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NOMINATION OF ALBERT P. SMITH, JR.

GOVERNMENT

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HEARING

BEFORE THE

COMMITTEE ON

ENVIRONMENT AND PUBLIC WORKS

UNITED STATES SENATE

NINETY-SIXTH CONGRESS

FIRST SESSION

ON

THE NOMINATION OF ALBERT P. SMITH, JR., TO BE FEDERAL
COCHAIRMAN OF THE APPALACHIAN REGIONAL COMMISSION

DECEMBER 17, 1979

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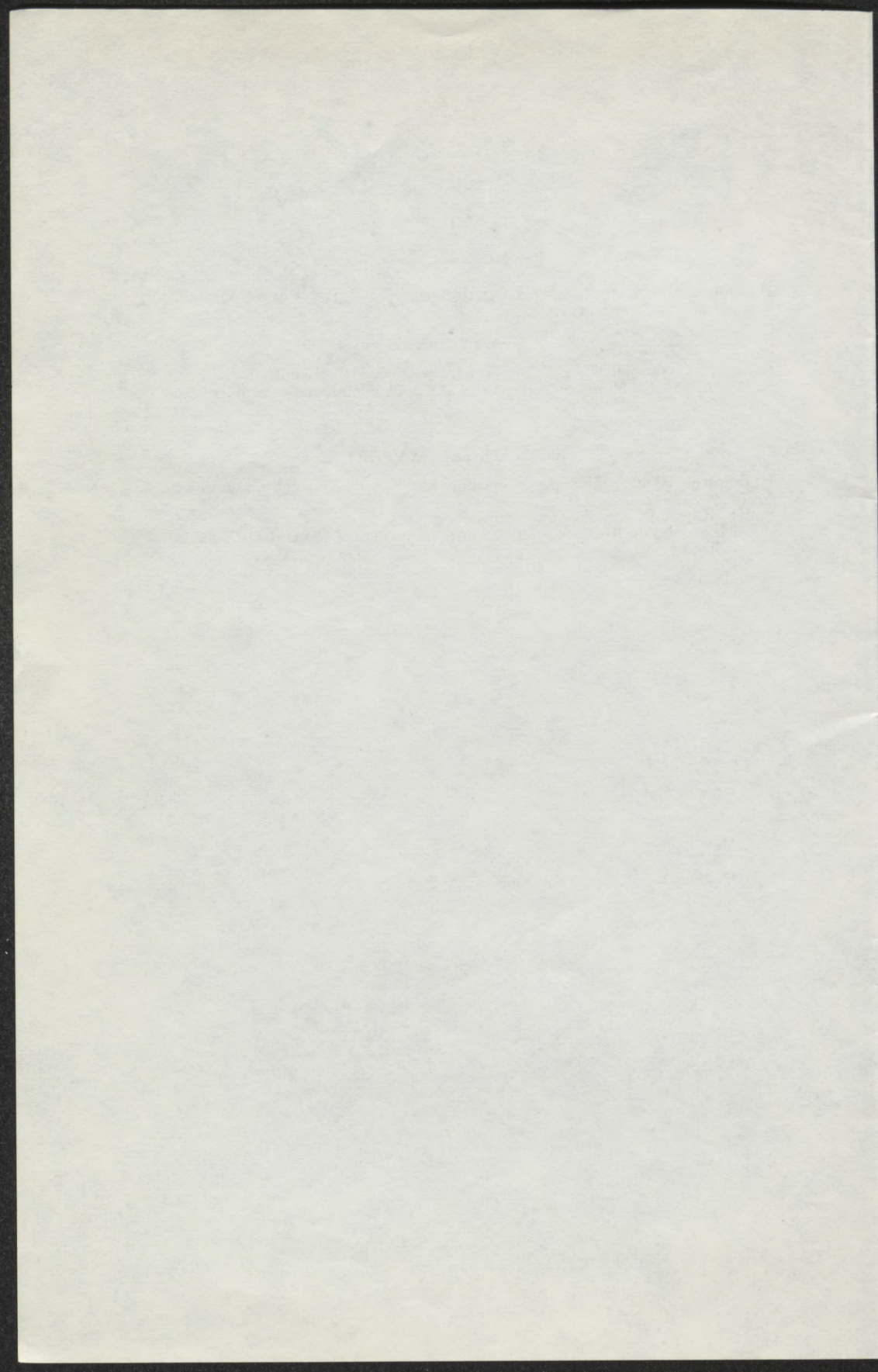
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NOMINATION OF ALBERT P. SMITH, JR.

MONDAY, DECEMBER 17, 1979

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Washington, D.C.

The committee met at 10:15 a.m., in room 4200, Dirksen Senate Office Building, Hon. Jennings Randolph (chairman of the committee), presiding.

Present: Senators Randolph, Stafford, Moynihan, and Simpson.

OPENING STATEMENT OF HON. JENNINGS RANDOLPH, U.S. SENATOR FROM THE STATE OF WEST VIRGINIA

Senator RANDOLPH. Good morning, ladies and gentlemen.

The Committee on Environment and Public Works meets this morning to consider an important nomination. President Carter has sent forward the nomination of Albert P. Smith, of Kentucky, to be Federal Cochairman of the Appalachian Regional Commission.

The Appalachian Regional Commission was authorized by this committee in 1965. Since its inception, it has been a unique partnership of the Federal Government and the 13 member States. The Commission was created to help solve the severe problems of the Appalachian area, which in spite of rich human and natural resources has long lagged behind the rest of the Nation in its rate of growth and development.

In the years since the Commission was established, a great deal of progress has been made. Appalachia's poverty population has decreased. Per capita income has climbed. Outmigration has been reversed. Unemployment rates have come down. The percentage of the population completing high school has risen. The number of physicians has increased. There is a regionwide system of vocational schools. And last, but by no means least, the construction of the Appalachian Development Highway System will bring 85 percent of the people of the area within reach of a high quality highway.

