

DEPARTMENT OF THE INTERIOR AND RELATED
AGENCIES APPROPRIATIONS FOR 1969

T-1156

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE
COMMITTEE ON APPROPRIATIONS
HOUSE OF REPRESENTATIVES

NINETIETH CONGRESS

SECOND SESSION

PART 2

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs
Bureau of Land Management
Bureau of Outdoor Recreation
Land and Water Conservation Fund
National Park Service
Office of Coal Research
Office of Oil and Gas
Office of Saline Water
Office of the Secretary
Office of the Solicitor
Office of Water Resources Research

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Mrs. HANSEN. I am going to put it where I know it will get paid. But you had better get this interest question straightened out.

Mr. HARTZOG. I am told the amount due the State of Washington amounts to \$79,029.60, plus interest from October 23, 1962, or a total of \$106,018.69 through June 30, 1968.

Mrs. HANSEN. I think there is a general misunderstanding as to which appropriation it should be paid from.

(Discussion off the record.)

Mr. HARTZOG. I want to say to all of you how grateful all of us are.

THURSDAY, FEBRUARY 29, 1968.

BUREAU OF INDIAN AFFAIRS

WITNESSES

ROBERT E. VAUGHAN, DEPUTY ASSISTANT SECRETARY, PUBLIC LAND MANAGEMENT
 ROBERT L. BENNETT, COMMISSIONER
 THEODORE W. TAYLOR, DEPUTY COMMISSIONER
 J. LEONARD NORWOOD, ASSISTANT COMMISSIONER FOR ADMINISTRATION
 WILLIAM R. CARMACK, ASSISTANT COMMISSIONER OF COMMUNITY SERVICES
 CHARLES N. ZELLERS, ASSISTANT COMMISSIONER OF EDUCATION
 GEORGE W. HUBLEY, JR., ASSISTANT COMMISSIONER OF ECONOMIC DEVELOPMENT
 CHARLES P. CORKE, DEPUTY ASSISTANT COMMISSIONER OF ECONOMIC DEVELOPMENT
 F. M. HAVERLAND, ASSISTANT COMMISSIONER FOR ENGINEERING
 DANIEL M. OGDEN, JR., DIRECTOR OF BUDGET, OFFICE OF THE SECRETARY

Mrs. HANSEN. We have the pleasure of having Commissioner Robert Bennett this morning. It is a great pleasure to welcome you to the committee, Commissioner Bennett. It is always a privilege to have you and your staff here.

We also have the pleasure of having Mr. Robert Vaughan, who is not unknown to this committee, because of our very beloved former chairman of this committee, Mr. Kirwan. Mr. Vaughan is the Deputy Assistant Secretary of Public Land Management.

Do you want to introduce your staff at this time?

Mr. BENNETT. I would be happy to do so, Madam Chairman. We of course are very glad to be here again to present our budget for fiscal year 1969.

Along with me I have at the table Mr. Fred Haverland, our Assistant Commissioner for Engineering, under which all of our roads, anything that involves engineering, falls. And Dr. Carmack, whom I believe you know, who is Assistant Commissioner for Community Services. Next to him is a recent appointee to the Bureau, Mr. Charles Zellers, who is Assistant Commissioner for Education.

On my left is Leonard Norwood, Assistant Commissioner for Administration for the Bureau of Indian Affairs. And on my far right is Mr. George Hubley, who came to the Bureau recently. He is Assistant Commissioner for Economic Development having served for several years in heading up various State development commissions throughout the country.

Mrs. HANSEN. Thank you very much. Mr. Reifel?

Mr. REIFEL. Madam Chairman, as you know, I am always delighted to see my former associate in the Bureau who worked with me in South Dakota on a "people" program which is the only direct people program we have in the Interior Department. And I look forward to this hearing to see what has been accomplished and how we can help to further what is going on. For Mr. Zellers, who is new in the education field, we are glad he is on board with an excellent background to give education the kind of lift that Dr. Marburger gave impetus to. I regretted seeing him leave for another organization to which he will continue to make his contribution.

Mrs. HANSEN. Mr. Commissioner, will you place your statement in the record and give an oral summary of it?
 (The statement follows:)

STATEMENT BY THE COMMISSIONER OF INDIAN AFFAIRS

I appreciate the opportunity to appear before this committee to present the request of the Bureau of Indian Affairs for the fiscal year 1969 appropriations. We are asking for the sum of \$265,877,000 to conduct a wide range of programs for American Indians during the coming fiscal year. This amount reflects a net increase of \$24,594,000 over the appropriations for the current fiscal year.

