% of total production. Of the total output, 46% was obtainable at strip pits, 35% from culm and silt banks, 11% at underground mines, and 8% at dredging operations. Of the total supply, 42% was used for space-heating; 22% by electric utilities; 17% was exported; 11% by the iron and steel industry; and the remainder was used at cement plants, for colliery fuel, and other uses. Distribution of anthracite totaled: Middle Atlantic States, 68%; New England States, 1%; all other States, 12%; Canada, 8%; other countries (primarily western Europe and South America), 11%.

2. Salient Statistics--United States:

	1970	1971	1972	1973	1974
Production*	9,729	8,727	7,100	6,830	6,300
Rail shipments*	3,915	3,739	2,906	2,951	2,700
Truck shipments*	4,527	4,973	4,189	3,868	3,600
Imports*		- N o n e -			
Exports*	780	671	743	716	700
Consumption (apparent)*	8,248	7,338	5,915	5,671	5,200
Price (average per ton f.o.b. preparation plant)	$10.83	$11.86	$12.00	$13.22	$25.00
Stocks:					
Electric utilities*	1,099	1,123	895	1,066	1,000
At coke plants*	121	118	84	97	75
Retail dealers*	202	182	123	106	110
Employment (actual)	5,983	5,800	4,783	4,083	4,000
Production per man-day (tons)	7.45	6.30	6.88	7.15	7.00

* Tons in thousands

3. Events, Trends, and Issues: Following steady declines in anthracite supply and demand in recent years, demand experienced a reversal in 1974 as a result of shortages of alternate fuels. The supply-demand imbalance was further aggravated when a major anthracite producer sold its holdings, resulting in a serious setback in production operations. More efficient methods of recovery, increased availability of rail transportation, and new processes for utilization are needed to make anthracite more competitively attractive to energy consumers. Favorable trends are appearing in the use of anthracite as an industrial carbon, in the sintering of iron ore, and as an additive in the production of foundry coke.

The anthracite industry and region are beset by a variety of environmental problems which must be resolved: Purification of streams polluted by acid mine water; reclamation of strip pits; control of fires in culm banks and coal seams; stabilization of subsiding land; and control of mine flooding.

The prolonged future need for energy in ever-increasing quantities, and the prospect of continued inadequate availability of and increasing prices of other fuels, may result in a deceleration or reversal of the downward trend in the production of anthracite.

ANTHRACITE COAL PRICES

Mr. McDade. I wish you would look, too, at whether or not we ought not to be doing something about the price of anthracite coal. Some people in your shop have looked at it. It has gotten to the point now where it is over $60 a ton. Most of that product is now used for space heating. It has gotten so expensive we are actually having home heaters convert to oil, not exactly what we want to do as a Nation.

Mr. Zarb. Anthracite is $60 a ton?

Mr. Regula. Is that f.o.b.?

Mr. McDade. There is a $3 delivery charge on top of that.

Mr. Zarb. We have experts in coal in our department. We will find those answers for you.

[The following information was furnished:]

Higher prices of coal have largely reflected heavier demands on a supply-constrained coal economy. Shifting to the use of coal as an alternate fuel by electric powerplants has been a major force affecting coal supplies. Although prices, hopefully, will settle down, a strong demand is expected during the months ahead. Higher costs of mining operations and transportation, coupled with a competitive scramble for available supplies, had driven coal prices upward.

Efforts by the Federal Energy Administration are directed toward solving the basic problems affecting coal production so that these price trends can be reversed. Rapid expansion of coal mining capacity has been severely limited by uncertainties relating to environmental controls, and by difficult access to mining equipment and supplies, rail transport, and skilled personnel. Investments in new mines require confidence that the coal produced will be used for many years. Consequently, current efforts to remove production constraints and create a favorable investment climate are of primary importance in bringing forth the needed supply.

Unofficial reports received by the department in recent weeks indicate that the upward price movement has abated in some instances and declined in others. Such indications are confirmed by the Bureau of Labor Statistics, although its monthly Wholesale Price Index, showing average spot coal prices, will not necessarily reflect these changes immediately. Price declines, under present circumstances, are spotty and are generally initiated by transient producers who enter the industry marginally.

The average price of anthracite climbed from $13.22 per ton (f.o.b. preparation plant) in 1973 to an estimated $25 per ton in 1974. The average price of anthracite in 1975 is expected to approximate its 1974 level.

The heavier demands on diminished production capabilities and resulting supply shortages of anthracite prompted the Administration to establish, in August of last year, an emergency Anthracite Production Assistance Office in Wilkes-Barre, Pa. In further efforts to help restore a balance between supply and demand, the Department of the Interior has implemented several programs which involve: (1) locating unused anthracite sources for immediate use, such as culm banks; (2) an indepth study to identify production constraints; (3) accelerated mining and utilization research; (4) analyses of inactive coal operations; and (5) exploring the possible use of advanced boring systems for anthracite extraction from steeply pitching seams.

CONVERSION OF PETROLEUM PRODUCTS

Mr. McDade. Thank you. Assuming the President's program were enacted on the day he wanted it enacted, what would be the results in terms of conversion of petroleum products? How many barrels would you estimate we would save in one calendar year?

Mr. Zarb. We had calculated that in the first year, if the Congress by April 1, in total we could count, of the 1 million barrels, we counted on 160,000 barrels a day from Elk Hills oil and about 100,000 barrels

from conversion and the rest was sheer conservation except for some gas switching.

Mr. McDade. But you do not have the legislation for Elk Hills. You do not have the legislation on clean air. You still don't have the legislation requiring mandatory conversion of the powerplants.

Mr. Zarb. No, sir.

Mr. McDade And you do not have a program enacted for conservation.

Mr. Zarb. No, sir.

PRICING PROGRAM

Mr. McDade. Let me ask you this question: This is a very unhappy situation in my judgment. Is there any possibility as far as you people are concerned that there could be some fine tuning in terms of what you would do with the price of petroleum products across the spectrum? Would you be willing to let the price of gasoline rise higher while the price of home heating fuel and industrial fuel was protected so as not to rise as precipitously as it might if the whole conservation program were enacted?

Mr. Zarb. Yes. Part of the program provides for what we call the gasoline tilt where if you took the administrative practice, the first dollar, second dollar, and third dollar which would come active in the summer, about 6 cents of that would go into gasoline and about 2.9 cents to other products. The same applies to the main frame program where we provided a 2- to 3-year program where the gasoline takes the biggest bite. It takes a longer time to readjust a factory than cars.

FISCAL YEAR 1975 PUBLIC EDUCATION SUPPLEMENTAL REQUEST

Mr. McDade. You indicated in your statement that you are going to ask for a supplemental for public education purposes. Do you know how much?

Mr. Zarb. $5 million.

"DON'T DRIVE" CONSERVATION PROGRAM

Mr. McDade. The reason I asked is we have asked your organization to look at another possibility that has not been mentioned in your statement. That is the idea of having all Americans leave their automobiles at home for one day. They pick the day and they rely on local in-place enforcement groups to enforce it.

It would have to be mandatory. I don't think it would work on a volunteer basis.

Your shop estimates if that were done there could be a saving of 275,000 barrels a day up to some high figure of 600,000 barrels.

What strikes you wrong about that proposal, if we are looking down the tunnel where we cannot really see a lot of action? You have requested a lot of legislative initiatives. They have not occurred. Every day the sun sets we grow more dependent on foreign oil. What would bother you most about attempting this in the interim? With this educational package you could say to the American public, well, we are going to take in phases. We will try to get you to leave the car home one day a week.

You would have some emergency appeal procedure. If a fellow could not get to work by car pooling, there would be some mechanism for him to appeal that.

Your office presented a paper to me which said it would save from 275,000 to 600,000 barrels a day on gasoline. I find this very interesting and appealing, especially since we see no action so far and especially since there may be some way to phase it in.

What would you think about that?

Mr. ZARB. I think it would be kind of fun to try. We ought to try it one day and see what happens. I will supply that paper for the record.

Mr. DUNCAN. You could even give everybody a WIN button as a prize.

Mr. ZARB. I wish you hadn't said that.

[The following information was furnished:]

ONE-DAY A WEEK DRIVING BAN ON PRIVATE AUTOMOBILES

Proposal

One possible method for reducing auto travel is to prohibit use of every private automobile one day each week. In other words, each automobile owner would be allowed to select six days of the week during which his vehicle could be legally operated. Each motorist would be given a sticker to affix to the windshield of his automobile. The color or shape of the sticker would indicate the day of the week on which that car cannot be driven. The stickers would have to be large enough so that enforcement is feasible. Government, commercial, and emergency vehicles would not be covered under such a program.

Energy Savings

According to statistics collected by the Federal Highway Administration (FHWA), automobile travel is spread nearly equally among the seven days of the week (roughly 14% each day). However, the distribution of auto travel (in terms of trip purpose, trip length, and origin/destination combination) is quite different for different days. Table 1 shows automobile trip distributions for a typical weekday and for the weekend.

Table 1. Distribution of Daily Automobile Travel

	Weekday	Weekend
Earning a living	52.1%	13.8%
Family business	20.0	17.4
Educational, civic, & religious	4.9	5.2
Social & recreational	21.1	60.8
Other	1.9	2.8
Total	100.0%	100.0%

The maximum possible savings due to implementation of this proposal would be one-seventh of all private automobile fuel use. In 1975, this maximum savings would be 650 thousand bbl/day (1.3 Quads per year). However, this maximum cannot be achieved for a number of reasons.

Perhaps the most important reason that the maximum savings will not be achieved is that most drivers are likely to respond to the one-day a week driving prohibition by shifting their travel to one or more of the other six days rather than by reducing their auto travel. This is especially true for multi-car families, since they can shift travel, whether for commuting, shopping, or personal business, with only minor inconvenience, and equally minor travel reductions. More than half of all U.S. households have two or more cars.

In addition, a mandatory program such as this one, operated over an extended period of time (several years), is prone to abuse. Individuals can buy low-cost, junked cars, register them with the state, and then have two stickers - thus, permitting them to drive all seven days of the week. Forging stickers or transferring stickers from one car to another is likely to be easy unless adequate enforcement is available.

Commuting travel is more difficult to curtail or shift. Thus, most people are unlikely to choose a weekday for their non-driving day if they currently commute by car. This is because mass transit is presently unavailable to most people. About 95% of all work related travel is conducted with automobiles. In other words, bus and rail transit presently carry only about 5% of the work-related travel in the U.S. More than half of all the people surveyed by the FHWA (in a 1969 study) indicated that public transportation was not available to them for home-to-work travel. Even among those for whom transit is available, the transit option is generally not exercised because it takes too long, is not convenient to the place of work, and involves too many transfers.

To reduce the ability of motorists to avoid reductions in auto travel, the system could mandate which day of the week each driver must not drive. Such an arrangement would, of course, require an elaborate exceptions and appeals system, and would still not guarantee substantial savings. Because of the great uncertainty with respect to the degree of auto travel reduction due to this program, it is difficult to estimate exact energy savings. Table 2 shows the energy savings in 1975 for a range of travel reductions.

