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HEARING BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS UNITED STATES SENATE

EIGHTY-NINTH CONGRESS

SECOND SESSION

ON

THE NOMINATION OF ROBERT LAFOLLETTE BENNETT, OF
ALASKA, TO BE COMMISSIONER OF INDIAN AFFAIRS

APRIL 1, 1966

Printed for the use of the
Committee on Interior and Insular Affairs



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NOMINATION OF ROBERT L. BENNETT TO BE COMMISSIONER OF INDIAN AFFAIRS

FRIDAY, APRIL 1, 1966

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

The committee met, pursuant to call, at 10 a.m., in room 3110, Senate Office Building, Senator Henry M. Jackson (chairman of the committee) presiding.

Present: Senators Henry M. Jackson, of Washington; Clinton P. Anderson, of New Mexico; Alan Bible, of Nevada; Frank Church, of Idaho; Ernest Gruening, of Alaska; Quentin N. Burdick, of North Dakota; George McGovern, of South Dakota; Gaylord Nelson, of Wisconsin; Lee Metcalf, of Montana; Milward L. Simpson, of Wyoming; and Paul J. Fannin, of Arizona.

Also present: Senators Bartlett and Mundt, and Congressman Reifel.

Also present: Stewart French, chief counsel; James H. Gamble, professional staff member; and E. Lewis Reid, minority counsel.

The CHAIRMAN. The committee will come to order.

This morning the full committee is meeting for the purpose of considering the nomination submitted by the President of Robert L. Bennett to be Commissioner of Indian Affairs. I believe most members of this committee are acquainted with Mr. Bennett, who has served in the Bureau for many years.

On March 29, I announced in the Congressional Record that this hearing would be held. I also included a biographical sketch of the Commissioner-designate, and a copy is before each member of the committee. I order that it also be placed in the hearing record at this point.

(The document referred to follows:)

ROBERT L. BENNETT

Born November 16, 1912, on the Oneida Indian Reservation in Wisconsin.

EDUCATION

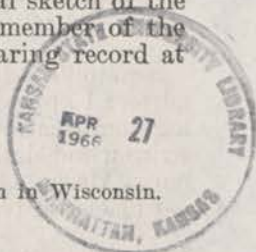
Attended public and parochial schools in Wisconsin. Was graduated in 1931 from Haskell Institute (Indian school) at Lawrence, Kans., where he specialized in business administration. Holds degree of LL.B. from Southeastern University School of Law.

OCCUPATIONAL BACKGROUND

1933-38: Served with the Bureau of Indian Affairs agency at the Ute Reservation in Utah. Also served in various capacities with the Ute Tribal Council and as treasurer of three Indian livestock associations in the area.

1938-45: Assigned to Washington office, Bureau of Indian Affairs, as specialist in realty affairs; later transferred to Navy agency.

1944-45: Pfc., Marine Corps.



INTERIOR NOMINATION

1946-48: Directed training program for World War II Indian veterans as member of staff of Phoenix, Ariz., office, Veterans' Administration.

1949-51: Rejoined Bureau of Indian Affairs in capacity of Job Placement Office, Aberdeen Area, serving Indian groups in the Dakotas.

1951-54: Reassigned to Washington, D.C., office, Bureau of Indian Affairs, to assist in tribal development programs.

1954-56: Superintendent of Consolidated Ute Indian Agency, Ignacio, Colo.

1956-62: Reassigned to Aberdeen Area Office and appointed Assistant Area Director.

1962-65: Appointed Area Director of Indian Affairs for the Alaska region, with headquarters in Juneau.

1966: Appointed Deputy Commissioner of Indian Affairs, Washington, D.C.

ORGANIZATION AFFILIATIONS

American Academy of Political Social Science;

American Society for Public Administration;

National Congress of American Indians;

Member of the National Advisory Committee for Indian Youth;

Board of directors, Arrow, Inc.; and

Rotary International.

FAMILY DATA

Married to former Mrs. Cleota Minor Brayboy of Baltimore, Md., a social worker. Six children: John, a Navy veteran now living in Phoenix, Ariz.; William, a Navy veteran now living in Livermore, Calif.; Leo, a Marine veteran living in Phoenix; and Joanne, David, and Robert, living at home.

The CHAIRMAN. We have received a number of communications endorsing Mr. Bennett, and they, too, will be included in the record at the end of the oral testimony.

We have also received a communication from the All-Indian Council, from Albuquerque, N. Mex. That will be included in the record also.

I understand that the nominee this morning will be introduced by the Assistant Secretary, Harry R. Anderson.

Before doing that, however, I would like to call on Senator Bartlett and Congressman Reifel, of South Dakota, who have asked to appear here at the outset of the hearing.

First of all, I will ask Senator Bartlett to make a statement.

STATEMENT OF HON. E. L. BARTLETT, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator BARTLETT. Thank you, Mr. Chairman, members of the committee; I appear before you to submit a letter directed to me, protesting confirmation of the nomination of Mr. Bennett. This letter is written and signed by Mr. Fred W. Grant, Jr., president of the Hyda-burg, Alaska, Cooperative Association.

(The letter referred to follows:)

HYDABURG, ALASKA, March 17, 1966.

Senator E. L. BARTLETT,
Congress of the United States,
Washington, D.C.

DEAR SENATOR: Attached hereto are statements presented to Mr. Newton Edwards, Department of the Interior representative conducting hearings on the closure of operations at the cannery owned by members of the Hyda-burg Co-operative Association. Also a few letters are attached that we thought may be of interest to you.

I want to suggest that you work against the confirmation of Mr. Robert L. Bennett's appointment as Commissioner of Indian Affairs. We feel he has

deliberately twisted the truth in our case to justify his actions. This should disqualify the man to hold such an important post. He along with Mr. Wright and Mr. Walker, BIA officials at Juneau, Alaska, should be transferred to positions they are better qualified to handle.

Thank you for your help in making the hearing possible, thus affording us a chance to make our grievances known.

Best regards,

Very truly yours,

FRED W. GRANT, Jr.,

President, Hydaburg Cooperative Association.

Senator BARTLETT. I also submit, in case it has not already been directed to you, a communication from the Metlakatla Indian Community, Henry S. Littlefield, mayor, endorsing Mr. Bennett.

(The document referred to follows:)

METLAKATLA, ALASKA, March 30, 1966.

Hon. E. L. BARTLETT,

Senate Building, Washington, D.C.:

We would like to endorse the appointment of Hon. Robert L. Bennett for the post of Commissioner of Indian Affairs. We have had excellent relations with Mr. Bennett and know he has the ability and the background for a high executive office in the BIA. Again we commend the choice of Mr. Bennett for Commissioner.

THE METLAKATLA INDIAN COMMUNITY,

HENRY S. LITTLEFIELD, *Mayor.*

Senator BARTLETT. Likewise, I should like to call to the attention of the committee Senate Resolution No. 13 of the Alaska State Legislature, signed by Robert J. McNealy, president of the senate, passed by the Senate of Alaska on March 25, 1966, endorsing Mr. Bennett's appointment.

(The document referred to follows:)

Received March 31, 1966, in the Senate, by the local government committee:

SENATE RESOLUTION NO. 13 IN THE LEGISLATURE OF THE STATE OF ALASKA FOURTH LEGISLATURE, SECOND SESSION

EXTENDING CONGRATULATIONS TO THE HONORABLE ROBERT L. BENNETT

Be it resolved by the senate:

Whereas the programs of the Department of the Interior executed through the Bureau of Indian Affairs are of vital interest to Alaska; and

Whereas Alaskans have a continuing interest in appointments to the post of Commissioner of Indian Affairs; and

Whereas the President has nominated the Honorable Robert L. Bennett to the post of Commissioner; and

Whereas the Honorable Robert L. Bennett served with distinction as the Alaska area director, Bureau of Indian Affairs; and be it

Resolved by the senate, That congratulations and best wishes for a productive administration are extended to the Honorable Robert L. Bennett on his nomination for the post of Commissioner of Indian Affairs.

Copies of this resolution shall be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable Stewart L. Udall, Secretary of the Interior; the Honorable Henry M. Jackson, chairman, Senate Interior and Insular Affairs Committee; and to the Honorable E. L. Bartlett and the Honorable Ernest Gruening, U.S. Senators and the Honorable Ralph J. Rivers, U.S. Representative, Members of the Alaska delegation in Congress.

Senator BARTLETT. Personally, I appear before you supporting this nomination. I should like to speak a few words, if I may, concerning the communications from Hydaburg. This relates to a dispute that

is going on between Hydaburg and Klawock, another Indian community, as to whether one or both co-op canneries should be operated this year. It is a vexing, knotty problem, not easy of solution.

My estimate is that Mr. Bennett had little, if anything, to do with the final determination, which, I guess, has not yet been made because, not long since, Secretary Udall sent a special member of his staff to Hydaburg so that the people there might voice their opinions and express themselves relating to the continued operation of their cannery.

For my own part, Mr. Chairman, I merely want to say that I first became acquainted with Mr. Bennett when he was named as area director for the Bureau of Indian Affairs in Alaska. He came there confronting many problems. I am not here to tell you that he solved them all. No man can. And he will not solve all those that will face him in his new position as Commissioner of Indian Affairs. This is beyond the capacity of any one man or any small group of men, even.

It is a continuing proposition, one which will have to be worked out slowly. From my experience of his activities in Alaska, and I sought to keep in very close touch, I should say that Mr. Bennett has the dedication, the devotion, the intelligence, and the ability to handle the position for which he has now been nominated by President Johnson exceedingly well, and I hope his nomination will be confirmed.

Thank you.

The CHAIRMAN. Thank you, Senator Bartlett. That is a fine statement and we appreciate your coming this morning.

Senator Gruening, would you care to make a statement or a comment at this time?

STATEMENT OF HON. ERNEST GRUENING, A U.S. SENATOR FROM THE STATE OF ALASKA

Senator GRUENING. Yes; I would be glad to comment. Somewhat later I hope to have the opportunity of discussing some of the problems which the new Commissioner will face in Alaska. I have known Bob Bennett now for the several years that he has been area director. I have known all the area directors for the last 30 years, ever since I first came to Alaska in 1936.

I would say that Bob Bennett seems to me to have been by far the ablest and the most dedicated of these area directors. I consider his choice for the commissionership an excellent one. I shall be glad to support it.

However, he will face a number of problems as Commissioner which he did not face as area director, and they are among the most difficult and almost the most insoluble problems that we and he have to face. I am hopeful that he will tackle them with the enthusiasm and dedication which we have seen him display in his previous position, and that he will realize their great importance to the future not only of the native people of Alaska but to the whole State of Alaska. Tackling these problems, if they are to be solved, will involve changes of policy and greater concern than the BIA has hitherto displayed.

The CHAIRMAN. Thank you, Senator Gruening.

Senator NELSON. Mr. Chairman?

The CHAIRMAN. Senator Nelson.

I believe you have a historical claim, Senator.

**STATEMENT OF GAYLORD NELSON, A U.S. SENATOR FROM THE
STATE OF WISCONSIN**

Senator NELSON. Mr. Chairman, I am very pleased with the nomination of Mr. Bennett by the President. He was born in the State of Wisconsin, at Oneida, Wis. He has almost a 30-year record of distinguished service in the Bureau of Indian Affairs. I think it was an excellent appointment and that Mr. Bennett will make a very fine record. We in Wisconsin are very proud to have his nomination from the President of the United States. I certainly shall support it.

The CHAIRMAN. Thank you, Senator Nelson.

Senator McGovern has a statement.