We are a modern service Bureau, serving as many as 400,000 Indians and Alaskan natives who live on or near reservations—people who find themselves isolated from the mainstream of American life—existing in poverty. In keeping with the general governmental policy of attacking the causes of poverty and the lack of salable skills, the objective of the Bureau of Indian Affairs is to coordinate Federal programs and programs of State and local agencies which will improve educational, economic, social and political opportunities of Indians. The principal services we perform are directed to (1) continued improvement in the standard of living of Indians and Alaskan natives through effective educational methods and curriculums, more employment and income, better housing, family planning, better health knowledge and practices and adequate welfare assistance, and adequate law enforcement; (2) continued application of community development processes and principles to enable Indians to obtain experience so they may gradually assume the management of their own resources, industrial business and other enterprises, to develop their capacity for political leadership and participation in programs of local, State, and Federal agencies; and (3) to promote effective working relationship between Indians and other citizens in local communities, the county, the State, and the Nation.

Our request includes funds to initiate a kindergarten program in both public and Bureau-operated schools. Many Indian children who attend public schools come from an environment that has limited association with the dominant culture and in many instances adults in the home have not attained a literacy level. The majority of Indian children who attend Bureau schools, in addition to the foregoing environment, come from homes and communities where little or no English is spoken before their attendance in school. The kindergarten program will provide these children with an earlier school experience in developing skills and learning processes. Also, the curriculum of Bureau schools is to be altered in ways designed to afford more guidance and counseling for living and to overcome the limited experience, language difficulties and social maladjustment of Indian children. We hope to raise the quality of educational personnel. We plan construction of new elementary schools, including units to provide for additional kindergartens and high schools for the Navajo reservation. Schools for Alaska natives are planned in cooperation with the State.

ence, and the difference is particularly great, I believe, in terms of numbers on the Navaho Reservation.

But the Navaho tribal council has finally passed an ordinance on compulsory school attendance and the leaders in the communities are working with us to get all of those children in school who should be in. But, Mr. Zellers can give you that figure.

Mr. KIRWAN. The total not in school is how many?

Mr. ZELLERS. The estimated number is 6,300 of which about 4,000 are on the Navaho.

Mr. KIRWAN. Don't you think that by now they should be in school?

Mr. ZELLERS. Yes, sir.

Mr. KIRWAN. But they are not. That is the thing that is so sorrowful. They are not all in school. During my many visits to Indian reservations over the years I was appalled at the number of children we found who were not in school. This committee for years has made every effort to provide the necessary funds to assure there are adequate school facilities and teachers.

I am glad the Navahos have finally passed a compulsory school attendance ordinance, for education which is basic to the longrun solution to the Indian problems. The same is true of the territories.

(Off the record.)

Mrs. HANSEN. Thank you.

Mr. Reifel?

Mr. REIFEL. Madam Chairman, the Commissioner knows this and the staff, but one of the great joys I have had in being in Congress is to be on this committee, Mr. Kirwan and Madam Chairman. When I first came on the committee Mr. Kirwan was the chairman. And then, while I am delighted that we have our very capable present chairman, we did lose a great chairman in Winfield Denton, who was equally concerned with the Indians and their future.

Now we have in the person of the present chairman an equally dedicated individual. And to me, this is always the most joyous hour in Congress, when we have the Bureau of Indian Affairs and these folks before us who are really concerned with the problems which you deal with daily.

And I again want to say, Mr. Commissioner, you have no better friends in the Congress than these two who have just spoken to you this morning.

Mr. BENNETT. Thank you.

Mrs. HANSEN. I may say, Mr. Commissioner, our interest goes beyond the money. We are interested in the people. And it is for this we had the same type of discussion the other day on the Trust Territory and we are going to pursue it today and this is why I say this. We are going to put the summary of the investigative report in the record so we may discuss the facets of it, where they could possibly have misjudged and yet the criticisms we think need to be discussed openly among us to arrive at some better decisions.

We will place pages I through XVII of the investigative report in the record.

(The pages follow:)

SUMMARY

I. INTRODUCTION

A. Directive

B. Scope of inquiry

II. GENERAL ORGANIZATION OF THE BUREAU OF INDIAN AFFAIRS

The Bureau of Indian Affairs (BIA) was created in the War Department in 1824 and transferred to the Department of the Interior in 1849. BIA Headquarters is located at Washington, D.C., and consists of six divisions, each headed by an Assistant Commissioner; 11 area offices; and 78 agencies, subagencies, and field offices. The 11 area offices, each headed by an area director, vary in organizational structure; that is, some have divisions similar to headquarters, some have fewer divisions than others with program activities consolidated, and others have no divisions and operate under a branch concept.