Table 2. Potential Energy Savings in 1975 With a One Day Per Week Driving Ban

Percent reduction in auto travel	Petroleum Savings	
	Quads	bbl/day
0	0	0
5	0.5	230,000
10	0.9	460,000
14	1.3	650,000

In Israel, a one-day per week driving ban imposed during and shortly after the October 1973 war resulted in a 10% reduction in private gasoline consumption. However, the savings are likely to be much lower in the U.S. because of differences in driving levels and patterns and because the intense wartime emergency situation does not exist here. We estimate that U.S. savings would be no more than 200,000 barrels of oil per day, even with substantial enforcement efforts.

Equity Impacts

This program strongly favors wealthy households because poor people own fewer cars than do wealthy people. Table 3 shows auto ownership in 1969 as a function of income, in terms of both average auto ownership per household and the number of cars owned per household. As income grows, households are more likely to own an automobile and more likely to own more than one automobile. Because this program relates mobility to auto ownership, poor people - who generally own no more than one car - suffer a loss in mobility relative to wealthier families that own more than one car.

Table 3. Automobile Ownership by Income Class

Annual household income ($)	Average number of cars per household	% of households in income class with - 1 car	2 cars	3 or more cars
under 3,000	0.40	33.6	3.3	0.0
3,000 - 3,999	0.74	56.5	8.4	0.3
4,000 - 4,999	0.90	62.3	11.3	1.4
5,000 - 5,999	0.93	64.7	16.5	2.0
6,000 - 7,499	1.22	57.8	25.6	3.6
7,500 - 9,999	1.35	59.2	30.8	4.1
10,999 -14,999	1.61	44.0	46.0	7.2
15,000 and over	1.94	27.4	55.2	16.2
All	1.17	48.4	26.4	4.6

Moreover, such a set of limitations is a very large government incursion into an individual's freedom of mobility, and thus by inference his freedom of association and assembly.

Dollar Costs of Program

There are essentially no private dollar costs of operating this program. However, the government costs are likely to be substantial. These costs are the result of:

- producing the stickers
- public advertising and education
- distributing the stickers to motorists
- enforcing the system

The cost of producing the stickers similar to state inspection stickers is about 5¢ each. With 102 million private automobiles and 5 million motorcycles, in use, the annual cost of printing the stickers would be $5.4 million.

The cost of public education and advertising is harder to estimate. Use of both print and broadcast media for advertising would probably cost about $20 million during the first year. Education costs would decline substantially after the program has been in effect for some time.

The cost of distributing the stickers is a function of the distributing mechanism. Post Offices are likely vehicles to use for distribution, although Post Offices are quasi-federal establishments and motor vehicle registrations are handled by state agencies. Assuming 3 minutes to process each sticker and a $10/hour (labor + overhead) cost yields a total cost each year of $54 million. This does not include the additional costs of providing stickers to purchasers of new and used cars or for people who wish to change the day of the week allowed to them. Nor does it include the costs of processing exempt vehicles. Thus, the overall annual costs are likely to be about $70 million.

The cost of enforcement is likely to be sizeable. Without strict enforcement on the part of state highway patrols and municipal police, compliance with the system would decrease with time. For example, the response to the 55 mph speed limit was initially quite good during the embargo; however, as gasoline supplies increased and enforcement waned, average highway speeds gradually increased.

The total cost of highway patrol departments in 1974 was over $1.0 billion. Assuming a 10% increase in highway patrols (and associate support costs) suggests that the cost for adequately enforcing the sticker system would be about $200 million annually ($100 million for rural highway patrols and $100 million for municipal police).

In summary, the total cost to governments of implementing and enforcing this program is about $300 million during the first year. This cost is likely to decrease somewhat with time.

Relevant Past Experience

During the October 1973 mideast war, Israel instituted and strictly enforced the system discussed here. The estimated 10% saving was attributed to both the enforcement efforts and to substantial voluntary compliance, since compliance was equated with patriotism, at least during the emergency. Recently, Israel dropped the system in favor of raising gasoline prices from $1.30 to $2.00 per gallon to encourage conservation.

One of the proposals for the Boston Transportation Control Plan (TCP) was to limit diving to six day per week. The only difference between the Boston proposal and the one discussed here is that the Boston proposal assigned the non-driving day to people. The goal of the Boston proposal was to reduce air pollution, rather than to save gasoline. The proposal was later dropped because of of the overwhelming public opposition expressed to the plan at the TCP public hearings.

NEW ENERGY ETHIC

Mr. ZARB. What we really need to have, you know, people have been talking about the new energy ethic now for years. The new energy ethic means, I think, that our Nation is going to treat energy at a different value level. That means everything we do day in and day out, whether we buy storm windows or insulate our houses or buy smaller cars, these decisions day in and day out will create a different configuration of energy use in our country over a period of 5 to 10 years.

We are going to promote that decisionmaking. Some of the techniques articulated might have a meaningful impact.

In our deep analysis we find in our free society they usually fall of their own weight after a while, particularly after there is no emergency or the Arabs have not done it to us again.

So they have no perpetuity and no result on the energy ethic we are trying to create. If we do cause this we create that activity. We have one-sixth of the world's population. We use one-third of the world's energy, worse by far than any other industrial country in the world.

We can promote this energy ethic and not give up our standard of living over a period of time.

People don't waste energy. They treat it for its value.

FEA EMPLOYMENT REDUCTION

Mr. MCDADE. I don't know whether we have been cursed or blessed today with cheap energy for a long period of time. I hope we can accomplish what you say. I notice you talk about quite a reduction in your complement of people in FEA. That sort of troubled me when I saw it. What is the reason you are going to lose that many positions?

Mr. ZARB. The package was originally put together (1) before the President's energy program was completed and submitted to the Congress, and certainly (2) before we knew what the Congress was going to do with it. We have to look at those numbers with that in mind.

We have an allocation program we administer now. It is to a great extent a paperwork exercise. It was born of a shortage. It was designed to really facilitate a real shortage. We now have a lot of paper shuffling which complies with the law that I think we have to bring up to contemporary rule. I think we need some continuing allocation authority. To that extent these things will change. If the President's program is enacted in full we will have additional authority and those numbers will change. But originally when it was put together it envisioned the expiration of the allocation act in August.

Mr. MCDADE. Thank you.

Mr. YATES. Mr. Regula.

COORDINATION TO DIMINISH ENERGY CONSUMPTION

Mr. REGULA. Do you coordinate with the other agencies to reduce energy consumptive activities? I note we are going to spend an additional $2 billion more on building more and better highways which some would allege encourages the consumption of energy. Does FEA coordinate with agencies such as DOT?

Mr. ZARB. Yes.

First of all, the Energy Resources Council which for the first time in the history of this Republic organizes the executive branch in a way that really works on energy matters. We have worked with the Council, with Rogers Morton as Chairman. We bring our problems to the table and argue them out and bring them to the President. The President knows where we all stand and he makes the decision. In the $2 billion release of highway funds, I was with the President when this was first raised by a number of Governors. He talked with me about it before he made his final decision. I must say I have looked into the intellectual base of that conclusion that says that highways waste energy although I always believed that. I have been given some cause for doubt. I am not going to be strong on the other side of that argument because I still do not know and nobody else seems to know enough to prove it to me.

The Governors point out in these interstate highways they have gaps that need to be connected.

Rogers Morton tells me he has flown over a lot of these and has seen the gaps. While we will be putting people to work, which is an important thing, and they will be operating in a generally energy intensive industry, the cement and asphalt, that long term, when people can get from here to there using a straight line they are going to use less gasoline and other fuel. Now I have heard both those arguments. I am not really persuaded by either because I have not seen the evidence that says if we connect these many links we will save this many barrels per day. I am not sure that building more highways at this point will use up more energy.

ENERGY FLOOR PRICING STRUCTURE

Mr. YATES. I would like to ask a question about your new energy ethic. I understand you are saying that the people of America will never return to a kind of price structure for energy that they have enjoyed in the past.

Mr. ZARB. I believe that.

Mr. YATES. How much higher will it be?

You are talking in terms of a floor. You and Dr. Long engaged in a very sophisticated discussion on the advantages of the free market. Yet you are taking the free market away in the energy industry. You are proposing to establish floors for oil. I assume you are going to do it for coal. The coal industry wants that, too.

How does your free market operate in this kind of structure then?

Will it operate above your floors only?

If you have floors, you don't have a free market, do you?

Mr. ZARB. Well, you do and you don't. It depends on where you set the floor and what kind of free market you are talking about.

The best of all worlds, and Dr. Long would agree with this, is if we had a free international market, that the cartel was not a cartel and the producing nations were producing as much as anybody would buy and they competed on open markets.

Mr. YATES. All of us would agree.

Mr. ZARB. But we do not have that.

We have a group of men who formed a fraternity and together they have set the price.

Then we have to restrict our free market domestically on production. We will not have a free market until we produce enough energy to service our own needs so the energy sources can compete within the demands of our own Nation. That will be some time off. In the meantime, we say if it cost an average of $6.50 to produce American oil we ought to join the line there.

Until we become independent, we should not allow the cartel to flood us with $4 oil and put us back into our nasty old habits and forget Project Independence. So it is minimum protection we are talking about, otherwise we will not have the people making these investments.

I could not convince you about that if we did not have some mechanism that says if the cartel attacked us economically with cheap oil and we had no means of accommodating that problem, then you could sit back and conclude we were not serious about this whole matter in the first place.

Mr. YATES. I think there may be some merit to that, but the fact remains that there is a chance of a rip-off in the event you do not have a ceiling.

TAX LEGISLATION REQUIREMENTS

Mr. ZARB. Not if we have a windfall profits tax.

Mr. YATES. In the past, we have had very little tax income from the oil industry. All you have to do is look at the tax returns of the companies.

Mr. ZARB. We sent up a windfall profits tax package last year and it got nowhere.

We sent one up this year and it got some discussion. It was a full windfall profits tax that had a 4- or 5-year phaseout period so after 4 or 5 years it might be somewhere, the oil would be decontrolled, but it recaptured everything in the interim above a certain price level.

It started at $6.50 and went to $7.50, $8.50 and $9.50. The point is we still have that opportunity of creating a viable windfall profits tax, letting oil go free and getting the conservation effect of the higher price and collecting that money and delivering it back into the economy in a way we believe is most equitable that may have no connection to oil consumption.

Mr. LONG. Will you yield?

Mr. YATES. Yes.

EXCESS PROFITS TAX

Mr. LONG. As between a price ceiling on a barrel of oil and an excess profits tax, wouldn't the excess profits tax be preferable from the standpoint of encouraging production of oil?

Mr. ZARB. Yes, that and conservation, both.

Mr. LONG. I agree with you.