**STATEMENT BY HON. GEORGE S. McGOVERN, A U.S. SENATOR FROM
THE STATE OF SOUTH DAKOTA**

Senator McGOVERN. Mr. Chairman, I am pleased to endorse the nomination of Robert Lafollette Bennett as U.S. Indian Commissioner. Mr. Bennett has had a long and distinguished career with the Indian Bureau—7 years of which were served with the area office in Aberdeen, S. Dak. During that period of time, I have found him to be a thoughtful, resourceful, and reliable public servant.

He is assuming one of the most difficult tasks in the country—the leadership of Indian affairs. I think we have not made sufficient progress in this field. Indeed, unless we can demonstrate greater success in the years ahead, I think we will have to give serious consideration to assigning the functions of the Indian Bureau to other more effective departments of the Government. There is obviously something fundamentally lacking in efforts to date to achieve an adequate role in our society for Indian citizens.

I believe Mr. Bennett shares our desire for more effective progress in Indian affairs and that he will not be satisfied with an Indian Bureau that simply perpetuates the problems of the past.

I am pleased that my South Dakota colleagues, Senator Mundt and Congressman Reifel, are here to support Mr. Bennett's nomination before the committee.

Congressman Reifel was the distinguished former supervisor of Mr. Bennett at Aberdeen and is admirably suited to pass judgment on his qualifications.

I believe that our fellow South Dakotans share the high regard which our congressional delegation holds for Mr. Bennett.

The CHAIRMAN. Senator Mundt?

**STATEMENT OF HON. KARL E. MUNDT, A U.S. SENATOR FROM THE
STATE OF SOUTH DAKOTA**

Senator MUNDT. Thank you; Mr. Chairman, and members of the committee, my statement will be brief but sincere and to the point.

I am very proud to come here supporting the nomination, and I will support the confirmation, of Bob Bennett for the high position of Commissioner of Indian Affairs. I think it is a real remarkable indication of the fact that in our country, in the bureaus, people can

grow up and mature and develop and learn, and ultimately achieve the high position at the top of a bureau which they have faithfully served.

We see that illustration in several other recent appointments and I applaud it whenever it occurs. I applaud it especially in Bob's case because he himself is an Indian, and I think it is very appropriate and proper that on occasion we should have an Indian serving as the Commissioner of the Office of Indian Affairs. But even more important is the fact that he comes well trained for the job, having grown up through various steps and stages of bureau activity so he understands the problems of the regional office by experience, he understands the problems of reservation life by experience, he understands the problems, and there are very real problems, of the nonreservation Indian who is trying to break away from reservation life and fit himself into society generally but runs across problems which must be met sympathetically by the Government.

So in all those ramifications he comes to us as a professional. We are especially happy because part of his training was in the great State of South Dakota. He has trod on the good earth of South Dakota. He has met the good people, the warmhearted folks of South Dakota. He has breathed the good air of South Dakota.

Here is a man trained, then, not only by origin, not only by his experience, but by having lived in a locality where we have many thousands of wonderfully fine, warm-hearted Sioux Indians, qualified him for the job. It is a pleasure for me to say here is a good man, the right man, for the right job.

The CHAIRMAN. Thank you, Senator Mundt. We appreciate having your statement.

Senator MUNDT. Thank you.

The CHAIRMAN. Congressman Reifel?

We are delighted to have you with us this morning, Congressman, and we would appreciate having your comments.

STATEMENT OF HON. BEN REIFEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF SOUTH DAKOTA

Mr. REIFEL. Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, you have extended to me a rare privilege in giving me this opportunity to appear before you. I shall be brief. Robert LaFollette Bennett, who has been nominated by the President to be Commissioner of Indian Affairs is a lifelong friend. If he is favorably recommended by this distinguished committee and his appointment is confirmed by the Senate, he will be the first Commissioner of Indian blood since 1871. That he is my friend and that he is the second Indian to be appointed to this high office in the long history of the BIA, while it is personally gratifying to me, are not the reasons why I asked to appear before you.

I commend Mr. Bennett to you for favorable consideration because I believe him to be eminently qualified for this most difficult assignment. Like myself, he was reared in an Indian community; responded to the influence of white missionaries. He was encouraged by his white neighbors to improve himself. He educated himself with the help and counsel of the employees of the Bureau of Indian Affairs.

Independent of each other we decided over 30 years ago to repay some of our debt to our country and the Indian people by helping the Bureau of Indian Affairs to aid others as we have been assisted to find a meaningful place in our dominant society.

In 1956, Mr. Bennett was assistant area director and I was area director in the Aberdeen, S. Dak., area office of the Bureau of Indian Affairs. We worked together for 4 years. He went on to greater things in his dedication to the Indian people, area director of the Bureau of Indian Affairs in Alaska, later Deputy Commissioner of Indian Affairs, and now he stands on the threshold of the office of Commissioner. Of course, in my case, in 1960, I became a dropout and went into politics.

In our long association I know Mr. Bennett to be highly sensitive and sympathetically understanding of the needs, the aspirations, and hopes of all of our Indians, Alaska natives, and Eskimos from Point Barrow, to Florida, from Philadelphia, to Mississippi, to the coast of the State of Washington.

He has worked with many of them and visited with every tribe and band in his nearly 30 years in the service. Mr. Bennett is a tireless worker. He is an imaginative and creative administrator esteemed amongst his employees and associates at all levels, and he has the respect of Indian leaders in all areas of the country.

I do not need to tell you knowledgeable members of this committee about the enormity of the task of the Commissioner, the dogged determination required, the leadership necessary, the patience called for, and the creativity demanded in order that our Nation's Government may help meet the peculiar needs of the Indians to enable them to find hope, not despair; opportunity, not discouragement; sharpened aspirations, not continued frustration. Put simply, just to have a chance and an effective chance.

Secretary of the Interior Stewart Udall is providing a receptive climate in his Department for a dynamic and yet understanding Indian administration. Mr. Bennett is capable of providing that leadership.

Aside from this, that he happens to be an Indian will give added inspiration to the young people of this country.

Thank you.

The CHAIRMAN. Thank you, Congressman. We appreciate your coming over to make that statement in behalf of Commissioner Bennett.

Secretary Anderson, we will be delighted to have you present Mr. Bennett to the committee.

STATEMENT OF HON. HARRY R. ANDERSON, ASSISTANT SECRETARY, DEPARTMENT OF THE INTERIOR

Mr. ANDERSON. Mr. Chairman and members of this committee, I am the Assistant Secretary in the Department of the Interior having general responsibility for the Bureau of Indian Affairs. It is my pleasure as a representative of the Secretary of the Interior, Stewart L. Udall, to present to the committee the President's nominee for the position of Commissioner of Indian Affairs.

Mr. Bennett has held important positions in the Bureau at all levels of operation and being an Indian himself has an insight and understanding of the people.

We feel that Mr. Bennett can give the Bureau of Indian Affairs the leadership which it needs to help the Indian people accelerate their transition process.

His familiarity with the operations and organization of the Bureau should be helpful as he makes those changes in that organization so that it can carry out its mission with greater efficiency.

Mr. Bennett has a reputation in the Department of the Interior for being an idea man and this, coupled with his administrative ability, should make it possible for him to proceed with his task with imagination and speed.

I expect to work with him and support him. During the short time he has been here, we have developed a good spirit of cooperation between his office and mine.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Secretary Anderson.

Mr. Bennett, we are delighted to welcome you to the committee this morning. Would you like to make a general statement to the members of the committee at this time?

STATEMENT OF ROBERT L. BENNETT, COMMISSIONER OF INDIAN AFFAIRS-DESIGNEE

Mr. BENNETT. Yes, thank you.

Mr. Chairman and members of this committee: My name is Robert L. Bennett. I was born on the Oneida Indian Reservation in Wisconsin on November 16, 1912, educated in parochial, public, and Bureau schools, completing high school and business at Haskell Institute in Lawrence, Kans.

My 30 years with the Government have encompassed work at the reservation, area and Washington office levels. While working in Washington, I completed requirements for a law degree.

I have some knowledge of Indian people and their situations by virtue of my work experiences in the States of Arizona, New Mexico, Colorado, Utah, Nebraska, North Dakota, South Dakota, and Alaska, visits to other Indian communities in Minnesota, Nevada, Wisconsin, Montana, Florida, and North Carolina and in my broad acquaintance with Indian people throughout the country.

These experiences have led me to certain conclusions about Indian people, their needs, hopes, and desires. The destructive effects of paternalism must be overcome. Failure expectancy must be reduced to a minimum. Obstacles to their motivation must be eliminated. They need the opportunity of responding to expectations which need to be placed on them. Their faith and confidence in themselves must become more positive factors. An atmosphere of free choice must be created.

They need to face up to their consequences of their choice. They need to have the experience of making those decisions which affect their everyday life. They need to develop a realistic and futuristic attitude about their place in the world.

Indian leadership must be developed as a positive force in bringing about changes. These are the intangible factors which determine success or failure of programs. These are the factors with which we need to deal on a daily basis.

I hope, with your help to have the opportunity to see if I can encourage Indian people to develop their capabilities to the fullest and thereby enrich our lives with their contribution. They have much to offer and we have much to offer them. The way must be found to bring us together.

Thank you.

The CHAIRMAN. Thank you, Mr. Bennett.

According to the press account in the Washington Post dated March 22 of this year, the Bureau of Indian Affairs is to be reorganized and enter a new period in its history. Can you tell us your plans in this regard?

MR. BENNETT. Well, Mr. Chairman, the plans under consideration are a realignment of the Bureau organization so that it can become more responsive to the needs of the people, it can make more timely decisions, and become more flexible to adjust to changing situations.

The Bureau at the Washington level has over 20 branches. This kind of functional organization has caused some slowdown in the processing and development of programs and decisions. It is hoped to set up the organization on a more streamlined basis so that the decisions can come quicker, so that all problems will not be approached on a strictly functional basis, but also on a project basis. We then can give those projects demanding our immediate attention the kind of attention they deserve, rather than have them sift through the present kind of organization.

There is no change contemplated in the line organization of Commissioner, area director, and superintendent.

The CHAIRMAN. What will happen as far as the number of employees are concerned here in the Washington office?

MR. BENNETT. This question will have to be met when we have agreement and approval of the organization that we are planning. We cannot contemplate at this time either on the present staff we have or, for instance, in attempts to bring in so-called new blood in the leadership of the organization until the form of organization we are considering has been finally approved. At that time this problem will be given consideration.

The CHAIRMAN. Mr. Bennett, a number of Senators have expressed concern about the Indian situation and the direction it seems to have taken over the past several years. I have asked the staff to prepare for us the annual appropriation figures for the Bureau of Indian Affairs, for the Indian Health Service, going back several years, together with some information about the number of employees in these two branches.

I think it is plain to see that the two bureaus have grown very substantially in recent times, and that the funds available to them have reached a new high with each passing year.

For example, in fiscal year 1967 the Bureau of Indian Affairs is asking for \$238,500,000, and the Indian Health Division for almost \$88 million, which together total a little over one-third of a billion dollars.

Moreover, it is estimated that about 1,200 additional employees will be hired so that we will have about 22,000 people looking after 380,000 Indians. Within the past couple of weeks, two Indian articles were published in the Washington Post and the New York Times, one of which is captioned "For the Indians—Squalor in the Great Society," and the other one, "Degradation Behind the War Paint."

I find it amazing that after all these years of supervision and the expenditure of \$1.5 billion since 1961, that conditions described in these articles could exist on the reservations. They raise the question whether we are pursuing and have been pursuing a course that is the correct policy.

According to a news release of July 10, 1964, the Secretary of the Interior instructed superintendents of Indian reservations to submit reports of 10-year plans to raise the standard of living on Indian reservations.

I wonder if you could tell the committee is this a part of the reorganization planning, and the long-term thinking about Indian reservations? Can you give us some idea of what costs would be involved in it?