The agencies, generally located on Indian reservations and under the supervision of agency superintendents, operate under a branch concept. The agencies are under the jurisdiction of area offices with some exceptions.

There is no line authority from the program officials in the headquarters office to the area offices or from the area offices to agencies. A school principal is responsible to the reservation principal. The reservation principal is responsible to the agency superintendent and not to an area office education official. The area office education official is responsible to the area director and not to a headquarters office education official.

BIA Headquarters and area office officials advised that BIA has too many area offices and agencies and an excessive administrative staff. Specific area offices generally considered unnecessary were the Sacramento, Calif., area office; the Minneapolis, Minn., area office; the Anadarko, Okla., area office; and the Albuquerque, N. Mex., area office. Reasons given for the existence of an excessive number of area offices, which function almost autonomously, were to please the Indians, congressional pressures, and the perpetuation of old-line employees in BIA.

The decision to split the former Gallup, N. Mex., area office into the Navaho area office, Window Rock, Ariz., and the Albuquerque, N. Mex., area office in February 1966 was made by the Commissioner of BIA and the Secretary of the Interior to satisfy the Navaho Indians and the United Pueblo Indians, each of whom thought the other was receiving more benefits. Even though an area office was established at Window Rock, Ariz., a substantial part of the operations of that office continues to be carried on at Gallup, N. Mex., approximately 25 miles away.

The five BIA agencies on the Navaho Indian Reservation are not agencies in the true sense because these agencies have no tribal government to contact. The Navaho area office functions principally as an agency office inasmuch as Window Rock, Ariz., is the Navaho tribal capital.

III. EDUCATION PROGRAM

A. Administration of program

1. Organization structure

The Education Division at the headquarters office in Washington, D.C., is under the direction of an Assistant Commissioner with two Deputy Assistant Commissioners, one in charge of school programs including the Branch of Continuing Education and Program Review, the Branch of Curriculum, and the Branch of Personnel Services, and the other in charge of school operations including the Branch of School Facilities, the Branch of Public School Relations, and the Branch of School Management. In addition, headquarters activities located in the field include: the field technical section composed of a central film library, a book library, and several curriculum specialists, located at Brigham City, Utah; the school plant facilities section, which supervises purchasing of equipment for schools and dormitories, located at Albuquerque, N. Mex.; and the curriculum section, located at Albuquerque. A school recruitment section, located

agency projects are undertaken from funds derived from these same sources. Three such emergency projects were accomplished in fiscal year 1966 and fiscal year 1967 in the total amount of \$95,000, \$205,000, and \$52,500, respectively. The quality of schools constructed in the last 3 or 4 years is comparable to recently constructed public schools in the same general areas. Most of the area around newly constructed schools has not been landscaped which results in housekeeping problems.

Quarters construction for school personnel is included in the funds appropriated for each new school construction project. It is BIA policy to construct housekeeping quarters for 80 percent of the anticipated staffing of the new school. The staff observed new homes still vacant at new schools even though in one instance a school was operating for the third year. Also observed was a school given to the Indian tribe along with 16 sets of housekeeping quarters while 8 miles from this school BIA had constructed a larger new school with 140 sets of housekeeping quarters. The Division of Indian Health constructs quarters for its staff who are deemed essential to the operation of the facility. This is usually about 70 percent of the Division of Indian Health staff as opposed to construction for 80 percent of the BIA staff. The staff found housekeeping quarters justified and built for the educational staff of a school or dormitory being occupied by other than school personnel.

The major alterations and improvements subactivity funds are not related to specific projects. There is no criterion developed or issued within BIA which specifically spells out those projects to be accomplished from funds available for new construction, major alterations and improvements, and repair and maintenance activities. A review of the projects accomplished in fiscal year 1966 and fiscal year 1967 from major alterations and improvements funds disclosed that several new buildings were erected at existing BIA complexes, equipment purchases were made, streets repaired, storm damage to buildings repaired, quarters rehabilitated, and vehicles (firetrucks) purchased. BIA plant management officials stated there was an overlap in the use of the new construction, major alterations and improvements, and repair and maintenance of building and utilities funds and that no printed policy had been disseminated to clarify their use. The Assistant Commissioner for Engineering advised the staff that further study of refinements to criteria and definitions for the major alterations and improvements subactivity would be undertaken to minimize overlapping and to clarify presentations to Congress.