Why do you need an excess profits tax in the oil industry?

Why don't we just tax the oil industry as we do other industries? In other words first get rid of the depletion allowance and tax credits then tax them the same way as other industries?

Forty-eight percent is not a bad tax.

Mr. ZARB. If you get rid of depletion and put in a form of plowback maybe they can work something out.

We get to this point: The industry has a fair enough return on investment to fully fund its exploration and development. It has a reasonable return for its stockholders as a reasonable man would make that determination. Anything above that point somehow should not occur and if it does, it should be taken back by the Government.

Mr. LONG. Why does it occur in this instance?

Mr. ZARB. It occurs because cartel oil comes in at $12 and the industry in this country has controlled oil and free oil.

The free oil seeks the world price. That is world economics. They are in a position then to ignore supply and demand and to have a return on that new oil that is in excess of what would normally be returned to any company in a free market.

When that happens, you either have to have the cap and let the cap go up gradually as the cost of oil acquisition increases or let the oil go to market price and recapture it with windfall profits. I prefer the second for the reasons I gave before. It gives a price incentive for conservation and allows me to collect for the Government a pool of dollars where we could treat inequities.

ALTERNATIVE TAX STRUCTURE FOR OIL INDUSTRY

Mr. LONG. Why isn't a 48 percent tax a pretty good tax? Why not just go with the straight tax system we apply to General Motors or any other company? Would you folks support the elimination of oil depletion?

Mr. ZARB. I cannot support elimination of oil depletion until I see what else we are doing.

Mr. LONG. Would you support applying to oil the same taxes as we have for other corporations?

Mr. ZARB. With a free market for their products?

Mr. LONG. With a free market as far as price ceilings; yes.

Mr. ZARB. Sure.

I am not so sure you would when you saw what the final numbers looked like.

If we freed all price it would go to world levels. When you looked at the bottom line you would come to the conclusion that probably the return in that particular sector at this moment was not servicing the Nation as a whole as best it could.

WORLD OIL PRICE LEVELS

Mr. LONG. What is the harm in going to world levels? Why shouldn't domestic oil get as good a price as imported?

Why penalize the domestic producers?

Mr. YATES. How much of domestic production is new oil and how much is old oil?

Mr. ZARB. Sixty percent old and forty percent new.

Mr. LONG. How do you respond to that?

Mr. ZARB. What is wrong with freeing up oil?

Mr. LONG. Why shouldn't domestic oil get a good price? Why penalize the very fellow we are trying to encourage to get going?

Mr. ZARB. I hate to answer your question. I am the man who wants to decontrol oil and get out of the regulation business that has hurt us so badly in the years past.

I have to be honest and say to you if we freed up old oil now and it went to world price levels, which has no bearing on price by demands, set by the cartel, as Mr. McDade said, the oil companies would have a return on investment beyond what you think would be reasonable.

Mr. LONG. Even allowing the oil depletion allowances and tax credits we are giving, et cetera?

Mr. ZARB. Maybe if we did that it might get closer to reality.

Mr. LONG. When General Motors has a good year, we don't complain. Why should we weep when the oil companies make money after paying 46 percent in taxes?

Mr. ZARB. I will keep this record and read it myself over and over again. After all I have been through in the last 2 weeks, this looks terrific.

STRATEGIC PETROLEUM STORAGE PROGRAM

Mr. LONG. The budget calls for, without further description or cost data, a "strategic petroleum storage program to reduce America's vulnerability to disruption in foreign oil supplies." What kind of program is envisioned, and at what cost? Is the Federal Government going to build a network of oil shortage facilities, at an enormous capital cost, and then spend more money, while heightening demand for oil, by buying petroleum to fill the storage tanks?

Mr. ZARB. Mr. Long, the program you have raised questions about is identified as title II of the administration's proposed Energy Independence Act of 1975. This selection is also called the National Strategic Petroleum Reserve (civilian) Act of 1975.

Briefly, the proposed legislation calls for the establishment of a strategic petroleum reserve of 1.3 billion barrels (1 billion for civilian; 0.3 billion barrels for defense purposes). This reserve is intended to provide for construction and maintenance of strategic petroleum storage facilities, authorize purchase or set-asides of crude oil and products, authorize the President to use these reserves to offset disruptions and embargoes in imports, and to protect the national security.

This year, FEA's Office of Energy Resource Development through our Office of Oil and Gas Operations will be required to produce an implementation plan to be submitted to Congress within 1 year of enactment. This report will include—

(1) A comprehensive environmental assessment in analysis of alternative types of storage facilities;

(2) A timetable for completing the petroleum reserve system;

(3) A comparison of available methods for obtaining petroleum for the strategic reserve; and

(4) Planning cost estimates.

Mr. Long, may we comment that this strategic petroleum reserve program is vital to and consistent with the Energy Independence Act of 1975 objectives; international and domestic emergency energy and defense planning objectives. There is a $1 million item in the proposed fiscal year 1975 supplemental appropriation "for the development of an emergency energy storage system." If these funds are appropriated, the report to Congress which is to be furnished within 1 year's time should provide recommendations on the rate at which the storage will be developed, the amount of crude oil which will be transferred from naval petroleum reserves to fill the storage, the use of underground

caverns for storage, and other factors which will reduce the cost and reduce the amount of oil for storage which has to be purchased from foreign producing nations.

ENERGY EFFICIENCY REQUIREMENTS

Mr. LONG. The Federal Government could lead the way in energy conservation by building in energy efficiency requirements for federally insured home loans, and in Federal Government procurement requirements. To what extent has the FEA's Office of Energy Conservation worked with other agencies, such as the Department of Housing and Urban Development or the General Services Administration, to achieve such energy saving? What more can be done by the Federal Government to encourage energy conservation?

Mr. ZARB. The Office of Energy Conservation and Environment worked with HUD when they published for comment in the Federal Register amendments to the FHA minimum property standards. These amendments would incorporate requirements for improved thermal efficiency in federally insured new and existing housing. The requirement for new housing became effective November 22, 1974. VA and FMHA also adopted them. HUD is issuing the standards for existing buildings on a voluntary basis. In the fall, FEA worked closely with HUD, VA, FMHA, FNMA, and Federal Home Loan Bank Board to promulgate mandatory standards for existing buildings. FHA said that they would do this if VA and FMHA would publish similar standards. The latter two would not agree. We are still working on this.

The Federal Energy Administration has worked closely with GSA in the Manchester demonstration building. The buildings policy research in the Office of Energy Conservation and Environment has transferred funds to GSA to obtain and install monitoring equipment into the Manchester Office Building in order to validate the energy savings. The Office of Energy Conservation and Environment works closely with GSA in implementing the Federal energy management program. This program is responsible for reducing energy consumed by the Federal Government as well as providing information and assistance to State and local governments and educational institutions to help reduce energy consumption in their buildings. In fiscal year 1974, the FEMP program achieved a 24-percent reduction in anticipated Federal energy consumption and avoided $725 million in energy costs. As part of this program, Federal Management Circular (FMC 74–1) promulgating FEA energy conservation policies and procedures was issued in January 1974. This delineated that the Government should procure air-conditioners on a life cycle cost basis.

During the past year, FEA has developed and published guidelines for lighting and thermal operations in existing commercial buildings. These guidelines are based on experience in Federal buildings. They are being used in a national program to inform owners and managers of commercial buildings of the benefits of saving energy. The guidelines were developed with input from GSA, NBS, and the private sector.

The buildings program of the Office of Energy Conservation and

Environment has worked closely with the other Government agencies responsible for energy conservation program and activities related to buildings and facilities. In March 1974, FEA established a Federal Interagency Task Force on Energy Conservation in Buildings. It is comprised of the following agencies: FEA, HUD, GSA, ERDA, NBS, DOD, HEW, VA, NASA, HSF, CEQ, FHLBB, and EPA. It meets monthly, and its most recent activity was a coordinated review and response to ASHRAE Standard 90P, a proposed energy conservation standard for new buildings and developed by the American Society of Heating, Refrigeration and Air Conditioning Engineers, Inc.

The Federal Government can and should accelerate and advance its current active programs in energy conservation. The President has proposed several legislative actions in the buildings sector which would encourage energy conservation: A 15 percent tax credit to be applied to material and installation of items such as ceiling insulation, weatherstripping, and storm windows; the Building Energy Conservation Standards Act of 1975; the Winterization Assistance Act of 1975; and the National Appliance and Motor Vehicle Energy Labeling Act of 1975. The latter three are titles X, XI, and XII of the Energy Independence Act of 1975 submitted by President Ford to Congress on January 30, 1975.

CONGRESSIONAL CONFIDENCE IN FREE MARKET

Mr. YATES. Mr. Duncan.

Mr. DUNCAN. Isn't our difficulty here in too loose and free use of the word "free"? The chairman anticipated my line of questioning. The world price is not a free price, is it?

Mr. ZARB. No, sir.

Mr. DUNCAN. Somebody suggested earlier that the Congress does not have any confidence in the free market. I think it is a fair statement to say that the Congress doesn't have any confidence that we have a free market, partly because of the excessive concentration of economic power we have talked about here earlier that allows very, very few companies who are not a monopoly perhaps but who exercise monopolistic powers to control supplies and price in an artificial fashion. That is why Mr. Long and myself and some others are apprehensive of the expansion of these oil companies into geothermal and coal and uranium fields.

I am very apprehensive about it. This whole conversation and some of the responses are reminiscent of the debate on the cotton surplus when I was here before. We gave the cotton farmers a subsidy. They could not sell cotton in the world market because it was cheaper in Egypt and India. So we put an export subsidy on it. It began selling and the Italians and Irish made it into shirts and sent it back here. So then our manufacturers said they could not compete with the Irish and Italians and they wanted a subsidy.

Senator Talmadge decided it was time to stop that nonsense and ultimately it was stopped.

I wonder if, with trying to combat an artificial situation with another artificial situation, a floor, aren't we missing the target?

Why not break the cartel? What is wrong with the suggestions made by a number of people already that we set a quota?

You suggested that the American people cannot exercise a conservation ethic in the absence of an emergency. I think there is an emergency. I think everybody who has suffered the ravages of the ripple effect of inflation in this economy believes there is an emergency. Why can't we set a quota and auction off that quota?

Mr. ZARB. We can.

ESTABLISHING PETROLEUM QUOTAS

Mr. DUNCAN. Have you thought about that? What is wrong with it?

Mr. ZARB. That is one of the four options that were presented to the President as vehicles to attack this problem. First of all, a quota which would drive down our dependence on imported oil by its definition would mean that the Government would create a shortage, otherwise it would not work.

Mr. YATES. Like your tariff?

Mr. ZARB. No; that is a different notion.

Mr. YATES. The purpose of it is to create a shortage, is it not?