Mr. BENNETT. Following a general meeting of the Bureau of Indian Affairs in Santa Fe, N. Mex., approximately 2 years ago, the Secretary asked that superintendents and area directors put down their ideas and goals on paper and project this over a 10-year period. He wanted to know from the key people in the Bureau of Indian Affairs just what directions they felt the Bureau should move in their programs as they affected their particular reservations, just what the possibilities were, and how they planned to go about achieving these objectives.

This was not a full-scale program or plan, as such, but more or less general ideas and goals. They were to be discussed with the Indian people.

This was done, and these plans, with goals, are now under consideration here in our Washington office. These goals related to the overall goals for Indian people and were not necessarily limited by the Bureau's contribution, but had in mind the contribution which other Federal agencies and State agencies might offer.

These are still under consideration; they are still being evaluated. They are being, you might say, revised on the basis of criteria which have been since developed by the Washington office.

The approximate amount of what these programs would cost has not been finalized or completed because, as I indicated, they involve contributions which may come from other agencies that have programs that are operating on Indian reservations as well as the Bureau itself. I am not prepared to give any figure at this time.

The CHAIRMAN. I think we need to have more information from you in response to that question. I would just like to point out that with all the programs that we have available within the Federal structure dealing with education, social welfare, and so on, it seems to me that we should be able to do better by the Indians than what we have been doing.

These news stories are rather revealing. It seems to me that either the Bureau is not doing its job within its own organization, or they are not calling upon the other departments of Government to assist.

In education, for example, with the massive effort we are making now, there is no excuse in the world for the lack of opportunity that exists in the field of education.

Would you agree with that?

Mr. BENNETT. Yes, Mr. Chairman.

The CHAIRMAN. I think it is important, if you are to be the Commissioner, that you see to it that, where your programs do not fit in, the other Federal programs come into the picture, and if you need legislation, come up here and ask for it.

We have a massive antipoverty program underway, but to see these stories appearing about massive poverty in certain areas of the Indian community, I think, makes us all ashamed. It does me. There is no excuse for it.

I just wondered what you planned to undertake, insofar as these other agencies are concerned within the Federal Government, to see to it that they are brought in where your programs do not cover the situation.

I want to make clear I do not think the Indian Bureau of the Department of the Interior ought to be in on all of these other programs. I think, after all, the Indians are full-fledged citizens. They should be entitled to participate in programs where the need fits as well as any other person in this country.

I think the tendency is that it all has to go through the Bureau of Indian Affairs. So they are denied opportunities to participate. I think it would be better for the Indians and better for all of us if they were just treated like the rest of us once in a while.

I would like to have your comments.

Mr. BENNETT. Mr. Chairman, at the Washington level we are proposing a liaison officer to be attached to my office whose business it will be to contact the other agencies of Government. We already know some, like in the fields of public housing and the Office of Economic Opportunity, which have programs relating to Indian people—and it will be the responsibility of this liaison man to contact all agencies of the Federal Government to see that their programs are brought to bear on the Indian problems.

We also feel that this is one of the changing roles of the superintendent on Indian agencies. Rather than to administer the reservations as a closed corporation, one of his responsibilities will be to see that at the local level all of the programs are brought to Indian reservations and coordinated together toward a common goal.

The CHAIRMAN. What instructions have been given the superintendents in the area offices with reference to advising the Indians of programs that are outside the Bureau jurisdiction? I would be curious to know whether, if an Indian goes into a superintendent's office, he can get information about all of these other programs.

They write to us for information and it makes me wonder what kind of an educational job is being done insofar as the representatives of the Bureau in the field are concerned.

I want you to understand you have not become Commissioner yet, and you are not responsible for things that may be in existence at the moment, but I hope you will understand how strongly we feel about some of these matters.

Mr. BENNETT. Yes, sir. As the information is made available to us relating to the programs of other agencies that are available, we

pass this information out through the area directors and the superintendents. Some have been very good at coordinating and getting the Indian people and these various programs together. Others have not done such a good job.

When I was in the Aberdeen area, I developed brochures for the Indian people listing all the agencies and a short synopsis of their programs and provided wide distribution of this among the Indian people.

When I was in the State of Alaska, I cooperated with the project of the State where they had a man from the University of Washington up there who, likewise, prepared a brochure listing Federal and State programs, and a short statement as to their purposes, which was also given wide distribution. I believe the Indian people have to become acquainted more than they are with the other agencies.

The CHAIRMAN. My point is, I think the Indians need special attention in this regard because other groups within our society have a more ready access to this information. The Indians, however, have been brought up to look to the superintendents or to the area office, and unless he gives them the right guidance, they just don't know about these things.

It seems to me that the superintendents and area officers should bring in representatives from the other agencies from time to time so that the leaders of the tribes in question may have an opportunity to be brought up to date and advised of what opportunities are available to them. I hope you will ride herd on this because I am convinced that, through departmental jealousy, and so on, no real effort is being made to advise the Indians of what can be done for them under a certain set of circumstances. I would like to see you really push this.

I have a lot of other questions, but in view of the shortness of time, I would like to defer to my colleagues.

Senator Jordan?

Senator JORDAN. Thank you, Mr. Chairman.

I appreciated your coming to my office the other day, Mr. Bennett. I enjoyed our visit together, and I am going to vote for your confirmation, but I do have grave apprehension about the Bureau of Indian Affairs and the course that has been pursued throughout the years. I expressed those to you.

I am concerned that the present rate of spending for the Bureau of Indian Affairs, whose budget calls for the per capita expenditure of about \$900 per Indian—isn't that approximately correct—in the 1967 request?

Mr. BENNETT. I believe that is correct, sir.

Senator JORDAN. I don't believe we are getting much for our money. I think we have to improve on that substantially, and I hope that you will direct your efforts in that regard.

I wonder, under the circumstances, why you would really want to be Commissioner of the Bureau of Indian Affairs.

Mr. BENNETT. I did not aspire to the job, but when the job was offered me I was in no position to decline it. I felt it was a challenge and an opportunity to try to do something for the Indian people.

Senator JORDAN. Do you think you can improve the present situation substantially?

Mr. BENNETT. I am going to give it a good try. I certainly hope I can. It will take the cooperation and support of the Department and certainly of the Congress.

Senator JORDAN. Do you believe that if we can make these various health and welfare, education, and other programs available to the Indians on the reservations, as the chairman suggested, that sometime in the foreseeable future we can look toward termination of the Federal stewardship in this area?

Mr. BENNETT. I believe the basic objective of the Federal Government in the whole concept of training and development of Indian people has been toward this goal.

Senator JORDAN. What is your personal feeling toward setting a target date for termination?

Mr. BENNETT. I think the difficulty with setting a target date for termination is the inability to forecast or project over too long a period of time what changes in the economy and other changes in situation will occur.

For instance, a tribe may have very little in resources and forecasts a very long period of development because of the lack of these resources, and in a year or two, as has been the case, they accumulate their resources through oil and gas, claims settlements, or something like this, this could change the picture considerably. So it is very difficult to forecast a time.

Senator JORDAN. We both agree that no single target date can be set for the termination of all tribes which would be applicable in every instance, but would you not agree that Indians with a per capita wealth of \$350,000 might perhaps be terminated without any great repercussions or injury?

Mr. BENNETT. I would say, if they could manage this money, yes.

Senator JORDAN. What if they can't manage it? Maybe some of the rest of us don't manage very well.

Mr. BENNETT. Of course, there are many ways of looking at this. We are now considering, and I think we should, the use of this money that some of the tribes have for capital investments under management plans, rather than reposing it in the Treasury at 4 percent. I think there is opportunity for Indian people by placing these funds in investments with the approval of the Secretary of the Interior which can increase these earnings to the people, which can make them a part of the business community and in this sense they would be really taking their place more than they are now in the regular economy and business affairs of the country. I think there is opportunity for this.

Senator JORDAN. I cherish the right to go broke, too, along with several other rights.

I will not ask any more questions, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Jordan.

Senator Anderson?

Senator ANDERSON. I was very much interested in what Senator Jordan was asking about termination. Would you tell us what you think about the situation in the Colville Tribe? They asked to be terminated. The Senate passed a bill saying they could be terminated when they wanted, and the Bureau of Indian Affairs stopped the whole action. What would you do?

Mr. BENNETT. I would support the Department's position, which favored the termination legislation with the provision for a referendum, which I believe the tribe has already held.

There is another element, Senator, in this, and that is the specific request and decision of the tribal council, and of the tribe. I think we need to honor and carry out any decisions that are made by the people of the tribe, whether or not this may be in agreement or disagreement with what may happen to be the particular policy of the Bureau and of the Department.

Senator ANDERSON. That is fine theory. The tribe actually wanted to be terminated. The Bureau of Indian Affairs thought it would lose some employees, so they have tried to defeat it in the House. They put up all sorts of things against it. What would you do about it?

Mr. BENNETT. I would support the position of the Department and the position of the tribe.

Senator ANDERSON. The position of the Department was not developed by the Secretary, apparently. It was a separate institution, as far as the tribe was concerned, by someone further down the list. Would you take the leadership in granting the Colvilles termination?

Mr. BENNETT. I don't know where the legislation is at the moment. Is the legislation before the House?

Senator ANDERSON. It is.

Mr. BENNETT. If the legislation is before the House, when they hold a hearing on it I will be there to support the position of the Department and the tribe, which favored enactment of the legislation.

Senator ANDERSON. You spoke a minute ago about having financial resources. What about the Palm Springs Indians?

Mr. BENNETT. I understand they have excellent resources.

Senator ANDERSON. I would say they do, about \$350,000 per capita, or something like that. That should be enough, should it not?

Mr. BENNETT. It should be; yes.

Senator ANDERSON. Has the Department at any time tried to terminate them?

Mr. BENNETT. I believe, as I recall, that there has been some legislation pending before the Congress and attempted in the past in connection with the termination of the Palm Springs people. I don't know what the present status of that is at the moment. I believe it has been or is under consideration in the Congress.

Senator ANDERSON. Are you a member of the National Congress of American Indians?

Mr. BENNETT. Yes, sir.

Senator ANDERSON. What is the position of that organization?

Mr. BENNETT. I have no position.

Senator ANDERSON. Do you mean they have no position on termination?

Mr. BENNETT. I thought you meant what my position was in the organization.

Senator ANDERSON. The organization is bitterly opposed to termination, isn't it?

Mr. BENNETT. Yes.

Senator ANDERSON. Where do you stand, as a member of the organization?

Mr. BENNETT. I carry a card in the organization and pay my dues. But I have no office and at this time no influence, either, in the organization.

Senator ANDERSON. We have had some difficulty with the heirship problem. Senator Church assisted in one of the finest pieces of work done in this committee on the heirship bill. It passed the Senate, but it couldn't get through the House.

Are you aware of what the position of the Bureau of Indian Affairs was on the heirship bill?

Mr. BENNETT. Yes, sir. I attended one of the hearings. As I recall the testimony of the Bureau of Indian Affairs, it was that it favored the enactment of heirship legislation, suggesting certain amendments to the House bill, and also calling the attention of the committee to the approach of the Senate committee and the Senate on the heirship bills, suggesting the consideration of that bill by that committee with certain amendments, and also presenting two other proposals.

My thinking on this heirship bill is that with the different situations on the different reservations, possibly rather than just one approach, we can have a bill which will have some alternatives, because there is more than just one way to solve this problem.

Senator ANDERSON. I think the Bureau has enough alternatives. They wanted to beat the bill and they got it done that way. I have praised in public and private, every way I could, what Senator Church did. It is tragic for a man to do that much work and have it beaten by the bureaucrats downtown.