BIA has no formal equipment replacement program. The Plant Management Field Technical Office is working on a plan to automate equipment inventory and replacement but it is not yet known when this plan will be put into effect.

I. Relationship of road construction to schools

The BIA Branch of Roads, Engineering Division, supervises the construction of BIA roads on Indian reservations. The Branch of Roads has a 10-year program for road construction and as funds become available the planned roads are constructed. BIA has never requested or required a study on the Navaho Indian Reservation which would show the effect of road construction on proposed school construction and operations. There are no present plans to revise the 10-year road construction plan to take into consideration BIA school construction or operations. BIA procedures require that separate proposals be submitted for road construction and for school construction. There are 3,000 miles of BIA roads on the Navaho Indian Reservation, which according to BIA officials, require upgrading to reach a desirable level. To upgrade these roads would require \$136 million and, at the present rate of road construction, would require 25 to 30 years to complete. Examples were cited to the staff that demonstrate road construction would eliminate the need for school construction or the operation of BIA dormitories by enabling the busing of children to public schools.

IV. ADULT EDUCATION PROGRAMS

The BIA adult education program is administered by the Community Services Division at BIA Headquarters. It is funded under the "Education and welfare services" appropriation. In fiscal years 1966 and 1967, a total of \$1,031,000 and \$682,000, respectively, was obligated under this program.

The staff found several instances in which the clerical personnel in the adult education program were charged to the education program. Some adult educators

are also charged to the education program. Much of this occurred with the reduction of funds in fiscal year 1967.

In some locations, no formal adult education classes were held. In others, classes were held but attendance was very low. A major part of the time of some agency adult education personnel is spent handling truancy problems with Indian children in both BIA and public schools; processing applications for BIA higher education grants; maintaining census cards; and maintaining liaison with public school officials.

V. RELOCATION AND ADULT VOCATIONAL TRAINING PROGRAM

This program is administered by the Branch of Employment Assistance, Community Services Division; the Branch of Employment Assistance in areas offices and agencies; and seven major field offices. The program is divided into adult vocational training, direct employment, and on-the-job training.

The purpose of the adult vocational training is to provide training to as many Indians as possible to make them employable. This training is conducted in institutions in which BIA pays tuition of trainees. The purpose of direct employment is to find jobs for those Indians who are employable but for whom jobs are not available at their place of domicile. The purpose of on-the-job training is to provide assistance to Indians while they are engaged in on-the-job training which takes place on or near the reservation. Of the individuals participating in the adult vocational training program in fiscal years 1966 and 1967, 39 percent did not benefit directly from the training.

BIA has started contracting out its adult vocational training activities to reach those "hard core" Indians who have not been aided through BIA programs. Three such contracts are now in existence. One is with Philco-Ford Corp. to operate a training center at Madera, Calif. Another is with the Radio Corp. of America to operate a training center on the Choctaw Indian Reservation near Philadelphia, Miss. The third is with the Thiokol Corp. to operate a training center at Roswell, N. Mex. The three contracts provide for the cost of training and BIA provides the housing for the trainees, the furniture and training equipment, and pays subsistence to the trainees. In fiscal year 1967, these contracts totaled \$710,763 and fiscal year 1968 a total of \$4,116,087. In addition, BIA has expended \$826,587 for real and accountable property at Madera, Calif., in connection with the Philco-Ford contract. BIA estimates that 1,031 persons will be trained under these contracts in fiscal year 1968.

VI. CONVERSION TO AUTOMATIC DATA PROCESSING

BIA headquarters decided in 1963 to program its fiscal system to an IBM 1401 computer. When BIA sought proposals from computer manufacturers, the lowest bid was submitted by the Control Data Corp. for a CDC 3100 computer. This bid was accepted and, in February 1966, BIA began to centralize the financial and accounting operations of its 11 area offices and to transfer the personnel performing these functions to the Office of Consolidated Services at Albuquerque, N. Mex.

Originally, BIA had planned to operate parallel financial and accounting systems. However, an inadequate number of personnel remained in the area offices to permit parallel operations. BIA officials at all levels complained to the staff that the financial data produced by the Office of Consolidated Services and furnished to them for operational purposes was useless. Field personnel have been forced to maintain their own, manually produced, accounting system for recording allotments and expenditures which they refer to as "cuff" accounts.

