DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1970

HEARINGS BEFORE A
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS HOUSE OF REPRESENTATIVES NINETY-FIRST CONGRESS FIRST SESSION

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Bureau of Outdoor Recreation
National Park Service
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Office of the Solicitor
Office of Territories
Trust Territory of the Pacific Islands
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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1970

THURSDAY, MARCH 6, 1969.

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DONALD T. RETHRO, ENGINEERING ADVISER

Mrs. Hansen. The committee will come to order. This morning we have the Bureau of Indian Affairs. May I say we are delighted to greet you, Commissioner Bennett. It has been a pleasure to work with you. We think you have done an outstanding job. And I may say that both Congressman Reifel and I had the opportunity of visiting the Navajo Reservation this winter and we saw many things that are on the plus side of your Bureau.

As you are well aware America has been in a dilemma for the last 20 years about what to do for the American Indians. Finally our Nation has become aroused and concerned enough to do the very best we can for the Indians. Sometimes in the desire to do the very best, nothing arises but criticism of the Bureau of Indian Affairs. It is only fair to state that for every minus there is also a plus. We saw so many fine young people who I am sure would not have an education today if it had not been for your work and your programs. We saw families that need much more, but who have begun to work for rehabilitation with job training. We saw good standards of food service in the schools, one of the highest standards of cleanliness I have ever observed in any school.
The mineral and petroleum potential of many Indian reservations is vast. The mineral specialists in the Bureau continually supply research, valuation and marketing information to aid the leasing and development of these resources, which will increase the income of the many Indian owners.

**Examples of recent accomplishments.** The real estate appraisers complete more than 10,000 documented appraisal reports each year. This work load is expected to increase in number and complexity as the Indians' resources management program gains sophistication and proportionately more of the work load is in support of housing, industry, and commercial and tourism development and less oriented to agriculture and grazing.

Using appraisal reports properly in preparing for negotiation, administrators have increased rentals received from leasing activities on Indian lands often by a margin of 50 percent over former rentals. This increase is often the direct result of the administrator being made aware by professional appraisal services of the effect of the real estate market on Indian lands.

The urban planning activities have completed many design studies, subdivision plans, community plans, and plans and designs for recreation, industrial and commercial developments. The planners also have nurtured many Indian planning boards and aided in starting several 701 planning programs in cooperation with the Department of Housing and Urban Development. The planners also have worked closely with the Public Health Service in solving mutual planning programs.

The mineral specialists have helped in generating increased benefits from mineral and oil and gas exploration and development. In fiscal year 1968 bonus payments of $10.5 million were gained for Indian owners by activities supported by the valuation services of the Bureau.

(b) **General trust services.** Fiscal year 1969, $1,178,000; fiscal year 1970, $1,178,000; "no change."

**Program of work.** The Bureau is charged by various laws and regulations with the trust responsibility of accounting for and disbursing individual Indian monies which come into the custody of Bureau officials as a result of administrative or restricted properties of individual Indians, through per capita payments, judgments, or claims. Indian Service Special Disbursing Agents are designated to carry out these responsibilities.

This sub-activity also finances positions of field representatives who serve as contact representatives with the Indians at the reservation level and who perform work connected with the activities concerned with administration of trust properties.

**Examples of recent accomplishments.** Trust funds were collected by the Bureau from the leasing and/or sale of trust property, from the sale of forest products produced on trust property, from sales of minerals, hay, and other products. These funds are then deposited to individual Indian and tribal accounts and in numerous instances are distributed to several thousand individual Indian accounts resulting from the growing multiple-ownership or heirship situation.

In order to improve this situation, we are consolidating Individual Indian Indian accounting activities to better utilize existing specialized staff and to facilitate the use of electronic accounting techniques. This is resulting in a better service to Indian beneficiaries through more current disbursing of funds to them. Field representatives have continued to work with Indian groups and individuals in the management, administration, and development of Indian trust property and related activities. There has been increased activity also in the field of investing individual and tribal funds at higher rates of interest, increasing their earnings.

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The following table shows Investments - Tribal and Individual Indian Monies:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Tribal Funds:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Banks.........</td>
<td>$97,461,622</td>
<td>$155,302,253</td>
<td>$180,000,000</td>
</tr>
<tr>
<td>U.S. Securities</td>
<td>5,915,000</td>
<td>10,980,500</td>
<td>10,900,000</td>
</tr>
<tr>
<td><strong>2. Individual Indian Monies:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In Banks.........</td>
<td>36,523,008</td>
<td>41,891,357</td>
<td>40,000,000</td>
</tr>
<tr>
<td>U.S. Securities</td>
<td>29,620,421</td>
<td>29,190,519</td>
<td>30,000,000</td>
</tr>
<tr>
<td><strong>Total</strong>........</td>
<td>169,720,001</td>
<td>237,393,629</td>
<td>240,000,000</td>
</tr>
<tr>
<td><strong>3. Interest Earned</strong></td>
<td>7,099,214</td>
<td>12,515,452</td>
<td>12,780,000</td>
</tr>
</tbody>
</table>

The following table shows Premium compensation payments. Fiscal year 1969, $336,000; fiscal year 1970, $407,000; increase, $64,000. The increase consists of:

<table>
<thead>
<tr>
<th>Amount</th>
<th>Positions</th>
<th>Total Program</th>
<th>Positions Total</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$44,000</td>
<td>--</td>
<td>$400,000</td>
<td>--</td>
<td>To reimburse the Employees' Compensation Fund.</td>
</tr>
</tbody>
</table>

Need for increase. The increase will provide funds to reimburse the Employees' Compensation Fund for payments made due to injury or death of employees under the authority of this agency as required in Section 229 of Public Law 89-110.

8. **Repair and Maintenance of Buildings and Utilities**

<table>
<thead>
<tr>
<th>Activity or sub-activity</th>
<th>F.Y. 1968</th>
<th>F.Y. 1969</th>
<th>Increase (+) or Decrease (-) 1970</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repair and maintenance of buildings and utilities</td>
<td>$15,370,639</td>
<td>$16,869,000</td>
<td>$1,498,361</td>
</tr>
</tbody>
</table>

The following table shows Repair and maintenance of buildings and utilities. Fiscal year 1969, $16,869,000; fiscal year 1970, $17,908,000; increase, $1,039,000. The increase consists of:

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