These improvements have not been achieved easily. They have come about not only through the application of Federal funds to the problems of the area, but more importantly, because of the success of the Federal-State partnership which I mentioned at the outset of my remarks. The Federal Cochairman is an essential element in that partnership. He represents the Federal Government. In that capacity he must work with the member States and with Federal agencies in order to achieve the best possible progress for the Appalachian area

The position requires a person of integrity, a person knowledgeable about the problems of the region. He must be able to deal cooperatively with people of differing philosophies and political persuasions. He must represent the Federal Government in a firm yet cooperative manner. I believe, and President Carter believes, that Al Smith meets these requirements.

Al Smith was brought up in Kentucky. He attended Vanderbilt University. His professional career has largely been spent in the field of journalism. He is editor and publisher of the News-Democrat and Logan Leader in Russellville, Ky., and president of a publishing company which operates these and four other weekly newspapers serving communities in Kentucky and Tennessee. He has also been active in broadcasting.

Al, it is a pleasure to welcome you to the Committee on Environment and Public Works. We look forward to hearing your ideas on the position to which you have been named. We are also interested in discussing some of the new authorities for the Commission which are included in the legislation which has been considered in House-Senate conference in the past few days. We will want to know your plans for implementing these new authorities. I know that we will have a meaningful dialog this morning.

We will start by having a statement from the Senator from Kentucky, Wendell Ford. I am happy, Wendell, that you have come by this morning. Would you proceed as you like, and we will also include, at the conclusion of your statement, a written statement supplied by our colleague, Senator Huddleston.

STATEMENT OF HON. WENDELL H. FORD, U.S. SENATOR FROM THE STATE OF KENTUCKY

Senator FORD. I thank the gentleman very much. It is always a pleasure to be before you in the committee hearings. No one could be more courteous or no one could be more thoughtful than you are, Mr. Chairman, and it is a special pleasure for me this morning to have the opportunity to present to your committee, Albert P. Smith, Jr., of Russellville, Ky., who has been nominated by the President. as a Federal Cochairman of the Appalachian Regional Commission.

I have known Al as a close friend for many years. Let me just say that the President could not have selected a harder worker or more dedicated individual to serve in this position. You, Mr. Chairman, are familiar with Al Smith's record as a successful newspaper editor and publisher, as well as his substantial civic achievements. His accomplishments stand on their own.

What that record can not and does not show, however, are the intangibles such as the enthusiasm and commitment that Al Smith brings to every endeavor, large or small, with which he becomes involved. These qualities are especially relevant because the position to which he has been nominated is one of the most difficult and challenging in the entire Federal Government.

At no time in its history has the Appalachian Regional Commission needed individuals with credentials such as this in positions of responsibility and leadership.

The Commission right now is on the threshold of major change as a result of a greatly intensified national effort to develop domestic energy supplies, including coal, a resource that is present throughout the region.

Many areas of Appalachia are expected to experience a significant amount of growth, as you mentioned a few moments ago, growth and development as a result of increased coal production. A study prepared for ARC has estimated that there will be an in-migration of 344,000 people in the region if coal production increases by 60 percent in the decade. The ability of the region to absorb these changes and accomodate the growth in an orderly fashion, Mr. Chairman, will in large part rest with ARC decisions vital to the future of the region, will be in the hands of the Commission; decisions relating to such essential needs as housing, health care, sewer and water capacity, agriculture, and flood protection, to name just a few.

If the Commission is to fulfill its role as a dynamic and creative force for regional development, aggressive and intelligent leadership will be required.

While answers to many of these problems I cited earlier will be evasive, I can assure you that Al Smith is one person who will not be content to rest until the right answers are final.

Mr. Chairman, I can enthusiastically recommend Al Smith to this committee as one who will bring to the Commission the leadership, the insight and, above all, I think, the imagination to help the Appalachian Regional Commission to successfully cope with the challenges that lie ahead.

Mr. Chairman, I thank the committee for the opportunity to be here this morning, to present my friend, recommend him to you, and I hope your committee will see fit to move quickly and favorably on this nomination.

I thank the chairman.

[Senator Huddleston's statement follows:]

STATEMENT OF HON. WALTER D. HUDDLESTON, U.S. SENATOR FROM
THE STATE OF KENTUCKY

Mr. Chairman, I want to express my sincere regret that I am unable to be present today for Al Smith's confirmation hearing, but I had a longstanding commitment out of town that I was unable to break.

But I would like to add to the many words of praise and commendation that have been said about Al, and urge the committee to report out his nomination as soon as possible so he can be confirmed before the Christmas recess.

I have known Al Smith for years, as a journalist, a friend, an adviser, a constructive critic, a champion of the arts, a businessman, a devoted family man, and as one dedicated to public service.

I do not need to go into his background, because it is familiar to the committee and those interested in the Appalachian Regional Commission. Suffice it to say that he has management experience, a businessman's appreciation of efficiency, a concern for those who are in need, and a drive and sense of purpose ideal for the job at hand.

There are those who believe the ARC has not lived up to its promise, that it has become nothing more than an agency through which to channel federal grants. While those criticisms are overdone, there is room for much improvement in the agency.

It needs to regain the sense of idealism and purpose with which it started; it needs dynamic leadership that is willing and able to entertain new ideas and new approaches; and it must address the problems of jobs, housing and health care with the same effectiveness as it has highways.

I do not want ARC to be just another federal agency. I want it to deliver on the promise and the mission which Chairman Randolph and others envisioned when it was originally established.

I believe Al Smith has the ability, the drive and the sense of purpose to help the agency accomplish those goals, and I wish him well in this new challenge.

Senator RANDOLPH. Thank you very much, Senator Ford.

We do know that you come with a knowledge of Mr. Smith's career, of his understanding of the needs in the area, himself a resident of it, and also you mentioned his enthusiasm.