The Office of Consolidated Services employs 270 personnel. The present computer was purchased for \$473,484 and additional equipment is leased for \$58,620 per year. BIA officials informed the staff of plans to approximately double the size of the computer operation in Albuquerque. BIA officials state BIA will probably lease the additional computer equipment at an estimated \$127,620 per year. If purchased, the estimated cost is \$428,500.

BIA has negotiated two contracts with the Management Assistance Corp., Washington, D.C., to make an analysis of the problems at the Office of Consolidated Services; to make recommendations to correct the problems; to develop a completely new accounting system; to program the system to the BIA computer; and to assist BIA in installing the new accounting system. These contracts total \$186,032.

But in some of the places where we used to have them, I don't know if we still do, we have quarters for guests, which in isolated cases there may be a person overnight who is not a Government employee. But I don't know of any situation where there is a house—

Mrs. HANSEN. It would be a visiting Congressman; who knows?

Mr. BENNETT. Yes. In Alaska they stay with the teacher.

BUILDINGS AND UTILITIES PROGRAM

Mrs. HANSEN. Now we have the construction of several new buildings, equipment purchases, vehicle purchases, under major alterations and improvement estimates, that is streets repaired, storm damage to buildings repaired, and fire trucks purchased.

Would you explain this?

Mr. HAVERLAND. If I may digress a little bit, I think we have to put this in context and I would like to do this.

Mrs. HANSEN. If you please, that is what I want.

Mr. HAVERLAND. We have our new facilities and our new big large buildings as well as some major types of renovation which we asked Congress for specifically in the construction appropriation. We expect to do the building maintenance and repair from the repair and maintenance funds, which really represents keeping our facilities in the condition in which they were originally constructed.

If you were to visualize this on some kind of bar graph, we could have the construction work on one end and the repair and maintenance work on the other. There is a little gap in between. It is in this area, over a period of time, that the funds for major repair and alterations have come in.

These are small projects where you want to alter a room—you may want to add a room—where you may want to add a small warehouse, you may need a firehouse. This is where we use our major alteration and improvements. It is a change of a sufficiently serious nature of the existing building that we think it is a major alteration and improvement.

One of the things we run into is the fact that one almost cannot repair a building today, with modern equipment and facilities, and not make some improvements to it. You can't buy the old bath tub with the old legs. Then, also as I indicated we do, when we have a big repair project like at Mount Edgecumbe, we come in for an individual project. So there are these gradations.

We think we have some definitions of construction, major repair and alteration, and repair and maintenance which are good, but they constantly need our attention. There are going to be errors made in interpretation. We have to keep after them, but I think they are basically covering this whole continuum and we intend to keep the work in their categories.

Mrs. HANSEN. I assume you have a fire truck in this category, this truck is someplace where you have no fire equipment facilities available by a municipality or a State. It is probably one of the trucks they use in the rural areas, like in South America, that has its own water or chemical. Is this correct?

Mr. HAVERLAND. Yes.

Mr. BENNETT. I might add this is one of the subjects that we discussed with the Division of Indian Health in terms of including the Bureau of Indian Affairs, Division of Indian Health Facilities, other facilities and the Indian community as a part of the whole area to be served by a fire truck.

Mrs. HANSEN. All right. Let's distribute the costs among the agencies then.

MAINTENANCE STANDARDS

There are some comments on maintenance relative to standards on maintenance, and maintenance in any category is a discussable field, be it State, municipal, city, or schools or anything else.

They say no procedure has been established for inspection of BIA school facilities except for boilers and sanitary facilities. And other inspections made of BIA school facilities have been on an individual basis at the request of BIA.

It would seem to me you ought to set up some standards of maintenance and have regular inspections.

Mr. HAVERLAND. Yes, we agree with this very wholeheartedly. As a matter of fact, I am quite pleased that the new head of our office at Littleton is a gentleman who is quite adept at this business of setting up manuals and guidelines for maintenance reviews. We have at the present time some 13 manuals that have been under study, two of them have been published, and they cover such things as roof repair and maintenance, floor covering, floor care, plant management staffing guides, scheduled maintenance guides, maintenance and operation of wells. There are 13 of these. We intend to put a big push on to try to get guides complete either by writing our own manuals, or by, in the interim, adapting manuals as we can from other places, so we can get to the field, better guides. Then when we go out we can see and compare whether or not they have been doing the kind of job they are supposed to do.