In talking about education, have you worked out the plan of arrangements for education yet?

Mr. BENNETT. No, sir. Since education is such a large part of the Bureau program, and its most important effort, we hope to attract somebody to the position which would be at a very high level in the Commissioner's office so that we can bring into this job an outstanding man in the field of education.

Several people throughout the country have been contacted and interviews are now going on. It is hoped that we can bring to the education program of the Bureau of Indian Affairs a recognized authority in the field of education in this country.

Senator ANDERSON. Haven't you selected him?

Mr. BENNETT. No, he has not been selected. The individuals are being interviewed at this time.

Senator ANDERSON. Do you recommend accelerated efforts for economic development on Indian reservations? What has been that program's progress?

Mr. BENNETT. The progress has been much slower than we would like, but with the advent of the light industries, we feel that there is greater opportunity because one of the important factors is that isolation and transportation are lessened specifically.

I refer specifically to the electronics industries. Of course, at the same time there should be encouragement of Indian people to take jobs around the reservations and they should also be encouraged to develop their communities on the reservations like other communities throughout the country so that they can be in a favorable position to attract industry.

I think they are in a more favorable situation than they have been before because of the availability of the light kinds of industries where transportation is not a big factor.

Senator ANDERSON. The Government has an agency known as Economic Development Administration. Does the Bureau of Indian Affairs work with that?

Mr. BENNETT. Yes, sir. We have a liaison relationship with the Economic Development Administration, and we work with organizations and tribal groups and others in helping them perfect proposals to submit to that Administration is an effort to develop the economy.

Senator ANDERSON. How about on the big Navajo sawmill? Did they go to the Economic Development Administration for guidance?

Mr. BENNETT. I don't know how they financed that mill, sir.

Senator ANDERSON. Are there any projects now being discussed that will go to the Economic Development Administration for guidance?

Mr. BENNETT. Some of the projects under discussion are the further development of the Colorado River lands.

Senator ANDERSON. That is a question of whether they farm it themselves or rent it out on shares. That doesn't take a great genius, does it?

Mr. BENNETT. At the present time they are putting it out on improvement leases to get the land in shape to raise crops.

Senator ANDERSON. Hasn't the Bureau been doing that for 25 or 50 years?

Mr. BENNETT. I think they have been doing it to the extent of keeping up with the project as additional construction of the irrigation project is carried out. What accelerated the development was, as I understand it, the decision of the Supreme Court over the water in the Arizona-California water suit.

Senator ANDERSON. What proportion of the lands of the Colorado Indians along the Colorado River is still farmed by the Colorado Indians, and how much by the whites?

Mr. BENNETT. I can't give you that figure, but I believe there is considerably more out under development leases than operated by Indians on the Colorado Reservation.

Senator ANDERSON. Would it have been wrong for the Bureau of Indian Affairs to have a program for these people to do their own farming?

Mr. BENNETT. No, sir. This was the original attempt made by the Bureau of Indian Affairs.

Senator ANDERSON. To get to one other field, there was an earthquake in Alaska. You were area director. Did you take any active part in reconstruction work?

Mr. BENNETT. Yes, sir. When the earthquake happened, our ship, the *North Star*, operated by the Bureau of Indian Affairs to carry supplies to the remote communities of western Alaska, was ready to depart. I instructed them to return to their port, at which they took on several hundred thousand dollars' worth of food, oil, field kitchen units, tents, cots, and things of this kind, which they lashed to the top of the deck and delivered to the areas of native villages hardest hit by the earthquake.

Senator ANDERSON. Did you attend a meeting at Anchorage of the committee?

Mr. BENNETT. I attended several of the meetings of various committees. We were represented on your committee, Senator, by Mr. Burke Riley, the Coordinator for the Interior Department.

Senator ANDERSON. You let someone from the Interior Department represent the Indians, didn't you?

Mr. BENNETT. I worked with the subcommittees. I was not a member of the full committee. The Department of the Interior was represented by Mr. Burke Riley. But I worked with him in day-by-day contact and on several of the subcommittees.

Senator ANDERSON. We have had a discussion about the schools in my part of the country. There have been some schools designed to be built on the Navajo reservation. Have you any figures to show the percentage of graduates from BIA schools who go to college and finish college, compared to what happens in public schools? How many students that go to exclusively BIA high schools go on to college?

Mr. BENNETT. I don't have those figures, Senator.

Senator ANDERSON. Don't you think they would be an interesting thing to procure?

Mr. BENNETT. I certainly do.

Senator ANDERSON. I have tried to get the figures on them, but nobody cares. They have a high school there and if they want to go to college, fine. But in the white schools they try to lead their boys into college and to give them a better education. Does the Bureau of Indian Affairs think it important to send the students on to college?

Mr. BENNETT. I certainly think it is important that they go on to college. This is the basis and justification for the programs that we have for post-high-school training. One is the adult vocational training program and the other is the scholarship assistance program, where we assist high school graduates by supplementing their educational costs if they don't have sufficient money themselves or can't obtain it from other sources.

Senator ANDERSON. Wouldn't you like to know what happens with that sort of program?

Mr. BENNETT. Yes, sir.

Senator ANDERSON. Nobody judges what does happen, as to who goes to college, how long they stay, and how many drop out. Nobody has figures on it.

Mr. BENNETT. I don't have any. We may have them in the Bureau.

Senator ANDERSON. If you do think of it, will you try to get them?

Mr. BENNETT. I will.

Senator ANDERSON. Thank you.

The CHAIRMAN. Mr. Bennett, I think what we are concerned about in part here is that when the Bureau says they are for the heirship bills or for termination bills, that they do not give them vigorous support. I think to a man on this committee we feel there has been more lipservice than action.

In other words, someone will come up with a letter saying they are in favor of the bill, and yet all around the country, in the field, the representatives of the Bureau are opposing these things. It is that kind of attitude that I think causes a great deal of the trouble.

Senator ANDERSON. They said, "We favor the Colville termination bill; however"; and for 14 solid pages they gutted it. That is the trouble.

The CHAIRMAN. I hope you will give vigorous leadership, Mr. Bennett, to these measures that come up from time to time and not tolerate people in the field or elsewhere sabotaging the program that you have approved.

Mr. BENNETT. Yes, sir.

The CHAIRMAN. Senator Simpson?

Senator SIMPSON. Thank you, Mr. Chairman.

Bob, you have certainly been facing a barrage of questions, and you have been giving good answers.

You are taking over a bureau that you know will be no picnic. I am sure you understand that. I am one who believes very strongly that the Department can be successfully reorganized. Unless my figures are entirely wrong, there is 1 employee in the Government service to every 14 Indians. The number has been increasing rapidly, at a rate much higher than some other departments. The chairman read this morning that we have 2,000 more in the upcoming programs, I believe.

The CHAIRMAN. 1,200.

Senator SIMPSON. I hope you reduce that, Mr. Bennett. I know the situation vexes those on the reservation because every once in a while the bureaucrats get concerned about it.

I certainly want you to be warned again to apply your own ingenuity and insist there be no sabotage in the ranks.

I was on Senator Church's committee, and I never saw a more dedicated person trying to help the Indians. We gave it all we had, but we didn't get very far. I am pessimistic about the future. I hope I am wrong. You have a lot of people telling you about their ability to handle things, but you shouldn't fall for it. Step out and let your own personality shine through. You have a job to do, and personally I am very pessimistic about many accomplishments being made because of the redtape that is involved.

I will vote for your confirmation, of course.

Thank you.

The CHAIRMAN. Senator Bible.

Senator BIBLE. Mr. Chairman.

It is obvious to me, Mr. Bennett, if you are confirmed, as I believe you will be, that you have your work cut out for you. Nevada shares the same concern as many of these other States. We don't have as many Indians. We have about the same proportion of Federal employees within the Bureau of Indian Affairs as the nationwide norm, about 14 to 1. I think that should be improved; it could be improved, and it must be improved.

I think you keynote one of our great concerns. The chairman and others have keynoted it, when they have expressed the attitude of the Bureau of Indian Affairs. I note that in my relationships in the years I have been in Washington, when I go back to the field office, the attitude of the Federal employees leaves a great deal to be desired.

I suppose it would be too much, it would be a miracle, to expect to find overnight a change in that attitude. It is one of the most distressing attitudes I have ever seen. You were kind enough to come by and talk about some of our Nevada problems.

I want to ask you three specific questions. I think the first one has not been asked of you, or may not have been.

You have been in Nevada. We have a number of Indian colonies within the corporate limits of some of our major cities, one within the corporate limits of the city of Reno, one within the corporate limits of the city of Las Vegas, one within the corporate limits of the city of Winnemucca, and one within the corporate limits of the city of Elkton.

Each, truthfully, is a national disgrace. We have poured money in there year after year, trying to upgrade them and provide sanitation. I return periodically and take a look at the Indian colony, which is held in trust. It has run down again. I have talked to your predecessors, I have talked to your Assistant Secretaries in charge of the Bureau of Indian Affairs. I have talked to Secretary Udall time and time again. But nothing ever happens, except it runs down more and more and more.

I should think this would be a comparatively minor problem where the Indian people within this trust area would be integrated into the community, where they could have homes the same as anybody else has, where they could own their own home and have pride of ownership and become a going member of each one of these communities. Do you have any thoughts on this? I know you know the problem because you have visited there.

Mr. BENNETT. During the 1930's, they were found to be living in these areas under tragic conditions, and I believe the Government sought to obtain this land for these people. However, they did not take the step which was necessary, and that is for the people in these colonies to own their lots like anybody else.

I think these areas need to be subdivided and put into lots so that the people who are residing there can have an opportunity to acquire ownership. Once having acquired ownership, I think many of them will take some pride in the place they are living in and feel they are doing this for themselves rather than fixing up a house which is on community-owned property.

Senator BIBLE. That may be a very fine solution. I will not belabor the point. Are you prepared to come up with a recommendation of this kind?

Mr. BENNETT. Yes, Senator. I am prepared, first of all, to take the recommendation to the people, because there must be some consensus on this thing.

Senator BIBLE. This is where I always get bogged down.

You say we have to take it back to the people in these various colonies and get their consensus. I can't even find out who belongs to those colonies. I will talk with you people here and talk with my people out in Nevada, and it ends up in the same way. They say they just kind of like it the way it is.

I hope you pay attention to this and you take a look at it. It seems to me this is a comparatively small facet of a larger problem, but I can't for the life of me understand why I cannot crack this one and I certainly cannot. It has gone downhill every single year since I have been here, notwithstanding the fact that as a member of the Appropriations Committee I have been successful in obtaining money to try to improve it. This is very distressing.

The second question: Our valley tribes will be the beneficiaries of some rather large money judgments in the near future. There will

be bills coming before us to authorize the distribution of this money. I think specifically in my State it goes to several Paiute Indian Tribes.

Do you have a recommendation as to what should be done with these many millions of dollars that will come to the Paiute people of my State?

Mr. BENNETT. No, sir. I am not into the problem of the claims of the Paiute people yet. I expect to get into it. I believe that the programs for the judgment funds should not be the same kind of programs for reservation after reservation.

I believe that each reservation or group of Indian people has a different kind of a situation and any kind of programs developed must be in relation to their specific problems and not a program that comes in that they feel they can get approval for.

Senator BIBLE. The thing that disturbs me is that with these many millions of dollars that are going to my people, and we have comparatively a limited number of Indians, 3,670 reservation Indians and 498 off-reservation Indians based on 1962 figures, not being a large group, the thing I am interested in is what type of guidance will you give to the Indian tribes, the reservation Indians as well as the non-reservation Indians, as to what should be done with this money?

Will it just be dissipated and then will we be right back where we were before? What is your thinking about it?