In his contact with me, as with other members of the committee, as they talked to me in the report of their conversations, we have liked the spirit of the man. I am sure the spirit of the nominee is something that is matched by his ability to do the job.

We are grateful for your having come here today, Senator Huddleston, to show your support for the nominee.

We are not going to ask you, Mr. Smith, to make a long statement. But do you have some comments you would like to make before we ask questions?

STATEMENT OF ALBERT P. SMITH, NOMINEE TO BE FEDERAL CO-CHAIRMAN OF THE APPALACHIAN REGIONAL COMMISSION

Mr. SMITH. Yes, Senator, I have a statement which can be admitted into the record.

Senator RANDOLPH. That will be done. (See p. 17.)

Mr. SMITH. I would like to say I thank the Senator for the speedy and courteous way that he has arranged to have this hearing in a time of great stress for him in legislative matters, in order to demonstrate, again, I think, his concern about the ARC, to get its leadership in place as soon as possible.

I thank Senator Ford for those kind remarks that he made today.

I am very enthusiastic about the job. I hope that the experiences that I have had as a rural country editor working in rural counties can be applied in a positive, impressive, and creative manner to the challenges of ARC.

Some 15 years ago when Senator Randolph was engaged in drafting legislation to help Appalachia, Senator Ford and I worked together to solve about four different problems at the same time. He was concerned about getting the Boy Scout camp to serve western Kentucky and we were concerned in our town of Russellville about getting a water supply in order to provide enough water to maintain the new industries that we had attracted to Russellville in order to stop the outmigration such as we have seen in Appalachia in previous years.

By cooperating together with people of Owensboro and Wendell Ford's leadership, the people of Russellville were able to secure lands for a Scout recreation area, to get grants to build a lake for Boy Scout recreation and secure other grants to run pipes from the lake into the city of Russellville, and we created a water supply that now serves 3,000 industrial jobs and we provide recreation for several thousand Scouts on the western side of the State.

It was part of the success in this program, I think, that helped Senator Ford in his later distinguished career in public life. I only mention this as one of the types of things that I had tried to work with as a country publisher. And I hope the people in Appalachia will

accept me in the role of a homecoming. My grandfather was a country editor in the mountains in Cookeville, Tenn., and I come back to the hills of this country as sort of a spiritual homecoming. I hope I will not disappoint the committee or the chairman because I know very well your special interest in the ARC and I have found already the people working with the ARC to be very receptive and very anxious to make a lot of progress in our response to challenges in the year to come.

I talked to the President in the past week and he said he was especially interested in seeing the ARC work with all Federal agencies in a cooperative manner to find solutions to our energy problems, that he was quite familiar with the ARC, having been the Governor of Georgia, and worked with it, and he suggested that particularly with the TVA and the Farmer's Home Administration, we might be able to put our hands together and our shoulders together on these projects.

I was happy to tell him I had already talked this past month with Mr. Dave Freeman, Chairman of the TVA, and we have such an agreement in the works. He was quite pleased about it.

Thank you, sir.

Senator RANDOLPH. Thank you very much, Mr. Smith. This may not be even pertinent, it would not be an important part of your confirmation hearing, but as you talked about country editors and your experience in publishing in rural sections, I remember when I went to work for one of those country editors named C. E. Meridith. I remember so very well that I worked on the old flat-bottom press, 50 cents was given to me for many, many hours of work, but that was the beginning of a feeling that I had that publication of newspapers and magazines, dissemination of news was a lift of the spirit that could come in a feature article; an editorial was helpful also.

So I have the experience of having worked on a newspaper myself—the "Message" in 1922. I lived many years in which I was more than just a working newspaper reporter with a beat.

By the way, the editor of our weekly newspaper in that town of Elkins, Randolph County, W. Va., his name was J. Slidell Brown, and he had at the top of the masthead, "Democratic in Politics, Neutral in Nothing." What a wonderful character he was. His editorials were something. I remember he talked about one street and said, it's like a lady who understands the Marcel wave, but I only mention your knowledge of the area, and not only the problems, but the opportunities.

I just often thought when we have problems, those are the challenges of work, though, isn't that right?

Mr. SMITH. Yes, sir.

Senator RANDOLPH. That's exactly right. That is what the people have been doing for a long while in this area. There are some priorities in this country rather than abroad. I will not go into that today.

To see the faces of men and women who had a water system brought into an area that had no water, even for bathing purposes, if not for drinking, is very satisfying. They have made a contribution through their tax dollars. They are not unproductive citizens.

I think that you have, Mr. Smith, a clear and a strong vision of what your job is. It might be little different approach, and that would be understandable. Your understanding, your roots in the area, your background, tell us something of your conviction, as well as your

ability to do the job. That is the way you feel about it, isn't it? Isn't it a challenge to work with others?

Mr. SMITH. It certainly is, Senator. That is what I have done all my life as a journalist. It is a challenge I really look forward to.

Senator RANDOLPH. What are your priorities for this region in let us say, the next 2 years?

Mr. SMITH. I think, sir, that in order to develop the human services, and promote the human resources of Appalachia, that you described earlier as the greatest resources, the human potential of the area, we have to develop the economics of the area. The priorities that I see on the economic side are to use the ARC creatively and progressively, encouraging ways and means to get the resources developed for the energy problems that we have.

I think the time has come to sell the richness of Appalachia, the resource of Appalachia, rather than the need of Appalachia—without in any way minimizing or forgetting about what has to be done in the area for the people there. But I would put a high priority on energy development, on coal problems and solutions to coal problems.

I would put another economic priority on the highway program and a third priority, sir, would be some ideas for reinvestment in Appalachia by the private sector. I feel very strongly, positively that there is a need to encourage the corporations, which are in the mining and manufacturing and extracting and manufacturing field in Appalachia to reinvest back there. I would like to encourage them in that way.