Mrs. HANSEN. May I say you are not the original laggards in this respect. The whole philosophy of maintenance is underdeveloped in the total U.S. Government. We build a facility and we don't provide the proper maintenance.

We were prone at one time in our lives to give foreign aid in highways to a given country and yet not say to that country, "Maintain that highway."

So it is a guilt shared by a great many departments, and it seems to me this is something that for the investment of the U.S. dollar we ought to do a better job on maintenance.

ADP PROCESS

Next we get down to the accounting and automatic data processing and all such intriguing items which frankly don't interest me half as much as the problems of the overall school, except when they are charged against the school budget:

BIA officials at all levels commented to the staff on the lack of effectiveness and efficiency of the Office of Consolidated Services (OCS), Administration Division, located in Albuquerque, N. Mex. is responsible for providing BIA financial and accounting services.

Now, let's have the details of this situation.

Mr. NORWOOD. We decided 2 years ago to consolidate accounting services of the Bureau in Albuquerque and to get a computer to handle the documentation. It reached the point where it was no longer possible manually to do the accounting work for the Bureau, and to fulfill all of the requirements the Government places on Government agencies for accounting. This involved the closing of some 11 offices throughout the country and when you close a Government office and move people's jobs, then you have to try to move those people into those jobs.

Well, we planned a 22-month consolidation program on this, to move it in a little at a time. But as we told these people their job some 10 months from now will be moved from Aberdeen, for instance, to Albuquerque, these people who had been living in Aberdeen a long time decided they wanted to stay there, so they went out and found other jobs in Aberdeen.

We then could not hire people on a temporary basis that were capable of keeping up the accounting work. Therefore we had to consolidate these offices in 10 months instead of 22. As a result we had tons of paper down at Albuquerque, that came from all of the accounting offices, with an inadequate staff to take care of the situation and we have been 2 years now working like mad trying to dig our way out from under these piles of paper. Consequently, our fiscal control and reporting has left much to be desired.

In the interim we took our manual accounting system and converted it for machine use and we found that it was impractical to do so. We contracted with a consulting firm to come in and look at this and we are now writing and installing, or have written and are now installing, a new accounting system for the Bureau that meets all of the requirements and also is fitted for use with automatic data processing.

In this process we have gone to each of the operating divisions of the Bureau, each operating program, and have designed a management accounting system that they can use for better management of their program. We want to report to those program managers on the items that they want reported on, such as food and what parts of that food program they want reported in these various cost elements. We put the first two prototypes on the line at the beginning of February, that is the first two areas that are beginning to report under the new accounting system. And by June 30 we will have all of our area offices, all of our agency work into the new system and will begin on July 1 with the new system. I hope we can complete this year's accounting cycle without real serious difficulties.

ACCOUNTING SYSTEM DEVELOPMENT

Mrs. HANSEN. Very good.

What was the necessity of contracting with the Management Assistance Corporation at a cost of \$186,000 to set up an accounting system?

Mr. NORWOOD. Yes, this is what we contracted with them. We did not have the inhouse capability of doing this job in time to meet the requirements of the General Accounting Office, the Congress and the Bureau of the Budget, in keeping up with our financial work. So we had to have some help.

Mr. BENNETT. We did go to the Office of Survey and Review of the Department of Interior and explain our problem and they looked into it for us and this contract is a result of their recommendations.

ADP EQUIPMENT

Mrs. HANSEN. Additional equipment at a cost of \$428,500 is scheduled. Is this in 1968 or 1969?

Mr. NORWOOD. We have that equipment now on the line and it is on a lease basis.

Mrs. HANSEN. Should you have it before you get your accounting procedure set up?

Mr. NORWOOD. Well, there are a great many other programs that are going into this equipment on which the Bureau is now working. But we had to have the equipment, and we have it on a lease-purchase arrangement and you will find in this budget a request for the funds to buy this, because it has been determined by the General Services Administration and Bureau of the Budget that it is much more economical for the Government to buy this equipment than to continue to lease it.

Mrs. HANSEN. I trust you accept the spirit of the investigation and the spirit in which we have asked you questions about it, in order to have a dialog on the type of problems that confront you and confront us. At least it has provided a good outline for discussion.

Mr. BENNETT. It certainly has been helpful to us and we appreciate the opportunity to discuss it with you.

Mrs. HANSEN. I appreciate the opportunity to have had the discussion. Now we are ready to start on your rather lengthy budget.