Mr. BENNETT. I think we should not retain to ourselves in the Bureau exclusively the function of giving guidance to the people in the use of their money. I think there are other people, businessmen, bankers, and many other kinds of people who could work with the tribe at their request in providing guidance to them.

I am a firm believer of investment of the principal. I believe that the Indian people need to have opportunity to have the experience of handling sums of money. After meeting some basic immediate needs this would be on the earnings of their principal funds and to carry out their day-to-day kinds of operations. I don't believe that principal funds should be expended for day-to-day tribal operations.

Senator BIBLE. I don't know that this is responsive to what I am trying to delve into. Maybe I can reword it a little differently.

If I am correctly advised, the Indian Claims Commission handed down judgments of something in the neighborhood of \$65 million in the last calendar year. How can that money best be spent to bring along termination, to treat the Indian people as just regular citizens in our communities and States? This is a large sum of money. What type of guidance in shop with your 20,500 employees will you be able to give to see that this money does accomplish the purpose of bringing them more and more nearly into the communities of our respective States?

Mr. BENNETT. I believe there should be some spent to meet their immediate needs, for housing and this kind of thing, and the principal invested in long-term investments.

Senator BIBLE. Thank you, Mr. Bennett. I will be visiting with you from time to time. You can see the expression of interest of this committee. We do have difficult problems.

Thank you, Mr. Chairman.

The CHAIRMAN. Following through on the well-taken points made by Senator Bible, we passed the Indian Claims Commission Act in

1946. I was a coauthor of it with Senator O'Mahoney. The Bureau of Indian Affairs was on notice that there would be judgments forthcoming and that they should be in a position to administer these funds properly.

We find in case after case judgments are rendered, the money is left in the Treasury and there is no program to administer the funds available to the Indians.

My understanding is that the California Indians got \$29 million several years ago. The judgment is sitting there. There is no program available to make it possible for the Indians to either have these funds put in trust or an allocation of funds to them if they are capable of handling them.

Do you see how bad this is? The point is that the Bureau has been on notice since 1946 that funds would be forthcoming for proper administration. This is really disgusting.

I might mention in another case they received an award, I think, of \$2,700,000. The Bureau never paid any attention to them until they got some money. Then they just moved in like locusts. They had all the sociologists, the economic experts, what have you, figuring out how they could tie them forever to the reservation.

We worked out with the attorney for that particular tribe a program that involves investment of the proceeds, a portion of them, and the trust, so that they can provide for education of their Indian children. We sent a resolution to the Department over a year ago, and we have never heard a thing on it.

This is pretty sad.

You have your work cut out.

Senator ANDERSON. If they took the \$29 million and did something with it, there would be no reason in the world to have the Bureau of Indian Affairs in California. That is why they didn't do anything with it. You would lose your customers.

Senator BIBLE. To finish my own thinking on this, Mr. Chairman, this is just the type of a problem that we are coming into in Nevada.

I hope that now that you have notice, certainly you will come up with something of A, B, C, and D, insofar as a program is concerned.

You are on notice right now that this money will be coming to the tribes of my State in a very short time, and at the same time let's have a program to do some good.

The CHAIRMAN. I have talked with Senator Metcalf, chairman of the Indian Affairs Subcommittee, requesting him, in behalf of all the members of our committee, to make a thorough review of the Bureau's activities, its policies, and its programs. This has never been done. Senator Metcalf has agreed to do this. He will work with you. We are not going to try to make your job difficult. We are not trying to investigate the Bureau. We want to see these programs that have been adopted over the years to try to help the Indians implemented and carried out to the best interests of the Indians.

Mr. BENNETT. I can promise you my full cooperation, Senator.

The CHAIRMAN. I appreciate that, and I know you will cooperate. I am sure that Senator Metcalf, who has had long experience in this, will do a good job. To my knowledge, there has never been a full-scale review of the programs, policies, and so on, of the Bureau of Indian Affairs. Our objective is not to hurt the Indians, but to help

the Indians, to let the Indians know about their rights so that they can be given a decent break.

Senator FANNIN?

Senator FANNIN. Thank you, Mr. Chairman.

I want to commend you for your fine statement, Mr. Bennett. The goals you expressed are goals that I think are common with the members of this committee.

I will say, unfortunately, what I have observed in Arizona has not been indicative of those goals being carried through. As I talked with you yesterday about it, I am vitally concerned, and I know you are, too, about education and jobs, as well as economic development.

I would like to pose some questions to you from the standpoint of how can we best carry through to these goals that we all have. In discussing education with you I did indicate that several of the tribes have been discussing getting under the Health, Education, and Welfare program and out from under the BIA in that field.

You, of course, said that there would be studies made as to what changes will be made. You stated you were looking for a professional educator to be the top person to head out the program. Do you think it would be better to go ahead and do like you did in public health, as far as the health and sanitation is concerned, and turn to an agency that is prepared, that is taking care of perhaps 99 percent of the educational program in the country, and that it would be better for them to take over the other, which is very important to all of us?

Mr. BENNETT. The Office of Education, as you know, Senator, is not an operating agency. They are an agency that operates with the State grant and contribution program for education. We are encouraging and do have on the Navajo Reservation some public school districts and these public school districts become eligible for the same aids and help of the Office of Education as do other public school districts.

I would like to see more public school districts on Indian reservations, with their elementary schools operated the same way as other citizens of the States operate their school systems.

Senator FANNIN. That is my point. I realize that HEW works with the State programs. We do have schools in Arizona on reservations in some instances. Of course, there is one that is operating now which has had a problem, to a minor degree, in duplication. I would think it would be far more advantageous to have a complete program through the same facilities that we now have for other citizens.

I would hope that you would work toward that end as time goes along, as it is proven to you that this would be the most advantageous.

The other point is the question of developing industries on reservations, and taking advantage of their land programs. I talked with you about some of those programs yesterday. We have a problem in the Parker area where this land is being developed to be leased to non-Indians. We had a program a few years ago where the Indians did take over the lands and had plot developments but this was dropped.

Do you plan to accelerate this program and see if we can't do more to get our Indian citizens to manage the lands and to produce the crops and profit thereby, and furnish jobs for the other Indian citizens in those communities?

Mr. BENNETT. We hope that the Indian people themselves can find the investment capital for the development of their lands and develop it themselves rather than to continue the program of long-term development leases which puts the land out from under their control for many years under the leases.

Senator FANNIN. But they are going forward in these other programs. I know there are new developments, they are drilling new wells, with the lands to be leased to non-Indians. So that is not the program that we are discussing.

Do you feel that this could be changed, that you can bring these lands back under Indian supervision and it would be possible to have the Indian people develop and grow their own crops?

Mr. BENNETT. This should be true where there is agricultural land. On the other hand, particularly in Arizona on reservations near some of the larger urban centers, I believe that the most feasible method for industrial development as industrial parks, and so forth, may be the investment of outside capital rather than the Indian people trying to develop it themselves.

Senator FANNIN. We know that transportation is a serious barrier, both from the standpoint of education and from the standpoint of industrial development, or jobs for the Indian people. That has been illustrated at Chandler, Ariz., where they have a diamond cutting and polishing plant, which we discussed, which you are familiar with. They want to develop that to a greater extent than it has been developed. They hope eventually to have as many as 500 employees in the State of Arizona. There are more Indian citizens living in Arizona than in any other State, including two of your fine sons. I know you are vitally interested in them from the family standpoint.

But isn't there something we can do to foster community centers to a greater extent or to bring the people from these widely separated areas where they do not have any advantages? Can't they, in some way, be influenced to get into areas where they could be more concentrated, where they could have plants such as we discussed? The Motorola people are interested in putting a plant on a reservation, but there is the great problem of transporting the workers to that plant.

That is the fact at Chandler, that the workers are so widely scattered that industrial plants do not help them. Isn't there some way you can get them to come into areas where you can offer them opportunities?

Mr. BENNETT. I think we have to expand our within-State training as well as transporting them to other States or to metropolitan areas. We also have a local committee appointed involving tribal participation on the Navajo Reservation to make a recommendation as to how these large communities can develop and be prepared to attract industry and offer them good places for their executive and supervisory personnel as well as make the community attractive, so that those who are interested in employment will come into the community. I hope we can make some rapid strides in this direction because these Indian reservation communities are in competition with other communities and they must be made attractive to bring other industry in.

Senator FANNIN. You recall discussing these programs with Pete Homer? You know Pete Homer, do you not?

Mr. BENNETT. Yes, very well. He is with the Bureau of Indian Affairs in Phoenix, Ariz.

Senator FANNIN. He formerly was chief of the tribe; the Colorado River Indian Tribe.

Mr. BENNETT. Yes. He was chairman.

Senator FANNIN. He was in moving pictures quite a bit. I can remember his talking about his experiences. He said they have the same problem in the tribe as anywhere else, where they have all chiefs but no Indians. Here we are talking about an Indian reservation. How do you give these people the incentive to get involved in these programs?

Do you have plans to try to develop the areas and to bring the Indians into more central locations in order to bring in outside industries?

Mr. BENNETT. Yes, Senator.

Senator FANNIN. Thank you.

Mr. Chairman, I have here a statement I made before the Education Subcommittee of the Senate Committee on Labor and Public Welfare at their hearing on April 1, 1966, on S. 3046, to make Federal Indian schools eligible for assistance under provisions of Public Law 89-10, the Elementary and Secondary Education Act of 1965. Because it is pertinent to the project we have been discussing, I would like to have it included in this hearing, if I may.

The CHAIRMAN. Without objection it will be included.

(The statement referred to follows:)

STATEMENT BY SENATOR PAUL FANNIN TO THE EDUCATION SUBCOMMITTEE,
SENATE COMMITTEE ON LABOR AND PUBLIC WELFARE

Mr. Chairman, the principle that Indian children should receive consideration under Federal aid to education programs equal to that of other disadvantaged minority groups is one which I strongly endorse.

In fact, a strong argument can be made that the education needs of our Indian citizens, adults and children, have a prior and more compelling claim than those of any other group in our society.

If the sole aim of S. 3046 is to extend the assistance provided in Public Law 89-10 to Indians, then it merits our serious attention. Indeed, the fact that after decades of Federal paternalism some 400,000 American Indian citizens remain trapped in a web of illiteracy and poverty clearly deserves top priority in all Federal programs designed to combat social problems and improve the quality of human life.

It is unfortunately true that the first Americans of yesterday are the forgotten Americans of today.

We should not deceive ourselves, however, that the additional assistance for Indian education contemplated in this bill will solve the problem by itself. At best, it will provide only a partial remedy for the many defects which beset educational activities on the reservations.

Those deficiencies are particularly acute on the reservations within my State of Arizona, which has the largest number of Indian citizens of all the States.

Improved educational opportunity and school facilities, along with increased economic development, are the two most obvious needs of Indians which demand Federal action. They are the keys that can unlock the door to equal opportunity for Indians in American life.

However, with particular reference to Indian education, I am concerned that the Federal Government is not moving forward with enough diligence and resources to discharge its long-standing and unquestionable obligation to Indians.

We are not even keeping pace with the population growth on the reservations, much less making notable progress toward improving the quality of Indian education.

Our long-range goal presumably is to get all Indian children eventually enrolled in the public schools. Whether the Bureau of Indian Affairs still shares this goal, I'm not sure.

Some progress admittedly has been made in this direction, but the fact remains that about 40 percent of the Indian children now being educated are in Federal schools operated by the BIA.

Financial support for Indian education almost defies comprehension. It is a crazy quilt pattern of Johnson-O'Malley Act funds, so-called Federal impacted area funds, antipoverty funds, and, in the States, from non-Indian tax sources. Now it is proposed to tack another patch onto this quilt in the form of funds under the Elementary and Secondary Education Act of 1965.