Mr. ZARB. No. It is a whole different way of getting at the problem. With that quota you can regulate the size of the shortage. It is a self-imposed embargo. When you say regulate the size of the shortage, we want to eliminate the expanding vulnerability which means we have to set aside 2 million barrels. If we do not we are going to have 2 million barrels more of Mideast oil on the books. So we have to save 2 million barrels a day between now and then. Going the allocation route, we would have to set up a shortage, not the Arabs, not the cartel, but the Government would say to the American people, we are going to create a shortage of 10 percent of current consumption.

Mr. DUNCAN. Which gets you back where, about 1972?

Mr. ZARB. No; about 1973 import levels. It would be just about back to the embargo. Now what do we do with that shortage? The Government is now going to determine who gets energy and who does not or who gets the percent of energy and who does not.

Each company in our Nation will have a determination by this Government that it is entitled to 80 percent, or 90 percent or whatever.

Mr. LONG. That is not what Mr. Duncan suggested. He said auction off the shortage which means to sell it.

Mr. ZARB. All right, we will sell it.

Mr. LONG. Let them decide to buy the short supply and pay what price is needed until the demand was reduced to that supply which you created.

CREATING PETROLEUM SUPPLY SHORTAGE

Mr. ZARB. You are saying we create the shortage and put the shortage in the marketplace and let people bid for available supplies.

Mr. DUNCAN. Let the foreign producers bid for the market.

Mr. ZARB. Do you want to comment, Bruce?

Mr. PASTERNACK. The people most dependent on imports, the people who need heating and residual oil would suffer the most because they would have to bid and secondly our actions to cut 1 million barrels or 2 million barrels a day would have virtually no effect on the cartel.

We are only a small portion of cartel. They won't mind the 2 million barrels a day one bit.

Mr. DUNCAN. What I am saying is that we let them bid for our market and put a quota on if you want. I don't think you need to put on a full 2 million barrels a day if your goal is 2 years hence.

Mr. ZARB. We can do it gradually but create a shortage.

Mr. DUNCAN. But the objective is to break the cartel so you have a free world price to which there would be no objection to the domestic price rising.

Mr. ZARB. But you cannot hurt the cartel because we do not buy that much from them.

OPEC ACTIVITIES

Mr. DUNCAN. Let me throw out another idea. I am not prepared to argue with you definitively on the subject except what I read in the newspapers, as Mark Twain said, but isn't it true some of the members of OPEC are not producing the cash flow they expected to have?

Mr. ZARB. I think in the last month or so they are beginning to hurt a little bit.

Mr. DUNCAN. Isn't it true that a number of the OPEC nations are beginning to realize that as they erode the value of the dollar, they are eroding the cartel activities?

Mr. ZARB. I think that is a fair assumption. You have to conclude that they have the capability of reducing their production.

Mr. DUNCAN. Some do but some do not.

Mr. ZARB. Abu Dhabi perhaps is in a different position than Saudi Arabia, but Saudi Arabia is perhaps the biggest supplier. When you say put pressure on them, I think the biggest pressure is to let them know this Nation plans to get to 1985 and to become invulnerable to their pressures so we are going to have bargaining chips at the negotiating table.

I have great problems with the quota system. If we do it right we will create a shortage. If you throw it open to price every retail outlet will be bidding against supply and prices will go like that.

ALLOCATIONS PROGRAMS

Mr. DUNCAN. I think you have to allocate the available supplies. In spite of my facetious remarks about the WIN buttons, I couldn't understand why you took the pressure off 15 months ago. We don't have any anthracite coal in Oregon so it cannot compete with Mr. McDade in that area. I do know when you were attempting to make allocations and when there was a shortage and the lines were just as bad in Oregon as they were anywhere else, Oregon came up with the odd-even days plan and the problem of lines at the gas station vanished.

I do not understand why you cannot try Mr. McDade's suggestion or perhaps go to an odd-even system.

Mr. ZARB. First of all, we cannot attack the gasoline product alone.

Mr. DUNCAN. That is what you are doing when you put 15 cents on gas and 6 or 7 on others.

Mr. ZARB. No.

Mr. DUNCAN. You are hitting the gas the heaviest and hardest.

Mr. ZARB. Because the other takes longer to adjust.

In our program we get a parity over a couple of years so we can catch up.

Mr. DUNCAN. But that is where you have the biggest chance to save with the smallest impact on the American standard of living.

CONSERVATION SECTORS

Mr. ZARB. No, that is not a true statement. The biggest sectors of conservation still relates to the industrial consumption, relates to the home heating oil consumption. This sounds almost unAmerican and I would not say it in a large public meeting in New England because I would be stoned. We have old inefficient heating systems. Storm windows are not used enough up there. There are great opportunities for savings. In the industrial plants we have a long way to go to achieve the kind of savings we need to have.

Mr. DUNCAN. I would not argue that there is not lots of room in those areas and perhaps I overstated it when I said the greatest. But I do believe as Mr. McDade does that damn near every one of us can use that vehicle a lot less than we do right now.

ODD-EVEN SYSTEM

I think if we had kept the pressure on over the past 15 months with an odd-even system you would have gone a long way to solving the problem.

Mr. YATES. Perhaps he ought to answer the question as to why he doesn't do it.

Mr. ZARB. Maybe you believe the odd-even system was working pretty well. I was in the eye of the storm. I heard some Governors talk to me about the allocation system.I couldn't believe it because just a year or 4 or 5 months ago those same Governors were suing us.

We were in court. They said Florida was getting too much and New Jersey should be getting more. Louisiana put out those funny bumper stickers which I will not quote here. Texas said they were going to put the National Guard at their border and turn off the pipes.

Bill Simon and I sat down and we were concerned that there would be, in some places in the country, people in the streets. It was that week we decided to dig into inventories. People forget that. If you think we can get into the economy and make decisions day in and day out, I would be the biggest gun in town, I would decide who would be allowed to build a new plant and who would not.

That would be more disruptive than anything I can think of.

DECISIONS NECESSARY FOR ALLOCATION PROGRAM

I sat down with a Member of Congress the other day, a freshman. He started with gas rationing and went on to the idea of allocation and quotas.

I started with some key questions: "How would we disperse it?" He said, "90 percent across-the-board." I said, "OK, what do we do for farmers?" He said, "We have to give farmers 100 percent." I said, "Who do we take it away from?" He said "Well, we will take it away from tourism."

I said, "What do we do with the economy of Florida and Colorado"—and Oregon. We went all the way down the list as to who makes decisions as to which company to expand, would you have to get a certfiicate of energy from the Government. I ended up by asking him whether he thought Congress was prepared to put together a comprehensive piece of legislation to articulate that.

During the embargo I remember going from the New Jersey delegation and Florida delegation the same morning because New Jersey thought Florida was getting too much and they should get what Florida was getting. Tempers ran high.

VOLUNTARY CONSERVATION EFFORTS

Mr. YATES. I know the problems you have. In the absence of legislative authority, you ought to try to have some voluntary things.

Mr. ZARB. We can do a lot more in volunteerism just explaining the problem to the people. The only difficulty I have with the funding is that we have to come to an understanding so you know what I am doing with that money and there is never any feeling that we are using that money for Administration propaganda, which is sometimes the charge. We are going to get into TV spots and we ought to just have an opportunity to show you what we do in that area so there is no room for misunderstanding.

Mr. MCDADE. Would you yield?

I wanted to explore this idea. I didn't intend it to be voluntary because I didn't think it would work. I found out that San Francisco tried it on a voluntary basis and Mayor Alioto was even riding the buses to work. But if you ask every American to let one car sit still one day, let him make the decision, but then they have to stick to it and use a simple system like covering a license plate or some other way to identify the day. Local law enforcement people would be expected to carry the burden of enforcement.

Maybe that would work. Your Office gave an estimate of the gas savings. Why don't you think you could get the American public to cooperate with you?

Mr. ZARB. Your figures sound high, for that 1 day.

Mr. MCDADE. They are your figures. When I wrote your shop we asked about the savings. They made a miscalculation. They assumed if a man had four cars, he could leave one home every day.

Mr. ZARB. You mean different days.

Mr. MCDADE. You fellows assumed if he had four cars, he could have one car on the road.

Mr. ZARB. One day that nobody drives?

Mr. MCDADE. My idea is that each automobile owner would have all his cars home on one day a week and work with car pools and public transportation. It is a system that might do something for you. We would like you to think about it. Maybe we can try one part of the country and experiment with it.

Mr. YATES. Mr. Evans.

FIXED QUOTOS VERSUS FIXED COSTS

Mr. EVANS. You did not get to finish answering one of Mr. Duncan's questions. You are talking against establishing a fixed quota and, in

place of it, establishing fixed costs through a tax. The thing I am concerned about is if we go this route, it has certain disadvantages. Many people can ill-afford to pay increased costs for gasoline and they must be reimbursed. How will you reimburse these people?

Mr. ZARB. That is important. It is often thought that when we create a shortage that prices will stay where they are. I will give you one small example that can be multiplied by 100 that makes that untrue.

When we had the embargo last winter, service stations were getting 75 to 85 percent of their base period. They were selling a lot less gasoline. Their overhead stayed high. They had to pay their utilities and lights and rent. We had to give them a 3-cent-per-gallon increase to keep them in business. Most of them were independent and that occurs in that kind of a process. So the notion of using allocation and keeping prices down just does not hold up.

What was the rest of your question?

TAX RETURN PROPOSAL

Mr. EVANS. How do you get the money back to the people who can least afford it?

Mr. ZARB. The one method we do have is using the economic method. If we create an economic value and the economy makes choices, I can either carpool or drive to Florida for my winter vacation; I can only afford to do one of the two. Now the Government collects the increased taxes and it goes into a $30 billion pool of which $20 billion goes back to taxpayers. It comes through reduction in the withholding rate and income exemption. And for those who don't pay taxes—they get a check, $80 per person a year.

So the average family in the low-income area, say, a family that pay no taxes and is on social security, we expect their increased cost would go up about $88 per family. They will get back $160.

Mr. EVANS. Why do you wait so long?

Mr. ZARB. It goes right back to them.

Mr. EVANS. You said once a year.

Mr. ZARB. It could be paid now for a program that goes into effect a month from now. That is a determination we can make together. That is why the nightmare of economic impact is not sound. If we were worried about that, we would pay out a month ahead of time to everybody before the conservation prices went into effect and the economic impact would become a stimulant.

The same applies here. We do have $30 billion. We can return it to middle- and low-income people. If our tax tables don't show we are returning enough, we can discuss that and the Congress can adjust those tables so they can put more back. But the one vehicle we have to treat inequity, in any system, is that one. If we went to allocation, prices would still go up. There would be shortages and the people who get the worst, and did during the embargo, were the people with the least economic voice in the society. They did not have the relationship with the service station dealer.

They were not able to get exceptions. We bailed out the little fuel oil dealer in New York and New England at the last minute because he was about to go under.

We reduce taxes, get the conservation effect and collect money and return it in a way that creates equities.