I think diversification in enterprise is another need on the economic side, and on the human resources side, sir. I am committed very strongly to the child development, to the infant mortality programs that we are drafting and that are already in progress; to vocational education, continuing education, and primary health care.

Senator RANDOLPH. Thank you, very much. Just quickly, two or three more questions. Someone might say, ARC wants coal used, yes, but is it the role of ARC to stimulate the acceptance of coal in the potential market of the Northeast? What is your feeling about this? Can this be done in a proper way?

Mr. SMITH. Senator, I think that the existence of the OPEC problem, the development of the windfall profit tax are providing, perhaps, the devices by which we can look forward to the marketing, the mining and marketing of coal in an environmentally acceptable and safe manner under what I think are going to be better economically competitive situations than we have had in the past.

I think the cost of getting coal out from Appalachia can be met when we look at the costs we are faced with from the OPEC nations, and when we look at the potential of the windfall profit tax to be of some assistance in energy development.

I think the ARC very much should be involved in a wise and prudent stimulation of the coal industry, and without forgetting the related problems of coal transportation and of coal-field housing and the desperate plight of our small coal operators. I already talked to Mr. Freeman at the TVA about what we can do cooperatively about small coal operators and their problems. I hope we can go into that further at another time.

Senator RANDOLPH. That shows to me the right areas of activity that the ARC program can be productive, creative perhaps, certainly would be within the concept of the development of the area and the

people because we not only must serve ourselves, but through service to ourselves, our people in the area will serve the people of all other parts of the country. And so, there comes the roots, yes, but the fruition of whatever is done there.

You mentioned marketing and transportation. I just want to say again, when I think of the tremendous sums of money that are constantly being spent overseas, and this is not a time to talk about domestic as against overseas, but from the dollar standpoint, we have so much to do here, because if we spread ourselves so thin, we are not able to grapple with these problems at home. Senator Ford remembers when our unit coal trains moved at 40 miles an hour to the markets. Now, because the railroads are gone, we are moving 12 and 14 miles an hour.

Senator FORD. Some at 8.

Senator RANDOLPH. Yes; and some at 8, and the derailments taking place. The hoppers, the freight trains are stopping, because of what is happening, there may be 20 cars dumping coals into valleys. Right behind those trains are the passenger trains that are not moving, and 3- and 4-hour whatever, delays are taking place. That is not our problem here today.

How in the world we can allow our tremendously vital rail system of this country to go to pot is almost without understanding, yet I am asked to vote \$89 million for Afghanistan, which has been taken over by the Soviet Union.

I just hope the action we take in all of our programs will be a full understanding of world problems and not an isolation. Certainly here, we are not talking of isolation, we are talking about closeness, nearness, participation, understanding, cooperativeness; but there are going to be these opportunities, and we are going to have much to do for a full participation with other programs. That is proven with the fact that already you have talked with the Chairman of the Tennessee Valley Authority, David Freeman, is that correct?

Mr. SMITH. Yes, sir.

Senator RANDOLPH. The highway system, you are going to press for its completion with the States?

Mr. SMITH. Yes, sir.

Senator RANDOLPH. I am not going to talk any more about the transportation problems at the moment. The matter of the railroads, the roads and all of these subjects are going to be a place for your expertise, your knowledge, your enthusiasm.

I think you might comment, properly, on the scope of the legislation. Would you do that?

Mr. SMITH. About the legislation that we have in conference at the time?

Senator RANDOLPH. Yes.

Mr. SMITH. Yes, sir. Of course, I have followed some of the conference hearings and we are very hopeful that it can be resolved before Congress adjourns. We are also quite anxious that we hope we can get the 4-year authorization of the ARC because we feel this would give us a time frame in which we could get in and really get some constructive things done and complete it and develop achievements that match the mission that we think we have.

I feel very strongly that we have to emphasize the regionalism and the partnership that is implied in this legislation, that the Federal

cochairman should be actively working with the States to get them to think together and to participate even more than they have, and the investment packages that will solve regional problems.

I feel that the program is one that we could work with, and I am very hopeful that the conferees can come together this week on it.

Senator RANDOLPH. Thank you very much, Mr. Smith. Senator Stafford.

Senator STAFFORD. Thank you very much, Mr. Chairman. I had an opportunity to talk with Mr. Smith in my office prior to this hearing. I understand he has a very busy background. I call to mind if we want something done, get a busy man to do it. I don't know how you handle everything you are doing already, Mr. Smith. But with your energy and successful background, if you are willing to take on this additional responsibility, I am prepared to see that you do so. I wish you all success in a very difficult endeavor. I think you will probably do it well.

I would like to see after you have done it, how you manage to keep everything else going and do successfully here as well.

I have no questions. I just think you are unusually qualified compared to most of the people who come up here to be a regional co-director or head of the Appalachian region.

Mr. SMITH. Senator, if I may reply to that, thank you, sir. I am detaching myself from all those other activities. I have resigned from my paper company and I have resigned all the over civic jobs I have in Kentucky.

Senator STAFFORD. Did you put the paper company in a blind trust?

Mr. SMITH. No, sir, our papers are all outside of Appalachia. They will be operated by a staff that is quite competent. I will have no connection with them, either as an officer or as a director.

Senator STAFFORD. I will have no further comments then, except to say that you, like we, may be occasionally surprised by the editorial comments of your papers.

Mr. SMITH. I am sure I will. Senator, I might add, one of my papers is the Green River Republican of Morgantown, Ky., which calls itself the only paper in the world which gives a hoot about Butler County, which is 99 percent Republican, and I only go over there after dark, very cautiously.

Senator RANDOLPH. Senator Moynihan.

Senator MOYNIHAN. Thank you, Mr. Chairman, I would like to welcome Mr. Smith and ask just a few questions. As the Chairman was kind enough to say, the southern tier counties in New York State are part of the Appalachian region, as they are administratively as well as geographically in many other places.