I certainly don't question the legitimacy of the Indian need, and I hope I have made that clear. But I do fear that we might well be piling on another layer of bureaucratic confusion that has encrusted Indian education for too many decades.

We are confronted here with a problem that is clearly Federal. The respective States cannot and should not be expected to assume any larger portion of the burden than they already carry; for that matter, it can be argued that the financial responsibility for the reservation school districts should be totally Federal.

But the truth is that in many States, local taxpayers are contributing proportionately more toward the cost of educating Indians in public schools than is the Federal Government.

The real property taxpayers in my State of Arizona, for example, currently are paying up to \$200 for each Indian student in average daily attendance in the public schools.

A small portion of this, up to a maximum of \$17.50, is reimbursed to the counties from Johnson-O'Malley funds. But the \$182.50 State ADA allotment is not reimbursable and constitutes a direct burden on the already strained resources of non-Indian taxpayers.

The same situation is true in varying degrees in other States with Indian populations.

Nobody would seriously contend that less money should be spent on Indian education; just the opposite is true. But I do argue that it is unfair to expect the States to assume any more of a load that is originally and essentially a Federal responsibility.

Furthermore, if the past record is any criteria, any objective look at Indian education calls into question the competence of the Bureau of Indian Affairs to handle the job.

This is conceded by Secretary Udall in his recent announcement of an impending reorganization of the Bureau.

In my opinion, a thorough, professional study of Indian education by a qualified independent agency is long overdue. Just such a study was authorized during the 83d Congress by Public Law 702, but unfortunately, no funds have ever been appropriated to activate the project.

As a constructive first step, I believe Congress should give serious consideration to divesting the Bureau of Indian Affairs of its responsibility for Indian education. This function should be transferred to the Office of Education in the Department of Health, Education, and Welfare where it more logically belongs.

This agency already has the responsibility for administering Federal aid to education programs for all but one-half of 1 percent of our population and, in my judgment, is better qualified to coordinate and speed progress on programs to improve Indian education.

Hopefully, the same kind of improvement would result from this transfer as resulted when responsibility for Indian health was taken from the BIA and given to the U.S. Public Health Service in HEW.

Finally, Mr. Chairman, I want to state my conviction that by treaty, by law, and by the moral commandments of our heritage, we owe Indian Americans an opportunity to share in the material and spiritual blessings of freedom.

Both the administration and the Congress must recognize that commitment and move with all possible speed to meet it.

The CHAIRMAN. Senator Church, we want to express our appreciation to you. You served as chairman of the Subcommittee on Indian Affairs for a long time. You did an outstanding job under trying and difficult circumstances.

Senator CHURCH. Thank you.

Mr. Bennett, during that period of time I became well acquainted with what I would call the Indian establishment in this country. It consists of some very interesting components. Let me say, at the outset, that these components, for the most part, are filled with the best intentioned people. Whatever criticism I have of the establishment is not related to the people or to their motives, but to the consequences that are so clearly visible after 115 years or more of Federal stewardship over Indian affairs.

Part of the establishment, of course, is the Indian Bureau. I have no doubt but what the employees in the Indian Bureau are sincerely concerned about the welfare of Indian people. But it is in the nature of their work that they should conclude that the best interests of the Indians will be best safeguarded by continued Federal management of Indian affairs. So their efforts are directed toward this end.

Another component of this establishment consists of citizens groups which are generously motivated. They feel a guilt complex about what was done to the Indian people in the last century when we seized the continent from them. They believe that Indian welfare now is best served by a generous endowment of public moneys in given troubled situations.

Another component of this establishment is the Congress, which seek to serve Indians by remembering them periodically through appropriations which are often divided up on a per capita basis and the money sinks like water into the sand.

We have even gone a step farther in the establishment of the Indian Claims Commission and are trying now to make up for what we did in the last century by awarding damages to the various tribes.

All these components, as I have said, have the objective of serving Indian needs. But where are we with this establishment 115 years later? The Indian people are, without a question, the chief victims. As a whole they are suffering greater poverty, living in conditions of greater backwardness than any other minority group in America.

It is hard to face that fact, but I think it must be faced. It is a shocking indictment of the system.

You have said that, as a matter of basic policy, you believe that the eventual goal in the termination of Federal stewardship over Indian affairs. That has been official policy ever since the Congress passed House Concurrent Resolution 108. That resolution reads in part that—

It is the policy of Congress as rapidly as possible to make the Indians within the territorial limits of the United States subject to the same laws and entitled to the same privileges and responsibilities as are applicable to other citizens of the United States, to end their status as wards of the United States, and to grant them all of the rights and prerogatives pertaining to American citizenship. Indians within the territorial limits of the United States should assume their full responsibilities as American citizens.

Mr. Bennett, in recent years there has been virtually no legislation recommended by the Department of the Interior to provide for withdrawal of Indian tribes pursuant to the terms of this resolution.

If you would refer to House Report 2680 of the 83d Congress, on page 3, you will find there a list of tribes that were found by the Indian Bureau, itself, as being qualified for the full management of

their own affairs, that is to say, for termination of further Federal control over them.

The House committee stated that administrative steps should be taken to effect discontinuance of further operations of the Bureau on these specified reservations. That was 12 or 13 years ago and almost nothing has been done. Even where this committee has specifically requested legislation that would bring about orderly termination in given cases, where it was felt that all of the prerequisites were present, we have been unable to get significant support from the Bureau.

I point to three acts of the 88th Congress affecting the Pawnees, the Kalispels, and the Flandreaux Sante Sioux. In each case, the committee's report said:

It is the sense of the committee that the tribe should be moved toward termination of Federal supervision.

The Bureau of Indian Affairs is requested to recommend at the earliest time legislation to accomplish this purpose.

Nothing has been done, nothing at all.

We have an established public policy that is the law of the land. You have said that you are in agreement with the basic objective. I would like to know what your position would be, then, with respect to these particular tribes, and generally with respect to House Concurrent Resolution 108.

What do you propose to do about this?

You see, we have a petrified forest in Idaho, and in the years that I have had service on the Subcommittee of Indian Affairs that forest has grown as much as the list of tribes that have been prepared for termination.

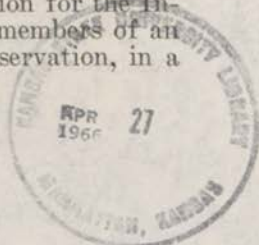
Mr. BENNETT. Senator, I can only speak from my experience. There was an act of Congress passed relating to the partition and termination of the mixed blood Ute people of Utah. With two of the members of the tribe, leaders of the tribe, and myself, we developed and worked this program out. I spent many weeks out there with the people working on this particular program which was finally approved in a general council meeting, and the tribal attorneys prepared the legislation and it was approved by the Congress.

During my tenure in the Aberdeen area as assistant area director I worked with the Ponca Tribe of Nebraska, holding meetings with them, the county commissioners, the State people, and was the architect for the termination plan of the Ponca Tribe of Nebraska, which I believe is the only termination plan approved in the last few years by the Congress.

This is also true of the Paiutes of Utah. While I was Superintendent of the Consolidated Ute Agency, the Southern Ute Tribe there, in connection with the planning of their programs for the use of judgment money, we held consistent long conversations and discussions about their eventual participation in society.

I have never been fearful in talking with people about these plans, and I intend to keep on doing it. It will depend, of course, on the tribal situation, but this has to be the eventual goal.

Senator CHURCH. Do you believe in self-determination for the Indian people; that is to say, where a majority of the members of an Indian tribe, whether they now live on or off the reservation, in a



referendum that includes them all to vote for terminating the Federal stewardship?

In that situation, do you believe that the Indian Bureau should lend full support to the development of an equitable termination plan?

Mr. BENNETT. Yes; we certainly should sit down with the people and come up with a good terminal plan and also should have some consultations with the staffs of both committees of Congress so that we can all be prepared to support a termination plan, which I think has to have two basic characteristics: One is the protection of the resource in such a way that it can be managed, and the other is to overcome in any part the fear of Indian people that by this process they are no longer Indians, because of their strong identity and identification.

Senator CHURCH. Certainly. This is often brought up by citizens groups that have become interested in Indians and in their culture. It is often said, "We ought not to try to stamp out that culture." I couldn't agree more. We have a very large group of Basque people in our State. They are among our finest citizens. They have preserved their culture. They have a fierce pride in it, in their songs, their dances, their social relationships.

But if anyone indicated to them that, in order to protect their culture, the Government ought to take them out on a separate reservation and establish trusteeship control of their property, I wouldn't want to face them and their reaction to such a suggestion.

Indian culture will be preserved by the pride that Indian people take in it. It will not be preserved by Government control, direction, or management of Indian affairs, and the two ought not to be confused. The best intentioned people are doing a grave disservice to the Indians, in my judgment. The proof is in the kind of living standards that exist on most Indian reservations today.

In the Colville situation, we had every indication that the majority of the Indians wanted termination. I haven't seen much enthusiasm on the part of the Indian Bureau to see that through. What will be your attitude toward it? The bill is now in the House. Are you going to let it languish there, or are you going to undertake to do what you can, as the Director of the Indian Bureau, to see this termination brought about?

Mr. BENNETT. I would certainly be happy to go to the committee and talk to them about this Colville termination bill. As I indicated earlier, I have absolutely no hesitancy about wading into this situation, to discuss it with Indian people. When I have been connected with them I have never had any hesitancy on this particular situation where it happens to be the wish of the tribe.

I believe the time has come when Indian people make decisions that we should accept and be ready to live with the consequences of their decisions whenever they are made.

Senator CHURCH. I think that, too. I think the principle of self-determination is sound for Indian people as well as for other people. But in the process of self-determination, are we going to exclude the Indians in the tribe that have chosen to live off the reservation?

Are we going to limit the choice merely to those who remain on the reservation? What is your feeling in connection with that?

Mr. BENNETT. I think all members of the tribe, with the property owned by everyone, they should all participate in the decision.

Senator CHURCH. Then we come to the second question that Senator Anderson brought up, I think, in the matter of the Agua Caliente Band of Palm Springs Indians. Here is a case of a very rich tribe, owning very valuable property, where per capita assets amount to something like \$350,000 for each member.

I suspect, in this situation, that there is very little sentiment among these very fortunately situated Indians for termination, because this would mean that their tax exemption would be eliminated. They would have to pay taxes on their property the same as other citizens do.

What is your view toward the responsibility that the Indian Bureau has in furthering the policy of Congress toward termination in this situation? Do you think that, regardless of how rich Indians may become in a given situation that their tax exemption should continue until such time as they choose to relinquish it voluntarily?

Mr. BENNETT. With respect to the situation at Palm Springs, I believe there was some legislation relative to their situation already approved by Congress. I would first want to study the legislative history on this particular bill. I understand that at the present time they are under two sets of guardians, the guardians that manage their property, and whatever they do must have our approval, the contracts must have our approval.

Senator CHURCH. To respond to my question, I don't know of any proposal pending that has to do with termination of this tribe or its tax-exempt status. Here is a situation where you have a very rich tribe, a very small tribe, very fortunately situated, but not likely to voluntarily petition for the removal of its special tax exemptions.

Yet by every rationale, fair and generally equitable standard, it is in a position to assume full and equal responsibility with the rest of the community. In that kind of a situation, what is your view?

Mr. BENNETT. There are two elements in the question. One is a philosophical view which I have, that everybody should pay their taxes, as I have to pay mine, and the second one is whether in this situation, though I am not familiar with it, the tax exemption is a matter of right.

If it is a matter of right, then the question is, How is this distinguished? If it is a matter of privilege, then the ways of extinguishing this tax exemption would be different.