TAX REBATE PROGRAMS

Mr. YATES. Are you talking about tax rebates? Is there a relationship between those who receive rebates and those who use the gasoline?

Mr. ZARB. No. Please separate it from the Congress tax rebate $16 to $21 million package.

Mr. YATES. I was talking about the President's rebate.

Mr. ZARB. The President sent up a $16 billion tax cut. That is separate from this. This program collects $30 billion. It goes back into the economy.

Mr. YATES. Through the tariffs?

Mr. ZARB. From windfall profits, tariffs and excise taxes.

PRESIDENTIAL TAX REBATE PROGRAM

Mr. YATES. Why don't you put into the record at this point a statement about the President's program?

Mr. ZARB. All right.

[The following information was furnished:]

SUMMARY OF THE BUDGET IMPACT OF THE NEW TAXES AND FEES AND THE TAX CUTS

The following table summarizes the estimated direct budget impact, on a full-year-effective basis, of the tax and related changes proposed by the President to deal with the economic and energy situations:

	Estimated amounts (billions)
Revenue raising measures:	
Oil excise tax and import fee	+$9½
Natural gas excise tax	+ 8½
Windfall profits tax	+12
Total	+30
Revenue disbursing measures:	
Energy rebates:	
Income tax cuts, individuals	−16½
Residential tax credit	− ½
Nontaxpayer distribution	− 2
Corporate tax cut	− 6
State and local governments	− 2
Federal Government costs	− 3
Subtotal	−30
Temporary economic stimulus:	
Individual tax refunds	−12
Investment credit increase	− 4
Subtotal	−16
Total revenue disbursing measures	−46

The tax and related changes will go into effect at different times, but all of them during the year 1975:

The energy conservation taxes are proposed to go into effect April 1.

The increase in import fees would go into effect: $1 per barrel February 1

to $2 per barrel March 1; and to $3 per barrel, if the energy taxes have not been enacted, April 1.

The windfall profits tax on crude oil would be effective as of January 1, 1975. First payments of the tax would be made in the third quarter.

The permanent tax cuts for individuals and corporations made possible by the revenues from the energy conservation taxes would be effective as of January 1, 1975. The changes in withholding rates for individuals are expected to go into effect on June 1. The withholding changes will be adjusted so that 12 months reduction is accomplished in the 7 months from June through December.

The tax credit for energy-saving improvements to existing residences would go into effect as of January 1, 1975.

The special distribution to nontaxpayers is expected to be paid out in the summer of 1975.

The $2 billion distribution to State and local governments would be effective with the second quarter of 1975.

The temporary antirecession tax cut for individuals will be paid out in two installments, in the second and third quarters.

The 1-year increase in the investment tax credit becomes effective retroactively to January 1, 1975.

ALLOCATION IMPACT

Mr. YATES. Mr. Long.

Mr. LONG. I agree entirely with you that allocations that do use the price mechanism are unworkable or involve intolerable interferences with the human freedom. There surely are worse things than having to pay more for gasoline. I can give you an illustration. On Sunday when we were not supposed to drive, I happened to have a relative who died and I had to get to that funeral. To tell me that I could not get there, regardless of price was an intolerable infringement on my liberty or whatever you want to call it. I think that type of thing is going to come up all the time.

This idea that there is something awful about paying a higher price for something I think leads to the destruction of our society. Obviously what we have to have is some means of getting a higher price of oil and making it politically acceptable to the population, isn't that right?

Mr. ZARB. Right.

Mr. LONG. Without having a tremendous bureaucracy involved in the rationing process, a gas rationing board in each town where Mr. Jones comes in and tries to convince people he has to drive further than the man next door and where, and the biggest liar gets the most gasoline.

That is the way it would work.

Mr. ZARB. That is right.

Mr. YATES. You two are in great agreement.

COUPON RATIONING SYSTEM PROPOSALS

Mr. LONG. I lived through World War II and I think I know something about it. Some people have forgotten. I think they ought to remember. What is wrong with the following proposal: That we simply set up a coupon system which we send to every car owner a certain number of coupons which would entitle him to buy gasoline tax free.

Mr. ZARB. Per car?

Mr. LONG. Per car, per driver, or per family. We will leave this up to the administrators to think this through. After all, you have to earn your pay. I would not try to spell it out too closely in advance. Each family, say, gets a certain number of coupons for a certain amount of gas per month. That is sent to him regardless. Now if it wants to use more than that, it simply pays the high free-market price of gasoline that includes a very stiff tax. You make the tax whatever is necessary. If the family uses less than its quota item, simply cash in its coupons. The problem with this income tax rebate is that it comes too delayed to appeal politically to the average person. I have talked to the working people. They don't see that tax rebate as coming at a time when they fill up their gas tank. I think that this might have some political acceptability. I talked it over with the head of the Department of Motor Vehicles in Maryland. He said it is perfectly feasible to send these coupons out automatically.

I want to get away from any gas rationing board. Give everybody a certain number of coupons; from then on it is up to him. Have his license number printed on the coupon to avoid theft and counterfeiting.

Mr. ZARB. We have a paper on that scheme that we will insert into the record and give you a copy.

[The following information was furnished:]

ANALYSIS OF GASOLINE RATIONING

I. Summary Analysis

Description of Rationing System

- Each licensed driver in the country would receive an equal monthly allotment of coupons entitling him to purchase 36 gallons/month at the controlled price. These coupons could be freely traded or sold. The coupon market would permit those drivers with needs greater than those represented by the monthly allotment to purchase additional coupons from those who use less than their monthly amount.

- Commercial users would receive coupon allotments equivalent to 90 percent of their consumption during the 1973 base period.

- For that limited class of users for whose special needs the coupon resale market is not a reasonable solution, 3% of the coupons would be set aside and distributed by the state. This distribution would be based primarily on emergency or hardship.

- Coupons would be picked up in person at Post Offices by each eligible individual. They will be invalidated at the pump at time of purchase, and deposited by retailers with banks in a special coupon account. Gasoline deliveries to suppliers will be made to retailers only for amounts equivalent to coupons collected.

Gasoline Use Data

- Estimated consumption in 1975 is 6.4 million barrels per day or 270 millions of gallons per day (MG/D).

- Number of licensed drivers in 1974 was 125.1 million. There will be an increase of up to 15 million anticipated if coupon rationing is put into effect.

- Without rationing, each driver would use 50 gallons per month.

- With the expected increase in licensed drivers and supply limited by 1 million barrels per day, by rationing, the allowance for each licensed driver would be:

  per day = 1.2 gallons
  per month = 36 gallons
  per year = 432 gallons

Problems with Gasoline Rationing

Gallons per month and price of Gasoline

° To save 1 million barrels per day, while assuring adequate fuel for business will mean limiting each licensed driver to about 36 gallons per month, compared to current average of 50 gallons/month. It is expected that the coupons will sell for about $1.20 per gallon. Hence, for those who must purchase more than their basic ration, the effective price of gasoline (pump plus coupon price) is estimated at $1.75/gallon.

Impact on National Energy Goals

° Gasoline rationing, while it may limit consumption in the short run, makes no contribution to our mid- and long-term goals of energy independence, because it provides no incentives for increasing supply.

° Gasoline consumption is only 40% of total petroleum use. Residual and fuel oil comprise a substantial amount of total petroleum imports. By concentrating exclusively on private vehicles and gasoline, other fruitful areas for energy conservation are not addressed -- such as improved industrial efficiency and better constructed and insulated buildings. In the final analysis, we cannot be independent unless these other petroleum uses are also reduced dramatically.

Potential for Inequities

° Each person receives an equal number of coupons, but use of gasoline varies widely among drivers. Thus, rationing inevitably leads to inequities. Some examples are:

- A widowed secretary with two children living in the suburbs who commutes 16 miles each way to work in a car that gets 12 mpg will experience a 68% increase in her commuting costs, because she must purchase 17 additional coupons each month at an average cost of $1.20 per gallon. This amounts to about $245/year in additional costs.

- A blue-collar worker who owns a car that gets only 9 mpg can drive just over 320 miles/month on his basic ration, and could not easily afford to purchase a new, more efficient automobile. On the other hand, an affluent neighbor can readily trade in his equally inefficient old car to purchase one getting better than 22 mgp. This allows him to drive over 790 miles on the same allotment of coupons.

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- Substantial regional inequities would exist. The average driver in some rural states such as Montana travels nearly 600 miles per month versus about 300 in less rural states such as New York and New Jersey. Similar disparities exist between city dwellers and suburbanites. Under rationing each would receive the same gallonage.

- Certain very poor persons, such as migrants drive large distances each year. They can neither afford to buy additional coupons nor are alternative methods of transportation available to them.

- The recreation and tourism industry would be very heavily impacted, as would the auto industry. Automobile sales could decrease 35% from what they would otherwise be.

Increase Bureaucracy and Complexity

° The Government would be involved in many new aspects of our every day life, adding an inescapable portion of bureaucracy, complexity, and inconvenience.

° The Government would decide:

- if a new business should get fuel;
- if expanding businesses deserve more fuel;
- if specific individuals would quality for more coupons because of hardships.

° Gasoline rationing can be implemented but it is complex, expensive, and at best a short term solution. It takes 4-6 months to implement, about 15 to 25,000 full-time people and $2 billion in Federal costs, uses 40,000 Post Offices for distribution, and requires 3,000 state and local boards to handle exceptions.

° Because coupons are transferable, they must be picked up by each driver in person quarterly at Post Offices. Long lines and delays are inevitable.

° Gas stations, with limited quantities to sell, are unlikely to maintain more than the most limited service hours. Evening and weekend closings are almost a certainty.

Impact on GNP

° Use of allocation and rationing to reduce imports by one million barrels per day could create a drop of nearly 13 billion dollars in the GNP and place several hundred thousand

more workers on unemployment rolls. Also, rationing would have an inflationary impact due to the significantly higher clearing price of gasoline coupons sold by those having excess coupons.

Comparison of Gas Rationing and President's Program

- Each option has major regional impacts; rationing hits the mountain states, the southwest and the mid-west hardest. The President's program affects New England and the east coast.
- Rationing will reduce consumption in the short term but is inadequate as long term solution. The President's program is effective in both the short and long run.
- Both rationing and the President's program transfer about $2 billion to poor families in the first year.
- Rationing is costly and complex; the President's program is inexpensive and easy to administer.
- Rationing raises the CPI by over 2.5 percentage points; the President's program by about 2.5 points.
- Rationing could cost the country $13 billion in GNP and a substantial increase in unemployment; the President's program would have negligible effects in each area.

II. Detailed Analysis

Description of Coupon Rationing System

At the time of the 1973 embargo an effort was begun to design a rationing plan. After much analysis regarding various possible approaches, that effort culminated in the development of a proposed rationing program and the purchase of 4.8 billion coupons. A description of that proposed plan is outlined below.