You are a country editor, such the way Sam Ervin was a country lawyer and former Governor. You are just a plain, ordinary, everyday fellow. Your sponsorship is such that you need hardly appear yourself.

I am sure you have read Harry Caudill's book, "Night Comes to the Cumberlands"?

Mr. SMITH. Yes, sir.

Senator MOYNIHAN. What did you think of that?

Mr. SMITH. It was a watershed book for me, Senator. I read it at Hyden in Leslie County, in the summer of 1974, a little late, but I read it very carefully.

Senator MOYNIHAN. It came out in 1962.

Mr. SMITH. I know, I got to it—

Senator MOYNIHAN. How long does it take the books to get to Leslie County?

Mr. SMITH. It took me until 1974 to get to Leslie County. I was making a documentary for television on a family of mountain people. I lived with them for a couple of weeks up there in a hollow, down the road from where there had been a terrible mining disaster which killed a number of people the Christmas before. I was so moved by this book, that I wrote Harry Caudill a letter. He wrote me back a fine letter, and this began a correspondence and a friendship that has continued.

I spent 4 hours with Mr. and Mrs. Caudill about 3 weeks ago in Lexington, and we discussed all of the problems that have come up at this hearing today. His great speech in West Virginia, Senator Randolph, he spoke in Charleston, W.Va., last year on the very point on the reinvestment of private enterprise in Appalachia. Mr. Caudill has since sent me a number of position papers which I have been reading.

Yes; I thought "Night Comes to the Cumberlands" was a somber and eloquent and moving summation of where we were at that time, and it really shaped a lot of my thinking.

Senator MOYNIHAN. I was wondering then, one way I hoped you might go was one of the themes of the book. That the Appalachians no longer own their own resources. They were exploited in a very kind of classic, capitalistic mode of outside owners, an extractive mode and that the power systems of the States had accommodated themselves to the appearance of opposition, but the reality of collaboration with this, extractive mode. When the coal was all gone, they would just dump the miners in the holes, close them up, and be done with.

Do you think any of that has changed? Does Caudill think the Appalachian program has achieved much of anything?

Mr. SMITH. He gives a mixed report card, Senator.

Senator MOYNIHAN. Mixed report card. What does he say did well and what did not?

Mr. SMITH. He likes the road program very much. He likes the idea of a regional commission working across State borders to address common problems. He likes the vocational education programs that we have done, and I think that he is very concerned about infant mortality, which has become a strong goal of this commission staff as I come aboard.

We are attempting to, within the next 4 years, get the infant mortality rate down in Appalachia, get it below the national rate.

I think Mr. Caudill, of course, can present his points much more eloquently than I. I think he is concerned that the time has now come when we have got to persuade the extractive and manufacturing industries of Appalachia who are invested there, to reinvest, to help us build a better structure.

Senator MOYNIHAN. Caudill has said we have fooled around with the periphery of the problem, but we have never known who owns the resources of Appalachia.

Mr. SMITH. He has got a list. It is a pretty impressive one.

Senator MOYNIHAN. That subject has never come up around here. We just talk about mortality in children——

Mr. SMITH. I have them all on my desk.

Senator MOYNIHAN. Would you be kind enough to put that list in the record?

Mr. RANDOLPH. Would you like to do that?

Mr. SMITH. I will be glad, sir.

[The information referred to follows:]

The following list is from the unpublished doctoral thesis of John Calhoun Wells, Jr., entitled "Poverty Amidst Riches: Why People Are Poor in Appalachia." It was submitted to the Graduate School of Rutgers University in June 1977. In a speech in Charleston, West Virginia in August, 1978, Harry M. Caudill made reference to this list as the "major and multi-state land and mineral owners of Central Appalachia."

| PARENT COMPANIES | PRIMARY CORPORATE INTEREST | STATES IN WHICH LAND IS OWNED | ACREAGE |
|--|----------------------------|-------------------------------|---------|
| Norfolk and Western Railroad Co. | Railroads | Va., W. Va. | 448,871 |
| Continental Oil Co. | Energy | Tenn., W.Va., Ky., Va. | 372,040 |
| Chessie Systems, Inc. | Railroads | W. Va., Ky. | 271,163 |
| Pittston Company | Coal | Va., W. Va. | 275,173 |
| Occidental Petroleum Co. | Energy | Va., Ky., W.Va. | 253,605 |
| Georgia Pacific Corp. | Paper, Lumber | W. Va., Ky., Va. | 223,699 |
| Bethlehem Steel Corp. | Metals | Ky., W. Va. | 204,580 |
| Ky. River Coal Co. | Land holding | Ky. | 190,000 |
| Penn-Va. Corporation | Land holding | W.Va., Va., Ky. | 158,002 |
| Berwind Corporation | Manufacturing | W.Va., Va., Ky. | 154,200 |
| Ethyl Corporation | Chemicals | Ky., W. Va. | 134,211 |
| National Steel Corp. | Metals | Ky. | 130,000 |
| Eastern Associated Coal Co. | Energy | W. Va. | 103,776 |
| Bates Manufacturing Co. | Manufacturing | Va., Ky. | 85,109 |
| Charleston National Bank and Trust Company | Banking | W. Va. | 82,068 |
| United States Steel Corp. | Metals | W. Va., Ky. | 70,187 |
| Coal Creek Mining and Manufacturing Co. | Land holding | Tenn. | 64,199 |