Senator CHURCH. The tax exemption derives from the fact that the property is held in trust by the Government. Do you think it ought to continue indefinitely to be held in trust by the Government?

Mr. BENNETT. No, sir. As I said earlier in the testimony, we have to come to a time when we reach the goals that I think we are all agreed on, that should be reached. In this case, then, the tax-exempt status would not continue indefinitely. But I think in future approaches to this, the termination bill should relate to removing the tax immunity rather than directing the States to tax the land. I think this is one of the approaches which concern the Indian people. They wish to be allowed to sit down with whomever the taxing authorities will be and work out arrangements rather than to go from, say, nontaxation to complete 100 percent taxation from one day to the next.

Senator CHURCH. Would you review the facts concerning this particular tribe and recommend to this committee a course of action that in your judgment would be proper in light of our exchange this morning?

Mr. BENNETT. Yes, sir.

Senator CHURCH. Now let's turn to the matter of heirship. When Secretary Udall was before this committee for confirmation, I raised the question of the fractionated ownership of Indian lands.

I said:

I think that the great need of the Indians is to solve the land problem satisfactorily and then get on with an economic development program that will lift their living standards to the point where they can become full-fledged citizens of the country, not continuing to be charges of the Government.

This need is so great and our tendency over the years has been to set it aside or to ignore it. So I think this administration has a historic opportunity to make very significant progress in this much neglected field.

What is your attitude toward this suggestion?

The Secretary answered:

Senator, I found you stating the problem as I have stated it in the past. I think that I would be very hopeful that we can come up with an answer to the fractionated heirship problem. I have seen so many reservations where they cite they have economic opportunities to get things rolling, yet you are stymied because no one owns the land. You cannot determine the ownership. I think we must come up with a solution in that regard.

Progress? It has been zero in terms of real support for what the Secretary himself said was a problem of major importance. That was 5 years ago. Then there were 6½ million acres in fractionated ownership, much of it going to waste. Now there must be more.

It is shocking, even though no one is willing to admit it. We have tried in the Senate. We had a series of hearings. We finally perfected a bill against which no really plausible objections could be raised. We secured sizable Indian support for it from Indian tribes that did their homework and didn't rest upon the opinion of certain hired hands who characteristically object to anything that is directed toward a change in the status quo.

That bill is eminently reasonable. It provides for a court quasi-judicial procedure, where the owners of a majority interest in any land want to secure single ownership, in order to put the land to more effective use.

The bill makes elaborate provision for protecting the Indian interests by giving the first rights of purchase to the Indian owners or the Indian tribe. The bill even provides public money so that Indian tribes can then proceed, if they choose, to secure the land.

The bill has nothing whatever to do with termination, but just with promoting decent management of Indian lands.

It is a scandal which may have to be exposed one day, the present state of affairs in the management of Indian lands. Still, the bill has been languishing in the House.

I don't think it is sufficient to say, "There are other ways we might go," or "other courses we might take," when we are not taking any of these courses. We are just letting the problem get worse.

If you become Indian Commissioner, what do you propose to do about getting on with the solution of this problem? There is a bill, and you ought to be familiar with its provisions. Are you going to

push for its enactment, or are you going to let the matter rest in its present stalemate?

Mr. BENNETT. Senator, I would certainly be happy to meet with the committee and the staff of the House committee and, if they call the bill up for us to testify, we will testify in support of the bill as we did when it was before the Senate.

Senator CHURCH. I think it was your predecessor who made the comment, I am told, the Department would handle the heirship problem with computers.

Senator ANDERSON. You are using computers right now, aren't you?

Mr. BENNETT. Yes, sir.

Senator CHURCH. And that it would be necessary, really, to clean up the ownership and put an end to this spreading fractionation. Aren't you the owner of a fractionated interest in some Indian lands?

Mr. BENNETT. Yes, sir.

Senator CHURCH. What is it, one one hundred and thirty-seventh?

Mr. BENNETT. One-fourteenth, I believe, in a small lot, and, about, I believe it is sixteen sixty-thirds in another small lot. I think the total value of my estate is \$300.

Senator CHURCH. Do you think, for yourself and others situated as you are, that the solution is to engage computers so we can get these fractions worked out quickly and not have to hire so many bookkeepers?

Is that your concept of how we should solve the heirship problem?

Mr. BENNETT. No, sir; it certainly is not. It is not going to solve the basic problem. All it does is keep better records of it and more accurate records, but it does not solve the heirship problem because as long as lands are in this condition it is very difficult for them to make a productive contribution to the economy, these small interests.

Senator CHURCH. Of course; and, again, the Indians are the victims.

Senator ANDERSON. Will the Senator yield?

Senator CHURCH. Yes.

Senator ANDERSON. He expressed a philosophy. It is more important to keep track of their shares than to give them money. If the computer said they had 15 cents coming, if they sold it they would have dollars coming, but hold the computers and keep clerks at work, don't sell the land.

Senator CHURCH. It is this process that has led us to the point where we have 1 administrator for every 15 Indians and the Indians are still living in poverty.

Well, Mr. Commissioner, when you assume your duties I would hope you would vigorously pursue the goals that we have discussed.

You have indicated you are not opposed to these goals, but, rather, you favor them. On that account, I am going to support your nomination. But I am going to do what I can on this committee to ride herd on these problems in the hope that some progress can be made.

I feel very strongly that the needs of the Indian people require movement in these directions, and I hope we shall have your full co-operation.

Mr. BENNETT. Thank you, sir.

Senator ANDERSON (presiding). Senator Gruening.

SENATOR GRUENING. Mr. Bennett, you have been in Alaska for 5 years as area director, and you are familiar with its problems. You know that we have perhaps a larger proportion of people who are subject to the Bureau of Indian Affairs, perhaps one-fifth of our population, which could be estimated at perhaps 50,000.

Legislatively, Eskimos and Aleuts are also considered as Indians. Their problems in Alaska, as you know, are quite different from those in what we call the lower 48. We haven't had a reservation system as in the other States, although there are a few reservations in Alaska. But they are not typical. Most of the Indians and Eskimos live entirely free of any reservation control.

You know we have very great problems. When we met yesterday with Secretary Udall, I quoted as pertinent to the situation a statement which appears in the report of the President's Review Committee on Planning for Alaska headed by Mr. Joseph H. Fitzgerald, an extremely competent individual. In it appears this sentence:

Western Alaska, the land west of Anchorage and Fairbanks, and north from Bristol Bay to the Arctic is the home of the Aleuts, Eskimos, and Indians. This is a land without a foothold in the 20th century, while other areas of Alaska not inhabited by Indians and Eskimos have moved ahead.

It is the opinion of this man, who knows Alaska well, who has lived there for many years, who has worked there, that they are back in the last century, and maybe earlier.

It is rather an interesting coincidence that just about the time this report appeared, which I read with much interest, I received a letter from a young woman who had come from that region, western Alaska, an Indian, and who had been working for 10 years in Los Angeles.

She returned to the area where she had been born and had spent her childhood. She wrote me as follows:

I have recently returned from a 2-weeks' vacation in Alaska. After an absence of 10 years, I find the culture is 100 years behind.

It is rather a striking coincidence that these two widely separated views should so coincide.

She goes on to say: "The Indians still try to trap for a living, but there are no animals or fish in the summertime."

The subsistence livelihood which Alaska's natives enjoyed three-quarters of a century ago, before the gold rush, before the coming of the white man, when the total population of Alaska was 30,000 and was almost wholly aboriginal—Indians, Eskimos, Aleuts—has now grown so fast that this method of livelihood is no longer possible.

There is just not enough game. The Indian population, itself, has nearly doubled. These people in the interior are desperate. They have no education to speak of. They can't find jobs. They live miserably. Much of their housing is unspeakable. They are at the very bottom of our economic totem pole.

This is the most serious problem that Alaska faces. It is not just an Indian problem; it is an Alaska problem. Nothing that we can do in other fields to improve our economy, to progress according to conventional terms of what progress means, can quickly cope with this problem because of its long neglect, and because of its special character.

I wonder whether you have any suggestions or solutions for this situation. Some of these people are bitter, and understandably so; they are unhappy, and they have a right to be.

You have been up there for 4 or 5 years now. What do you think should be done about them?

MR. BENNETT. This situation develops as people change from one economy to another economy. They are now going from, as you said, the subsistence economy of hunting and fishing to a wage or a cash economy.

In this kind of change, how fast they can change is necessarily determined by the opportunities that are there. Along this line we have followed the basic economic development of the State of Alaska so that, in the area where they are now opening the mining industry, we, together with the Employment Service people of the State, canvassed all of the communities and villages of the area to determine the work force, their skills and qualifications, and we worked with the company and the university in developing training courses for the people.

We have expanded to a considerable degree the training and placement within the State of native people. We have set up training programs in some of our own schools and we take adult people there so that they can go back and take jobs in operating and maintaining the sophisticated kind of equipment we are getting into our installations.

Through the *North Star* we have brought equipment that we lease to these villages for loading and unloading operations under contract which we make with the villages.

These are some of the kinds of efforts which indicate what we are trying to do. But when a group of people is making a transformation, forced upon them by natural conditions from one kind of economy to another, this has necessarily to be limited by the employment opportunities available.

Senator GRUENING. Some of these villages, in their despair, have been advised by lawyers and others who are concerned to try and seek large areas of land set aside for them. For example, there is one village of 200 people—Minto, not far from Fairbanks. We have talked to the chief, who is a very fine man and is very much concerned about this. He thinks the problem might be solved if somehow they could get 300,000 acres.

You were present in my office with Under Secretary Carver when we discussed this question several days ago. Mr. Carver felt, as many of us do, that this would be no solution to their problem. What would they do with this land which will no longer support the game it once did when there were fewer people to harvest the wildlife?

In the meanwhile, when there are these claims, the Bureau of Indian Affairs in Alaska for 4 years has interposed a stop order which prevents this land being usefully used. This policy benefits no one.

Under the act, the State has the right to select 103 million acres of land, 27 percent of the total land area. A lot of the land is not available because it is set aside for other reservations. There are 9 million acres of Arctic wildlife range. But it comes to the sum total of over 65 million acres.

Then there is a lot of land that is of no use, such as mountainous areas.

The question is: Do you think that reserving large tracts of land for each native village would be a proper solution, assuming that there was a legal basis for their securing this land, and that Congress would so act to make it available? Do you think that this would be a solution?

Mr. BENNETT. I don't think land in and of itself is a solution to the problems of the native people. I so publicly stated at a meeting of the public people about 3 or 4 years ago.

Senator GRUENING. The important thing, of course, is that it will not be possible to change the way of life of the elderly people. But the youngsters deserve a better chance. They need better education to prepare them for wider opportunities. I cannot be but somewhat critical of the way the educational program has been carried on. This has not been your responsibility.

It was going on long before you came to Alaska. In the first place, it is an entirely segregated system. Those of us who have observed its performance feel that the dictum of the Supreme Court in the *Brown* case in 1954, that separate facilities even if equal were discriminatory, I think applies to the segregation that exists in Alaska.

Even though its origin was entirely different, in that it was a benevolently conceived segregation, it is discrimination. It arose 70 or 80 years ago when the Bureau of Indian Affairs was the first agency to do anything about education in Alaska.

The assumption was, and quite properly and quite naturally at that time, that they were a primitive people and had to have different kinds of education, a different standard of education.

But it would seem to me that after 80 years that time has long since passed, and we should desegregate the system up there, and allow the native boys and girls to mingle with white boys and girls as part of their entrance into our society.

Politically, the native people have full equality. We have elected them to our legislatures, where they have served with dedication.