I. System Operation

A. Entitlement

- An estimated 140 million licensed drivers receive an equal monthly coupon allotment (estimated at 36 gallons per month). These coupons could be freely traded and sold.
- Commercial users receive a coupon allotment equivalent to a percentage of base period consumption, estimated at 10% less than 1973 consumption.
- State set-aside for special cases (3% of available supply), i.e., migrants, the handicapped, etc.

° Government and non-profit organizations included in commercial sector.

° Coupons for first quarter are all of the same denomination, and are serialized. Changes could be made in subsequent quarters.

B. Distribution

° Postal Service would distribute coupons at the 40,000 Post Offices four times a year.

° Estimated that 4.8 billion coupons would be needed in first quarter (amount currently in storage).

° Under special conditions, an agent could pick up coupons for those not able to do so themselves.

° Users would pay a fee of $3.00 per quarter amounting to $1.5 billion. (This would cover most of estimated program cost).

° Local Boards throughout the states would handle special appeals from state residents with emergency or hardship gasoline needs.

° In first quarter, individuals would turn in self-executed application forms at their Post Office. Postal employees would validate application, examine and mark driver's license, and issue ration coupons.

° In subsequent quarters, licensed drivers would receive state-issued authorization cards in the mail, entitling them to pick up ration coupons at their post offices.

° For first quarter, commercial users would submit an FEA form to their bank, which would issue then an allotment in the form of a coupon draft. These drafts would be exchanged for coupons at the Post Office. Forms would be forwarded by banks to FEA so that FEA could issue coupon drafts for the second and following quarters.

° Forms retained for audit purposes.

° U.S. agencies would apply directly to FEA for coupon allotments.

C. Banking System

° Commercial banks would be mainstay of coupon redemption mechanism.

° Initially, gas stations take deposit ration coupons received from motorists to local banks and receive gasoline drafts (in gallons) enabling them to purchase additional gasoline from their supplier.

° In subsequent quarters, a complete ration banking system would be established, in which commercial, government and non-profit users along with gas stations, and suppliers, would participate.

° FEA Processing Centers would handle initial applications and maintain records of all commercial users. These centers would issue drafts for ration coupons in subsequent quarters, through the mail.

D. Coupon Resale Market

° Unused coupons would be freely traded or sold. Those with excess coupons could sell them to those willing to pay the price.

° Federal Government would make no attempt to control or regulate trade in coupons except to identify and prohibit practices which inhibit natural inter-play of market forces.

° It is estimated that excess coupons would be sought by more than one half of all users.

E. State Set-Aside

° State set-aside of coupons (about 3%) would be available to recognize claims of users for whom the resale market is not a vehicle for their special needs.

° About 3,000 local boards throughout the states would administer the set-asides, replying to applications.

° The State set-aside will also be used for organizations or governmental units performing essential public health or safety services.

° Federal Government could provide guidelines to assure uniform application of eligibility criteria.

F. Enforcement System

° Vigorous enforcement program would be required to prevent widespread abuses.

- The audit program would focus on commercial and non-profit users to detect overstatement of base period volumes, and on gasoline suppliers to detect illegal shipments of gasoline.

- There would also be a system to detect multiple applications by individuals.

II. Preliminary Estimate of Resources Required (Steady-State Annualized Basis)

A. Personnel Resources

(1) Federal

FEA Headquarters - 625 positions

FEA Regions - 3,250 positions (1,200 opl; 2,000 enforcement)

U.S. Post Office - unknown

Non-FEA Enforcement - 2,500 positions

(2) State and Local

3,000 local boards @10 each (15,000 volunteers; 15,000 support staff)

51 Department of Motor Vehicle @100 each - 1,500 positions

B. Costs

	(million $)
USPS Distribution @ $1.60 per transaction	845
USPS shipping costs	50
Coupon printing serialized	195
Forms printing	30
ADP system	200
Public Education Materials	10
	1,330
Direct Salaries	
- Federal (6375 @ 20K)	127.5
- State and local (20,000 @ 20K)	402
GRAND TOTAL	1.86 billion

Gasoline Use Data

Use Data

A. Estimated consumption in 1975

Millions of barrels per day (MB/D)	6.4 MB/D
Millions of gallons per day (MB/D)	270 MG/D

B. End use categories - volume (MG/D) and percent

Private use	205	76%
Business/Commercial	57	21%
Government	8	3%

C. Number of registered vehicles in 1975 — 130.75 million

D. Number of licensed drivers in 1974 — 125.1 million
(increase of up to 15 million anticipated if coupon rationing is put into effect)

Programmatic Assumptions for Rationing

A. Will achieve 1 MB/D saving through reduction in gasoline consumption

B. Business will receive 90% of 1973 gasoline consumption

C. Coupons will be provided to licensed drivers as opposed to allocations based on registered vehicles

Key Parameters of Data and Assumptions

A. Savings target (1 million B/D) — 42 MG/D

B. Business and Government Allowance

° Estimated 1975 consumption	65 MG/D
° Less 10% of 1973 consumption	6 MG/D
° Allowance	59 MG/D

C. Private Use Allowance

° Estimated 1975 consumption	205 MG/D
° Less reduction	36 MG/D
° Allowance	169 MG/D

D. Allowance for Each Licensed Driver

Gallons:	Per day = 1.2
	per month = 36
	per year = 432

E. Private Use of Automobiles by Trip Purpose

Work trip	31%
Recreational trip	31%
Family business	34%

Problems with Gasoline Rationing

Gallons per Month and Price of Gasoline

- To save 1 million barrels per day, while assuring adequate fuel for business will mean limiting each licensed driver to about 36 gallons per month, compared to current average of 50 gallons/month and restricting businesses to 10% less than their last year's use. It is expected that the coupon will sell for about $1.20 per gallon during the first year. Hence, for those who must purchase more than their basic ration, the effective price of gasoline (pump, plus coupon price) is estimated at $1.75/gallon.

Impact on Energy Conservation Goals

- Gasoline rationing, while it may limit consumption in the short run, makes no contribution to our mid- and long-term goals of energy independence.

- Rationing limits the consumption of gasoline not through price but through proscription. Thus, an artificial shortage is created, inciting people to attempt to "beat the system" rather than to conserve fuel.

- Moreover, because of the inherent complexities in even the most carefully designed rationing system, and the fluid nature of American society, a rationing scheme is probably limited to a useful life of no more than two years. Thus, even as a conservation tool, it has a limited utility.

- Rationing provides no incentive for increasing domestic petroleum supply or bringing on alternate energy sources.

- Gasoline consumption is only 40% of total petroleum use. Residual and fuel oil comprise a substantial amount of total petroleum imports. By concentrating exclusively on private vehicles, many other fruitful areas for energy conservation are not addressed -- such as improved industrial efficiency, better constructed and insulated buildings, less wasteful use of electricity and natural gas. In the final analysis, we cannot be independent unless those other petroleum uses are also reduced dramatically.

Potential for Inequities

° Each person receives an equal number of coupons, but use of gasoline varies widely among drivers. Governmental decisions will be based on statistical averages and broad, objective criteria; they cannot possibly take into account most of the differences in individual needs and preferences. Thus, rationing inevitably leads to inequities. Some examples are:

- A widowed secretary with two children living in the suburbs who commutes 16 miles each way to work in a car that gets 12 mpg will experience a 68% increase in her commuting costs, because she must purchase 17 additional coupons each month at an average cost of $1.20 per gallon each. This amounts to about $245/year in additional costs.

- A blue-collar worker who owns a car that gets only 9 miles/gallon can drive just over 320 miles/month on his basic ration, and could not easily afford to purchase a new, more efficient automobile. On the other hand, an affluent neighbor can readily trade in his equally inefficient old car to purchase one getting better than 22 mpg. This allows him to drive over 790 miles on the same allotment of coupons.

- A single individual with a mid-size car (14 mpg) could drive up to 17 miles/day. If he wanted to take a 500 mile trip over a long 4-day weekend, he could only use his car for that four-day period during that month. He would have to arrange for other transportation for the remaining 26 days of the month, or purchase additional coupons.

- A citizen living in Georgetown has enough gas to drive his 10 mpg car to work himself 5 days a week and still travel 54 miles on the weekend.

- Substantial regional inequities would exist. The average driver in some rural states such as Montana travels nearly 600 miles per month versus about 300 in less rural states such as New York and New Jersey. Similar disparities exist between city dwellers and suburbanites. Under rationing each would receive the same gallonage.

- A family of 4 with two licensed drivers and one car which gets 15 mpg moves from New York to California. This move would take 2-3/4 months of the family's coupons. One out of every five families moves every year.

- Certain very poor persons, such as migrants, drive large distances each year. They can neither afford to buy additional coupons nor are alternative methods of transportation available to them.

- A family in which the husband, wife and two teenage children all drive would receive sufficient coupons to drive approximately 2160 miles per month while the next door neighbor with only one licensed driver could drive only 540 miles per month, assuming both own cars which get 15 mpg.

- The recreation and tourism industry would be very heavily impacted, as would the auto industry. Automobile sales would decrease 35% from what they would otherwise be.

- A small successful Midwestern sales firm which had increased its business and sales area 50% since 1973 would have the market area it can cover reduced 40% under its basic rationing allotment.

Increased Bureaucracy and Complexity

° The Government would be involved in many new aspects of our everyday life, adding an inescapable portion of bureaucracy, complexity, and inconvenience.

° Gasoline rationing can be implemented but it is complex, expensive, and at best a short term solution. It takes 4-6 months to implement, about 15 to 25,000 full-time people and $2 billion in Federal costs, uses 40,000 Post Offices for distribution, and requires 3,000 state and local boards to handle exceptions.

° The Government would decide:

- if a new business should get fuel;
- if expanding businesses deserve more fuel;
- if specific individuals would qualify for more coupons because of hardships.

° Because coupons are transferable, they must be picked up by each driver in person quarterly at Post Offices. Long lines and delays are inevitable.

° Gas stations, with limited quantities to sell, are unlikely to maintain more than the most limited service hours. Evening and weekend closings are almost a certainty.

° The longer a rationing program is in place, the more likely collusive and illegal behavior becomes, such as counterfeiting or pilferage of coupons.

Impact on GNP

° Use of allocation and rationing to reduce imports by one million barrels per day would create a drop of nearly 13 billion dollars in the GNP and place several hundred thousand more workers on unemployment rolls. Also, rationing would have an inflationary impact due to the significantly higher market clearing price of gasoline (pump plus coupon) resulting from reduced supplies.

° Rationing leads to distortions in the marketplace as adjustments in business investments, modes of distribution, and purchases are made based on artificial, rationing-imposed costs.

Impact on Poor

° Low income people are likely to drive less than average and thus, have excess coupons to sell. If speculators buy large quantities of coupons from the poor at low prices in order to resell them at high prices to the more affluent, the potential income benefits of the rationing program will be garnered by these entrepreneurs rather than by the poor.