| PARENT COMPANIES | PRIMARY CORPORATE INTEREST | STATES IN WHICH LAND IS OWNED | ACREAGE |
|---------------------------------|----------------------------|-------------------------------|-----------|
| Union Carbide Corp. | Manufacturing | W. Va. | 59,617 |
| Beatrice-Yukon Mining Co. | Coal | Va. | 51,843 |
| Ford Motor Company | Automobiles | Ky. | 51,126 |
| Tennessee Land & Mining Co. | Land holding | Tenn. | 50,940 |
| Koppers Corporations | Manufacturing | Tenn. | 50,771 |
| The American Association | Land holding | Tenn., Ky. | 50,661 |
| Tennessee Valley Authority | Federal Agency | Ky. | 40,220 |
| Big Sandy Company | Land holding | Ky., Va. | 39,224 |
| Payne-Baker Family Trust | Land holding | Tenn. | 37,206 |
| Ford, Fanst & Cheely | Land holding | Tenn. | 37,097 |
| Youngstown Sheet & Tube Co. | Metals | Va. | 35,189 |
| Kennecott Copper Co. | Metals | Va., Ky. | 33,267 |
| National Shawmut Bank of Boston | Banking | Va. | 25,825 |
| Blue Diamond Coal Co. | Coal and Steel | Tenn. | 20,181 |
| Blackwood Land Co. | Land holding | Va., Ky. | 19,446 |
| LeVisa Fuel Co. | Coal | Va. | 12,263 |
| Francis Brothers, Inc. | Family Trust | Tenn. | 23,676 |
| Plateau Properties, Inc. | Family Trust | Tenn. | 12,040 |
| Swords Creek Mining Co. | Coal | Va. | 10,243 |
| Aluminum Co. of America | Metals | Ky. | 10,700 |
| Republic Steel Co. | Metals | Ky. | 5,134 |
| TOTAL ACREAGE | | | 3,814,193 |

Senator MOYNIHAN. The problem of Appalachia is that the people who live and work there don't own anything.

Senator RANDOLPH. That is not true. You can't make that statement with validity.

Senator MOYNIHAN. Sir, I withdraw that statement. The problem is a statement that Caudill made that the major industries are extractive, isn't that his position?

Mr. SMITH. Yes, sir.

Senator MOYNIHAN. Is it not also his view in 15 years the Federal effort hasn't changed with respect to that fundamental power-protection relationship?

Mr. SMITH. He has some reservations and makes some concessions, yes, sir. I would like to add this, Senator Moynihan, if I may. I also am a close friend of Thomas Duncan who is president of the Kentucky Coal Association and is a former reporter for the Courier Journal and Senator Albert Gore, who is chairman of the Island Creek Coal Co.

I have spent some time with them attempting to find a middle ground. Judge Combs of Louisville, former Governor, for whom Senator Ford worked as an administrative assistant in the first administration, has talked to me about the problems of ownership and encouraging the ownership in Appalachia to make reinvestments.

I hope that I can be seen as a person who can bridge these differences and make some positive steps.

Senator MOYNIHAN. If I can say, good for you. This is fun, and it is an innocent form of activity, these Commissions and so forth, but when you really have a real problem of who owns the natural resources and the only people who mentioned it are Caudill, who writes books—he has written two now—but you never hear it from the Commission. I have been 3 years on this committee and I never heard the Commission mention once who owned anything.

The issue is, who owns things? I hope we will hear more from you, Mr. Smith, on who owns things, all right?

Mr. SMITH. Yes, sir.

Senator MOYNIHAN. Can I just say in closing, on the question of how we let our railroads go to hell, one way is we built the most expensive highway system in the world, that being this committee. One of the problems we have about using coal is that we have written regulations, again, on this committee, that made it impossible. So the principal following medicine, seek the remedy where the malady occurs. I think it would be helpful if the Commission would tell us some of the ways that we could respond to specific questions of Appalachia in terms of things we have jurisdiction over that don't say Appalachia on them, but very much relate to Appalachian problems, as, for example, the use of coal, which is so important.

You sometimes think you have to go around and remind people that there was life on Earth in 1940, when most of our energy came from coal. In any event, sir, I for one would very much like to hear more from you and from the commission on the question of who owns Appalachia and reinvestment of profits taken out of that ground.

Once you take coal out of the ground, there is not much you can do with those holes.

Mr. SMITH. Senator, we are also aware of Governor Carey's work, too. He talked with me in Binghamton about his concern of getting more coal use and coal supplies to the East.

Senator MOYNIHAN. Another thing this committee could do. Senator Domenici and I have a program for using a national water policy which would take the \$3 billion odd dollars a year that we spend on water in this country and instead of making it a sort of private reserve of a few regions, divide it among the 50 States, including Kentucky, and let Kentucky, on the basis of population and size, each year get its share of that money and make decisions about how to do it. I bet if you looked into the amount of money you get in Federal water programs, unless you have a big TVA program going, you find you don't get your share, if anything, it is so episodic, it is not something you can plan on.

I hope you can look to this proposal of ours and this committee to help the region.

Mr. SMITH. Thank you.

Senator MOYNIHAN. Thank you very much.

Senator FORD. I don't know what you are driving at, but you are going to get it.

Senator RANDOLPH. At another time, I will have an occasion to respond to Senator Moynihan on some of the matters he cites.

Senator MOYNIHAN. Certainly, Mr. Chairman.

Senator RANDOLPH. We have a wide ranging subject matter on the committee, we do know that. I like the provocative approach of Senator Moynihan in bringing these matters to our attention. It is very helpful.

Senator STAFFORD. Mr. Chairman, before Senator Simpson asks questions, I have been thinking about the Republican county. It occurred to me after you become the administrator, you probably can go there any time of the day and be perfectly welcome.

Mr. SMITH. Thank you.

Senator MOYNIHAN. You still didn't mention night.

Mr. SMITH. I have travelled a lot of places in western Kentucky.

Senator RANDOLPH. Senator Simpson, you are a little removed from Appalachia, until you came here, but there are problems in Wyoming, as well as West Virginia.

Would you have a comment?

Senator SIMPSON. Mr. Chairman, even though I am removed, I am still paying attention with regard to regional commissions. You know of my interest in that area. It reminds me of that story, I believe you raised it, a West Virginia farmer who was berating his young son and the boy was just kind of standing there shuffling his feet back and forth, he said, son are you listening to me? He said, yep, but I ain't paying attention.

I have heard reference to a little list. I missed the first part of that. Like Gilbert and Sullivan, I have a little list. I would like to see that, too.

The Chairman knows that the regional commission concept has always caused me a great deal of concern. We have one in the West called the Old West Trail Foundation, or something. They give money to any known or unknown—any given cause, for studies usually, which have probably been done here in Washington somewhere along

the beltway. Senator Pryor and I are going to root around in that a little, find out a little more about that.

Anyway, the thing that really causes me concern, and it is not said in humor, is the funneling down of massive Federal funds through unelected representatives. I don't like that. There is a Governor, yes, that sits there, the legislators do not get a chance to play with it very well or to follow it closely. This tremendous expenditures that come down through the unelected, I don't like that.

In the latest legislation which went through in July, and I resisted totally, and I have the greatest respect for this Chairman, I would go to the mat for him and with him, which is an interesting thing, both, that now we are going to start another layering process with a senior White House aide up there messing around with the regional commission concept.

I have met you, I believe you will serve well. I support you and confirm you. I guess I am looking toward you with more than you can ever come up with, that is a change in attitude of the regional Commissions. I hope you can carry that Commission and do something different so that we don't have this channeling of funds to projects which are not only absurd but really laughable in some cases.

And I can cite those. I would rather not do that now. I am not here to throw bait into the cage. There are some that are just laughable, there is no question about it. So I hope you can get back to the mission of what it was all about in the beginning, to assist those regional areas in their economic plight and not to drop money into certain corporate coffers and not to build little museums and institutions and have little studies. Get on with the action.

I assume it was jobs and economic health and the transportation systems. I hope we can get back to that. I hope we get back to the area of audits. The Chairman has indicated his support of that. We have found some regional Commissions that are just in disarray, they don't even know what happens to their money. And then, when we get close to finding out, their administrators resign. Those are things that must not go on.

I guess I leave you with simply admonitions to shape up and hope you can proceed with that and your example of the Appalachia Commission will serve as one for the rest of the regional commissions in America, we can and should shape up so we don't get into the Government an expenditure by the unelected and unelectable. Thank you.

Senator RANDOLPH. Thank you very much, Alan. I take this occasion, only in the way of pleasantries, to express appreciation, not only for myself as a member, but for all the members of our committee, without regard for labels, for the attention, the intense interest that the Senator from Wyoming has brought to the consideration of the problems that come before this committee. He is a worthy son of a father who served in this body, and to have the continuity of not only the name of Simpson, but also the thoughtfulness, I should say the thoroughness and also in the sense of crusading.

For the moment, I think the feeling is, Mr. Smith, that at this hour, you are the right man at the right place. That is my feeling. And I believe the members generally have that feeling who have talked with you prior to and including today's hearing.

Mr. SMITH. Thank you, Senator.

Senator RANDOLPH. We have two questions that we usually ask all nominees. Will you appear, Mr. Smith, before the members of our committee, and other committees, to discuss problems, answer questions, that relate to your official duties if and when you take them over?

Mr. SMITH. Yes, sir, I will, and I will welcome this committee's oversight.

Senator RANDOLPH. Thank you. Do you have any interests or financial holdings that could be considered as conflicts of interest in connection with the position you will hold?

Mr. SMITH. No, sir.

Senator RANDOLPH. Thank you very, very much, and thank you, Senator, for coming over.

Senator FORD. I am delighted to be with you, Mr. Chairman. Thank you for the courtesy.

[Whereupon, at 11:15 a.m., the hearing was adjourned subject to call of the chair.]

[Mr. Smith's prepared statement and a résumé follow:]

STATEMENT BY AL SMITH
FOR U.S. SENATE COMMITTEE ON ENVIRONMENT & PUBLIC WORKS
DECEMBER 17, 1979

Mr. Chairman, distinguished members of the Committee:

The opportunity to serve the Appalachian Regional Commission as a Federal Cochairman is especially appealing to me.

As the publisher of rural county seat weekly newspapers, and as a mainstreet smalltown editor, I have been involved in community resource development for 22 years.

Before that I worked for 10 years as a reporter and editor on the New Orleans daily newspapers.

It was fun to be a young reporter in the Big City, but my most rewarding experiences in journalism have been at the grassroots in the intimate kind of relationship that an editor has with his readers when they struggle together to build a community where there is doubt that it can even afford a newspaper.

I know what it is for a town to worry about not having enough jobs to keep its children at home.

I have experienced the excitement of campaigning successfully for the good things that will build a town--schools, libraries, hospitals, new enterprises--and I know the frustrations of losing these campaigns.

In Russellville, Kentucky, population 6500, we reversed a tide of outmigration with a vigorous industrial development program that created a base of 3000 manufacturing jobs to balance our farming economy. Later, we realized that without more of the amenities of life

our county of 20,000 would falter again. We concentrated on the environment, on historical preservation, on the arts, and enrichment of curriculum in our public schools. We recruited more professional people: doctors, pharmacists, lawyers. And we began to think about different kinds of growth and the quality of our life.

As Main Street in Russellville changed, my own business changed. With the help of local banks, and investments from friends, we were able to form a publishing company that in a modest way has prospered through its faith in the future of small towns that try to help themselves. We are now publishing six weeklies in five neighboring communities in Kentucky and Tennessee. Each paper has its own independent editorial policy, but each is dedicated to strong editorial involvement in local issues. This policy, I am proud to say, has enabled us to attract talented ambitious young editors who believe, as do we, that there is a new frontier in rural America, and who like the freedom that we provide for them to find themselves.