Effects on Refining Runs

° A reduction of 1 million barrels per day in the use of gasoline through rationing would have the following effects on refining production:

- 1,500,000 b/d crude oil imports

+ 500,000 b/d product imports (made up of approximately 300,000 b/d residual oil products and 200,000 b/d middle distillates)

° Such a reduction is likely to reduce domestic petroleum related employement, increase the cost/barrel of domestic production, and decrease the production rate and efficiency of U.S. refiners.

Comparison of Gas Rationing and President's Program

There are two principal options for reducing petroleum imports in the short to mid-term. They include the President's program of a petroleum tariff and decontrol of domestic oil prices; and a cap on imports with gasoline rationing and petroleum allocation. This paper briefly

describes these options and discusses the impact of each on reducing imports, regional equity, inflationary impact, impact on the poor, administrative complexity and cost, and impact on the recession and employment.

Option A: Import Cap/Rationing

- A volumetric limit would be placed on imports equivalent to the reductions called for in the President's program. A reduction of 1 million barrels per day cannot feasibly be allocated without rationing.

- The current system of price controls for petroleum would be strengthened, including control of new domestic crude; thus an artificial shortage would be created.

- Since price is not used to determine distribution of petroleum products, the government would maintain its system of allocating to retailers, based essentially on histroical use for products other than gasoline. The government would also control refinery yields.

- To prevent long gas lines, coupon rationing would be introduced. Such a program would include as its basic features:

  1) Each licensed driver would receive an equal monthly coupon allotment; these coupons could be freely traded or sold. The coupon market (the "white market") permits those drivers with needs greater than those represented by the monthly allotment to purchase additional coupons from those who use less than their monthly amount. Thus the market, rather than the government, is responsible for assessing "need" for gasoline above the basic minimum ration. Failure to provide a white market would invite a black market and increase the inequities.

  2) Commercial users, whether they buy in bulk or at the pump, would receive coupon allotments equivalent to a percentage of their consumption during the 1973 base period.

  3) For that limited class of users (migrants, handicapped, etc.) for whose special needs the coupon resale market is not a reasonable solution, a proportion of coupons would be set aside and distributed by the state. This distribution would be based primarily on emergency or hardship needs.

  4) Coupons would be picked up in person at Post Offices by each eligible individual. They will be invalidated at the pump at the time of purchase, and deposited by retailers with banks in a special coupon account. Gasoline deliveries to suppliers will be made to retailers only for amounts equivalent to coupons collected.

Option B: President's Program of Tariff, Tax Decontrol and Rebate

- After April 1975, this program would consist of an additional tariff on petroleum imports of $2 per barrel and an excise tax of $2 per barrel on all domestic petroleum.

- Domestic oil prices will be decontrolled and a windfall profits tax implemented to ensure that the revenue generated will accrue to the government, not the oil companies. This will raise the overall price of petroleum by $2 a barrel. The tariff, taxes and decontrol, then, will add $4 to the price of a barrel of oil.

- In addition, an excise tax on natural gas equivalent to $2 a barrel would be adopted and new natural gas prices deregulated to equalize the impact on oil and natural gas consumers and decrease natural gas consumption.

- $30 billion will be collected by the government from the tariff and taxes. These revenues will all be rebated to consumers and governments.

Regional Disparities

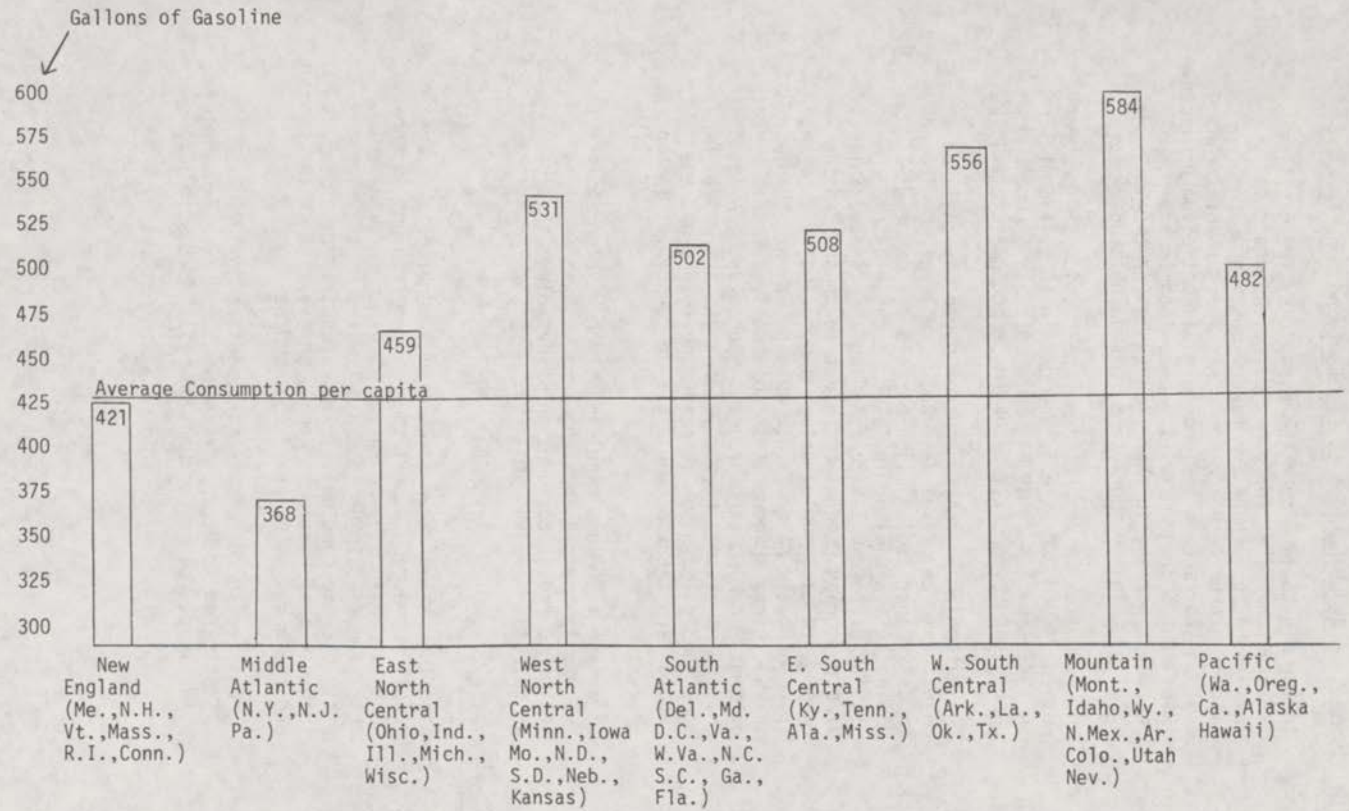
- Both options have major regional impacts. There are substantial regional variations in per capita gasoline use. Those in the Middle Atlantic states use less than two-thirds the gasoline of those in the Mountain states. Gasoline rationing as the attached chart shows, weights more heavily on residents of the mountain states, southwest, and mid-west than on other citizens.

- Reliance on gasoline to bear the brunt petroleum cutbacks also discriminates against rural dwellers and in favor of those in cities. In the aggregate, rural dwellers use almost twice the gasoline/year of city dwellers.

- The President's program, which includes oil, natural gas and electricity generated from petroleum impacts most heavily on the New England, West North Central, West South Central, and Mountain states.

Petroleum and Natural Gas Use by Regions of the United States

* Per Household per Year	Petroleum Consumption (bbl)*	Natural Gas Consumption (MMCF)*	Petroleum & Natrual Gas (BTU)*
United States Total	744.02	3.307	7384.8
New England	120.57	.071	731.74
Mid-Atlantic	85.81	.156	625.86
East North Central	66.19	.326	688.85
West North Central	74.12	.386	792.61
South Atlantic	88.62	.164	649.80
East South Central	62.34	.299	640.76
West South Central	97.89	1.158	1694.87
Mountain	80.51	.467	907.81
Pacific	67.97	.280	652.37



AVERAGE GASOLINE CONSUMPTION PER CAPITA

Effectiveness in Reducing Imports in Short and Long Term

- In the mid to long term the elasticity for gasoline is lower than that for other petroleum products. This is because there are fewer substitutes for gasoline than there are for other fuels. This means that an increase in the price of all petroleum products (President's program) will reduce imports more than an equal increase in the price (gasoline tax) of gasoline. In the short term this is not the case.

- The reduction in imports from the President's program option is 900,000 barrels per day in 1975, 1.6 million in 1977, and 2.1 in 1985. This estimate is not a guaranteed saving, but is based on econometric studies.

- The rationing/allocation option could obviously be adjusted to any level desired. The level considered in this paper is 1 million barrels per day in 1975 moving to 1.5 million in 1977. Because of the complexity of the administration and the limited ability of a rationing program to adjust to changes in the economy (e.g., people moving, new businesses started) it is probably not a viable option for more than one or two years. Hence, it is not really a feasible part of a mid or long term program. Moreover, the longer the system lasts, the more exceptions are made, the more people learn how to evade the rules, and the greater are the opportunities for counterfeiting and abuse.

- If we are to reduce significantly our vulnerability to imports in the mid and long term we must adopt an option to reduce consumption of petroleum that can be effective in 1980 and 1985.

Income Effect

- Gasoline rationing would have some beneficial impact as lower income people sell their excess coupons to those with higher income who in gneral use more gasoline. This effect would be somewhat limited by the plan to distribute coupons only to licensed drivers. The actual income transfer effects depend on the size of the shortage and the marginal price of the coupons.

  - Private sector demand for gasoline in 1975 is estimated to be approximately 206 MG/D. Reducing daily petroleum consumption by 1 MMB/D solely

through reductions in gasoline would result in a 17 percent reduction in supplies. The equilibrium price of gasoline would be about $1.75 per gallon ($.56/Gal pump price plus $1.19/coupon).

- The average "poor" household consumes 404.7 gallons of gasoline per year per vehicle while the "lower," middle" and "well-off" households average 632.2, 823.1, and 800.8 gallons per year per vehicle, respectively. The average number of gallons of gasoline consumed per vehicle is 727.8. The surplus/shortage of gasoline per household group and the potential income transfer can be calculated by comparing the individual household consumption rates with the average consumption rate. The table shows the average gasoline use, by household income, the surplus/shortage of gasoline, and the net income transfer likely to occur through the sale of coupons.

GASOLINE CONSUMPTION AND INCOME TRANSFER

Income	(0-5,000)	(5,000-12,000)	(12,000-16,000)	(16,000+)
Gal/Veh	404.7	632.2	823.1	800.8
Net Surplus/ Shortage (Gal/Veh)	+199.4	-28.1	-219.0	-196.7
Net Income Transfer ($ Billions)	+2.20	-.20	-.92	-1.08

- The poor household would have surplus coupons for 1,852 billion gallons of gasoline. The coupons for purchase or gasoline would trade at $1.19/ gallons which would result in a net transfer of 2.20 billion dollars to the poor category of households in the first year.