Although our newspapers are not in the Appalachian counties of our states, we share in the rural experiences of the Appalachian communities.

Furthermore, I trace my philosophy as a country publisher to the heritage of my grandfather, Rutledge Smith, who bought a weekly newspaper in Cookeville, Tennessee, in the Appalachia's Cumberland mountains, when he was 18, and then persuaded a school teacher to become his editor as well as his wife. My grandfather was a promoter and politician. It was my grandmother who wrote the words to rally their readers around those causes that they believed would make tiny Cookeville the "hub city" of the Cumberlands.

That was nearly one hundred years ago, but my grandfather, who himself lived to be nearly 100 years old, instilled in his children and their children a love and respect for mountain people that I hope you will find evident in my service to Appalachia if you see fit to approve my nomination.

The position for which I am being considered is an opportunity to practice on a regional basis what I have learned about resource development as I have invested my own money in smalltown newspapers. The job is also emotionally appealing because for me it is a spiritual homecoming, a return to the problems and people of my mountain heritage.

I am familiar with the criticisms of this program--some of them from honorable members of this committee--and I do promise to take their concerns seriously and to be responsive to their constructive suggestions.

Obviously, I come to this assignment as a believer in the worth of the Commission. I share the faith of the distinguished Chairman in the capacity of this Commission to make a constructive difference in the region. I believe that there are others at the Appalachian Regional Commission who are also inspired by the Chairman's commitment--as well as their own vision--and who are equally determined with me not to disappoint him and the other ARC supporters on this Committee.

As serious as are its needs, I think the time has come to emphasize the resources, the richness of Appalachia. I hope that you will find me to be a forceful advocate of using these resources to guide this country out of its grave dependency on foreign oil.

If you do not see the Appalachian Regional Commission demonstrating approaches to help solve our energy problems, you will be entitled to question the quality of my leadership, if not that of the entire program.

My other priorities after energy development are highways, a program for re-investment by the large corporations that own extractive and manufacturing operations in the region, and diversification, i.e., new enterprises. I agree with the observation of one of Kentucky's greatest citizens, former U.S. Senator and Ambassador John Sherman Cooper, a former member of this Committee and a mountain man, who said that without roads, bridges, and airports, there could be no commerce in Appalachia and without commerce the people were doomed to a marginal existence.

I pledge to you a sense of urgency on my part in encouraging private enterprise to become deeply involved in Appalachian investments. I will make a major attempt to be persuasive in this regard.

I have stressed economic programs because I believe they are the devices by which we will reduce depending on government doles. But the human services with which ARC is concerned also can play a liberating role in the economy. I am positive and emphatic about high priorities for child development, for reducing infant mortality, for primary health care, for vocational and continuing education classes, and for a major effort to reduce flooding and provide more low-cost housing.

I seek resolutions for the paradoxes of coal: ways and means to match our talk about coal use with production orders and the opening of new markets.

I come before you painfully aware of the lack of credibility that many government agencies have in the mountains. I think this credibility gap will remain until we have taken decisive action to end "boom-or-bust" cycles in the coal fields.

Concerning the environment, so much rhetoric has been heard that it obscures the prospects of what the combinations of windfall profits and OPEC oil prices may make possible in the mountains--that is, the environmentally acceptable--and safe--mining and marketing of coal under economically competitive circumstances.

All environmental and development approaches will, I hope, take cognizance of the desperate plight of Appalachia's small coal operators.

I will support and work cooperatively with the Tennessee Valley Authority (TVA), the Farmers Home Administration (FmHA) and other agencies to address such problems as the warehousing of coal mined by small operators and the related difficulties of coal transport and coalfield housing..

Appalachia's problems are, indeed, immense. So is its potential.

The ARC's partnership strategy offers the opportunity for a truly regional approach to planning and economic development.

The energy crisis makes it imperative that your federal cochairman be committed to strengthening this partnership between the states and the federal government.

I am so committed--as I am also committed to helping people build for themselves a good life in rural America.

All that I have learned at the grassroots convinces me that it can be done--that a satisfying and productive life is possible when people work together to solve common problems and attain shared goals.

Thank you.

AL SMITH

(Albert P. Smith, Jr.)

Al Smith is editor and publisher of the Russellville, Kentucky, News-Democrat and Logan Leader and president of Al Smith Communications, Inc., a publishing company which runs these and four other weekly newspapers serving Leitchfield, Mogatown and Cadiz in western Kentucky and Brentwood in suburban Nashville, Tennessee.

Since 1974 he has been producer and moderator for the weekly Kentucky Educational Television program, "Comment on Kentucky". In 1978 Kentucky Educational Television nominated Al Smith for the Distinguished Broadcast Journalist Award, presented by Western Kentucky University, in recognition of his 17-part series of televised interviews with outstanding Kentuckians. In 1979 he produced and moderated a series of forums with candidates for statewide political offices which were the first such programs televised on a statewide basis in Kentucky.

He is chairman of the Kentucky Arts Commission and of the Kentucky Oral History Commission. He is a member of the Council of Supervisors of the University of Kentucky Hospital at Lexington, Kentucky, and serves on the Advisory Board of the Tennessee River Valley Association. He is a trustee of the Frontier Nursing Service at Wendover, in eastern Kentucky, and is a trustee of Shakertown at Pleasant Hill in central Kentucky. He is a past president of the Kentucky Press Association and helped draft Kentucky's two "sunshine laws" for open meetings and open records.

Mr. Smith was born in Sarasota, Florida, in 1927 and was raised in Tennessee. An honors graduate of the Castle Heights Military Academy in Lebanon, Tennessee, he served in the Army during World War II and attended Vanderbilt University. He began his journalism career in 1947 on daily newspapers in New Orleans, Louisiana, and moved to Kentucky in 1957 as editor and part owner of the Russellville News-Democrat. He is married to Martha Helen Smith, a professional photographer and has three children.