° Similarly, the President's program would transfer roughly $2 billion from those with incomes above $12,000 to those with lower incomes, preliminary calculations indicate.

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	Income ($1,000)			
	0-5	5-12	12-16	16+
Additional Cost of Energy ($ Mil)	725	8,200	2,900	7,500
Rebated Revenues ($ Mil)	3,520	7,350	3,610	4,520
Net Transfer ($ Billions)	+1.36	+0.44	-1.06	-.74

Administrative Complexity and Cost

- The cost and number of people required to implement the President's system of tariffs, taxes and rebates is estimated at about $50 million and 400-500 additional people on the government payroll.

- The complexity of administering gasoline rationing and allocation is considerably greater than the other option, both because of the printing, distribution, collection, and control of coupons and because of the exceptions process for the poor necessary in every state and local community. Rationing will require an additional 17,000 government employees and approximately $2 billion per year to administer.

Inflationary Impact

- A $2/barrel import tariff plus excise taxes on domestic petroleum and natural gas would increase the Consumer Price Index by about 2.5 percentage points in 1975. Again, these fees would be returned to consumers so that the overall level of disposable income would not be changed.

- Under rationing, the cost of buying an additional coupon should stabilize at the market clearing level of $1.19. Thus, there would be an "inflationary" impact of over 2.5 percentage points on the Consumer Price Index in 1975.

ADDENDUM

To save 1MMB/D of petroleum imports in 1975 could be accomplished by reducing market supplies of gasoline, distillates, residual etc., in varying amounts. The amount of gasoline that would be available for private use and the costs of gasoline would depend on the amount of petroleum saving that is "loaded" onto gasoline. The table shows the amount of gasoline per registered driver, the percent reduction of gasoline supply, and the estimated cost of coupons under 100, 70 and 50 percent application of petroleum saving to gasoline.

% of 1MMB/D Applied to gasoline	Gasoline per driver/wk (gals)	Gasoline per driver per month (gals)	Cost of coupon ($ per gal)
100	8.4	36	1.19
70	9.1	39	.64
50	9.5	41	.38

A similar computation for a rationing program lasting through 1977 and equaling the impact of the President's tax package (1.6 MMBD savings of petroleum imports) can be made:

% of 1MMB/D Applied to gasoline	Gasoline per driver/wk (gals)	Gasoline per driver per month (gals)	Cost of coupon ($ per gal)
100	7.5	32	.70
70	8.2	35	.41
50	8.8	38	.26

Mr. LONG. I am sure it has a lot of holes in it.

PROBLEMS ASSOCIATED WITH RATIONING

Mr. ZARB. Any program has holes in it.

I hate to be in this position because it sounds as though we are so smug that every time anybody raises an idea we look to shoot it down. Let me explain some of the problems with it. To start with, your first cut of distribution, you distribute it by cars, the people with more cars have more coupon books and fewer cars fewer coupon books.

The rich get more and the poor less.

Mr. LONG. One car to a family.

Mr. ZARB. So we give it to drivers: if you give one car to a family, that creates different hardships. You give it to drivers. I have a fellow in my agency who has five licensed drivers in the family who lives next door to a man who has one licensed driver in his family. My man earns one-third more than his neighbor. His neighbor goes out to the white market and pays over $1 a gallon to finish out the week to go back and forth to work. Everybody would get 9.2 gallons a week.

Mr. LONG. I didn't mention any particular way. It can be done by driver, family, or car.

Mr. ZARB. No matter which one you use, the inequities, neighbor to neighbor, would be enormous.

PROBLEMS WITH PRICE RATIONING PROPOSAL

Mr. LONG. That is where the price comes in. Let people pay the higher price. If you want to have a lot of drivers in your family, pay a lot of money.

Mr. ZARB. But you have the man who does not make much money in North Dakota who has to drive a long way compared to the guy in New York City. The man in New York City is not going to want fewer coupons.

Geographically and individually it breaks down. It does not create any incentive for future production. It may create some incentive for more efficient automobiles over a period of time.

The inequity part of it would, in my belief, have people in this country very angry.

During the embargo when they were waiting in line they were pretty patient until they saw the guy sneak into the service station at night. Then they go out of the car and hit somebody on the head.

During World War II we had 15,000 cases at the end of the war of criminal and civil actions against the rationing system.

The fleet of automobiles was reduced in half during the course of the war. It has so many problems. It only affects gasoline and does not touch the rest of the crude barrel.

Mr. LONG. You can apply the system to home heating oil as well.

Mr. ZARB. Then the Government is now in the coupon business for every family and every nook and cranny. Your life and mine would be run by coupon books.

Mr. LONG. You are assuming that we have to give perfect equity to everybody. That wouldn't happen under any system.

Mr. ZARB. How about the family that has to drive a station wagon

from California to Washington because the wage earner has gotten a new job? How do we treat them? This is unfair.

ALTERNATIVE TO RATIONING

Mr. LONG. So you reject any rationing of any kind?

Mr. ZARB. Reject is a strong word. In my view it is one of the worst forms of getting a job done. I can only lay out the facts. I have no philosophical hangup in any form. In my judgment, even though at the outset it appealed to me, I am convinced it would be disruptive and would not hang together for 5 or 10 years. That is as long as we need to keep it together.

Mr. LONG. If you are going to use the rebate system, you are going to have to devise something to give him the rebate at the time he buys his gasoline, otherwise it will not be acceptable.

Mr. ZARB. He gets a reduction in his withholding rate.

Mr. LONG. It had better be close to the time he buys his gasoline or it will not be accepted.

Mr. YATES. Did you read Congressman Ullman's proposal in this morning's press?

Mr. ZARB. Yes.

Mr. YATES. What is your opinion?

Mr. ZARB. I find Congressman Ullman's approach to this problem to be more substantive and clearly better thought out than any other I have seen, apart from our own, obviously.

Mr. LONG. I thought it was substantially what I outlined.

Mr. ZARB. His approach of over a 4-year period a 40 cent gasoline tax with a 40-percent minimum per family. I have an objection to using gasoline alone. I think it does not get the job done. What do we do with the other 55 percent of the crude barrel? How are we creating the energy ethic for all the other products?

How do you treat the problem between Wyoming and Nevada and California and Texas as compared to Massachusetts? You are putting all the burden on one product, which does not get the job done and it is unfair.

In terms of how he got to where he was in his results and goals, I think he has done a whale of a job in a short period of time. It has more depth and substance than anything I have seen.

AMERICAN ACCEPTANCE OF CONSERVATION PROGRAM

Mr. YATES. Mr. Regula.

Mr. REGULA. I have a comment and question. Dr. Long points out the comment. I don't think you have done an adequate job of convincing the American people there is a need to reduce the consumption of energy.

Mr. ZARB. Guilty.

MIDDLE EAST AGREEMENT

Mr. REGULA. Second, what would be the impact if Secretary Kissinger were successful in getting a stable agreement in the Middle East; that is, a nonaggression statement from the Arabs and a retrenchment by the Israelis to an agreed position, which would be a permanent solu-

tion and concomitant with that a 5- to 10-year agreement that guarantees amount and price for petroleum? What would be the impact of that scenario on the need to do anything?

Mr. ZARB. It would be a great thing for the Nation. It would be the worst thing from a standpoint of getting my job done. It would make my job 20 times more difficult and still needing to be done.

Mr. REGULA. You are saying energy conservation would still be necessary?

Mr. ZARB. If we do nothing we will be 50 percent dependent in the early 1980's. Just the other day I had a briefing from some of the people who brief me on international things. They told me that Kuwait was raising an objection because we did not consult with them on our energy package before we put it to bed. That is the kind of position we are getting ourselves into. We are going to have to send to them for advice and consent pretty soon.

Their mentality is developing in that form. They are really upset that we did not consult with them before putting out the energy program. If you get more dependent you can see what will happen.

ENDING DEPENDENCE ON OPEC NATIONS

Mr. YATES. At what point will we no longer have to depend on Kuwait or the rest of the OPEC nations?

Mr. ZARB. If we had a program similar to the President's in one form or another we would begin on Day One to stop the expanding vulnerability and start to decrease it. I think that psychological effect would have an immediate impact.

They would know we are going to get there and at some point we are going to be invulnerable. In the late 1970's and early 1980's we are going to be digging into that base and by 1985 we will be independent from any action they can take. We don't have to get there before that takes hold with respect to their relationship to us. Once they know we mean business and mean to demonstrate it when our boys go sit around the bargaining table, they will have different chemistry than now.

INFLATIONARY EFFECT OF PRESIDENTIAL PROGRAMS

Mr. YATES. You are aware of the principal objections of the opponents of the President's program—the inflationary effect.

Mr. ZARB. Yes.

Mr. YATES. You propose to correct that by permitting inflation to take hold but putting more money in the hands of those who need the money so they can pay it.

Mr. ZARB. There is a 2 percent one-shot increase. That is the price of our program.

I cannot excuse it. It is the least problematic on the effects on the economy but it is a 2 percent one-shot transaction. After that the economy will have adjusted.

RIPPLE EFFECT ON ECONOMY

Mr. YATES. The incomprehensible effect is the ripple effect of what goes on: the cost of living increases in so many contracts, the price that coal rises to meet the new oil prices.

Mr. ZARB. Let me comment on that because that is the big argument. Let me say in the last week we seemed to have regained our credibility. The Wharton School and Chase Econometrics came out in support of our program. The DRI, the other outfit who said our 2 percent was 4 percent found out they made an error and came back and adjusted from 1.7 to 2.1. I think we have justified our numbers.

The ripple effect argument is this: If you make this paper cup out of plastic and historically you have made this paper cup for $1.00 and you sold it for $1.25 and now it is going to cost you $1.00 and 1 penny because of the increase in costs for the paper stocks, we say you are going to try to charge $1.26 for that and in this economy you will keep it at $1.25 and eat the penny. That was the experience in the embargo.

The proponents of the ripple effect do not say it will go to $1.26. They say it goes not only to $1.26, but I will apply my normal markup on that and take a profit on the tax. We just don't believe that is true.

The circuit theory that says wages will go up says the cost of living will be triggered. Out of 88 million workers there are 5 million in that category. They all have caps. So the impact there is lost in the noise. I think we are on solid enough ground now and have enough outside support to conclude that our 2 percent is the right number. Two percent is a big number and it is a price we think we have to pay.

Mr. PASTERNACK. We are assuming half the increased cost will be passed through in increased prices. That is in the 2 percent figure. We are saying the other half will not be passed through because the economy is off and because they are getting a 6 percent cutback in their income tax from 48 to 42 percent.

CONCLUSION

Mr. YATES. Mr. Zarb, I am very grateful to you for the information and the explanations you have given to the committee. It has been a very stimulating session. You seem to have very young and gifted people helping you. Thank you very much.

Mr. ZARB. Thank you, Mr. Chairman.

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