Do you know that the first president of our State senate was an Eskimo and a splendid presiding officer—William Beltz. He served in the territorial legislature before that. When he unfortunately died of a brain tumor he was succeeded as president of the senate by an Indian—Frank Peratrovich—who was an outstanding citizen. He was the first vice president of the constitutional convention. He was a great parliamentarian, a man of wide experience, widely respected. He could probably be elected Governor of Alaska if he wanted to run.

There are others in the legislature, Eskimos and Indians, who have been making our laws. And yet the natives as a whole are not socially and economically integrated. They should be.

I feel that one of the difficulties stems from their start in a segregated system of education. How do you feel about that?

If you become Commissioner, are you going to do something to desegregate the system?

Mr. BENNETT. In relation to this basic question the Bureau and the Governor of Alaska agreed to develop a committee on rural education. This committee on rural education has made certain basic recommendations, one of which is the eventual integration of the educational system.

We attempted to accelerate this in the Anchorage area, but, unfortunately, the earthquake caused some postponement of this. We are constructing our schools in these areas to the standards of the local school system because as these schools are built they are being turned over to the local school districts.

The vocational or comprehensive school system being developed for the State of Alaska envisions the utilization of the Nome school for western Alaska, the Kodiak school for central Alaska, and the remaining school for southeast Alaska.

Senator GRUENING. Let me interrupt you to say that the Mount Edgecombe School, where there is a dropout rate of about 50 percent, the only high school for natives we have had until very recently, has accommodations for only one-third of the applicants. One-third of the applicants are sent out to Chemawa, in Oregon, and one-third just don't get any high school education at all. That compels them to live in ignorance and to have no opportunity for the training and skills necessary if they want to be employed today.

I don't know of a more pressing problem than that. If you are going to prepare these people to go into the mainstream of our life, then they must have the opportunity to get an education.

I don't want to take too much time. I have just one other thing. We could discuss this at great length and we will.

This will follow the question that Senator Bible raised, the question of how to dispose of a substantial sum of money which you know is coming for some of the Indians. The Indians in southeast Alaska will be getting it because the Federal Government took the lands of Indians for the Tongass National Forest, where they had lived and had been in pretty desperate straits. While Alaska was a territory, our fisheries suffered the mismanagement of the Federal agency, the Fish and Wildlife Service, which paid scant attention to the greater knowledgeability of Alaskans, and under its mismanagement this once great natural resource, the Pacific salmon, declined from a high of approximately 7 million cases, when this agency took over in 1940, to the lowest point in 60 years, when it dropped to a million and a half cases at the end of Federal control.

The principal victims have been the Indians of southeastern Alaska. I recall seeing those villages when I first came to Alaska in the middle 1930's and they were prosperous because of their fishing economy. I saw those villages throughout the decline of the fifties and, at the end of the territorial period, at the end of the period of Federal mismanagement, they were in a terribly depressed state.

Now the State is gradually rebuilding those fisheries, but they have not reached the levels they once had and probably won't. In addition, there are far more people. I doubt whether the fisheries can support the natives of southeastern Alaska to the extent they did before.

What has been done to prepare a plan for distributing this large amount of money?

Mr. BENNETT. When I arrived in Alaska and found that the Court of Claims had rendered a favorable decision on the claim of the people but had not set a value, I felt that the time for planning was now.

As a consequence of that, a planning committee was organized, made up of representatives of the various communities, and they, in turn,

appointed subcommittees which have met together and met periodically, and then also met with the full planning committee over the course of 3 or 4 years in anticipation of this judgment, coming up with a plan to be supported by the Tlinget and Haida people for the use of this money when the evaluation is determined.

This process has been going on in the neighborhood of at least 3 years, planning in anticipation of this judgment, so that the planning will be pretty much completed by the time the money award is made.

Senator GRUENING. In carrying out this plan of distribution of these funds when they are finally made available, are you going to respect the wishes of the recipients, or do you plan to have the Bureau hand them a plan which they must follow?

Mr. BENNETT. So far we haven't been invited to all of their planning meetings, so I anticipate that this planning will be a great deal of their own thinking. I think they have already come before this Congress and secured an amendment of their act so that any plans they develop must be submitted to the Congress under the provisions of that amendment.

Senator GRUENING. I won't take up more time of the committee. I feel I have taken more time than I should, but I merely wish to say that I think the problem of our natives in Alaska poses the most important, most serious problem. They are in a very desperate plight and we have to do something about it and soon. We have to educate their youngsters. We have to give them a viable economy. We have to give them something better than a subsistence dole and dependence on the dwindling hunting and fishing resource upon which they have depended in the past.

I think that is a major assignment for you and for all of us who are concerned with this problem. Let us work together on it.

Mr. BENNETT. Yes, sir.

Senator GRUENING. Thank you.

Senator BIBLE (presiding). The Senator from Wyoming has some additional questions, I believe.

Senator SIMPSON. I just have one observation, Mr. Chairman, and one request.

The observation is that Bob has something working for him in the light of the Secretary's recent announcement of reorganization of the Bureau and his desire to clean up this situation, which he knows is bad.

You have that in your behalf.

You also have in your behalf the willingness of this committee and of the Congress to cooperate with you in bringing about the necessary developments visualized.

The request that I have is simply this: Would you furnish for the record the number, not names or anything, of employees in the Bureau in Washington as opposed to those in the field, and furnish the field numbers, too?

Mr. BENNETT. Yes, sir.

Senator SIMPSON. That is all.

(The information requested is as follows:)

DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D.C., April 1, 1966.

Hon. HENRY M. JACKSON,
U.S. Senate, Washington, D.C.

DEAR SENATOR JACKSON: During the course of my hearing this morning on my nomination for the post of Commissioner of Indian Affairs I was asked to submit information on employment in the Bureau of Indian Affairs.

I herewith submit the following report, as of January 31, 1966:

	Permanent	Other than	Total
Washington, D.C., metropolitan area.....	378	2	380
Outside Washington, D.C., metropolitan area.....	12,983	1,792	14,775
Total.....	13,361	1,794	15,155

Should any further information be required I will be happy to furnish it.
Sincerely yours,

ROBERT L. BENNETT,
Acting Commissioner.

Senator BIBLE. Are there further questions of the nominee?

If not, thank you very much, Mr. Bennett. You have been a very patient man. I believe you know the interest of the members in the problems that you face.

Senator Fannin has asked that there be inserted into the record copies of letters received from D. R. Iannella, vocational rehabilitation specialist, and C. F. Robbeloth, of the Western American Mortgage Co.

Without objection, they will be placed in the record with the other communications supplied at the end of oral testimony.

Senator Gruening has asked that there be inserted into the record a telegram received from the Metlakatla Indian Community, and a communication received from the Alaska Native Brotherhood, Camp No. 2, Juneau, Alaska.

Without objection, both items will appear in the record with the other communications.

We will now proceed to executive session.

I think it might be well that you stand by, Mr. Bennett, in case there might be questions that members of the committee might want to ask you in executive session. I don't know that there will be, but would you keep yourself available?

Mr. BENNETT. Yes, sir.

Senator BIBLE. The committee will stand adjourned and go into executive session.

(Whereupon, at 12:17 p.m. the committee recessed to proceed into executive session.)

(Under authority previously granted the following communications were ordered printed:)

WESTERN AMERICAN MORTGAGE CO.,
Phoenix, Ariz., March 29, 1966.

Hon. PAUL J. FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: April 1, 1966, the Committee on Interior and Insular Affairs will consider the nomination of Robert L. Bennett as Commissioner of Indian Affairs.

I have known Mr. Bennett for almost the entire 20 years I have been in Arizona. We worked together as contract officers and training officers for the Veterans' Administration regional office in Phoenix. He is a man of good intelligence, expert knowledge of Indian affairs, excellent character and true dedication to his country. Several adult members of his family make their home in Arizona. He has firsthand knowledge of Indian affairs throughout our country and, particularly, in Arizona.

I solicit your wholehearted support of Mr. Bennett's nomination as Commissioner of Indian Affairs.

Very truly yours,

C. F. ROBBELOTH.

PHOENIX, ARIZ., March 24, 1966.

Senator PAUL FANNIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR FANNIN: Mr. Robert L. Bennett is being considered for the position of U.S. Commissioner of Indian Affairs.

He is a talented man of Indian heritage who has distinguished himself by his service to his country in the armed services, and as a career civil servant with the Veterans' Administration and Indian affairs.

It was my pleasure to know and work with Mr. Bennett while he was employed with the Veterans' Administration. He was admired and respected by his associates.

From personal experience and association with him I can sincerely state that he is intelligent, industrious, and honorable. His knowledge of Indian affairs and his ability to resolve their problems has been inspiring and exemplary.

He is a man of high caliber; a man that will continue to distinguish himself wherever he is asked to serve.

Yours truly,

D. R. IANNELLA,
Vocational Rehabilitation Specialist, Veterans' Administration.

[In the Senate—By the Local Government Committee]

SENATE RESOLUTION NO. 13

IN THE LEGISLATURE OF THE STATE OF ALASKA, FOURTH LEGISLATURE, SECOND SESSION

Extending congratulations to the Honorable Robert L. Bennett

Be It Resolved by the Senate:

Whereas the programs of the Department of the Interior executed through the Bureau of Indian Affairs are of vital interest to Alaska; and

Whereas Alaskans have a continuing interest in appointments to the post of Commissioner of Indian Affairs; and

Whereas the President has nominated the Honorable Robert L. Bennett to the post of Commissioner; and

Whereas the Honorable Robert L. Bennett served with distinction as the Alaska Area Director, Bureau of Indian Affairs; and be it

Resolved by the Senate, That congratulations and best wishes for a productive administration are extended to the Honorable Robert L. Bennett on his nomination for the post of Commissioner of Indian Affairs.

Copies of this resolution shall be sent to the Honorable Lyndon B. Johnson, President of the United States; the Honorable Stewart L. Udall, Secretary of the Interior; the Honorable Henry M. Jackson, chairman, Senate Interior and Insular Affairs Committee; and to the Honorable E. L. Bartlett and the Honorable Ernest Gruening, U.S. Senators; and the Honorable Ralph J. Rivers, U.S. representative, members of the Alaska delegation in Congress.

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

SAN ANSELMO, CALIF., March 28, 1966.

DEAR SIR: I write as a concerned United Presbyterian seminary student who is deeply disturbed with the series of unjust events that have recently been allowed to occur in southeast Alaska. I write specifically in regard to the inhumane way in which the people of Hydaburg, Alaska, are being dealt in their need of work in their cannery, and the investigation which your Senate committee is making of Mr. Robert L. Bennett as the nominated appointee as Commissioner of Indian Affairs.

Information brought forward at the March 11, 1966, hearing held in Hydaburg, and facts recorded in other statements and letters reveal marked tendencies of injustice being heaped on the people of Hydaburg. I have reviewed the evidence given by Mr. Bennett concerning the Hydaburg and Klawock canneries and that presented by the Hydaburg Cooperative Association Council; glaring inconsistencies have evidenced the abundant distortion of factual material which Mr. Bennett has seen fit to present.

If his biased position is allowed to become the view accepted by your committee and the Bureau of Indian Affairs, the Hydaburg cannery will be forced closed and the Hydaburg community hard pressed to survive.

I ask that yours be a fair and just decision to all concerned. I ask that you prevent the erasure of Hydaburg from the map which will surely come if the political graft is allowed to continue its cutthroat distortion of documented facts and human relations. I trust your investigation of Mr. Bennett and the canneries will be made impartially. Thank you.

Sincerely,

GEORGE WHITE.

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

PHOENIX, ARIZ., March 29, 1966.

DEAR SIR: I would like you to consider the speedy acceptance of Mr. Robert Bennett as U.S. Commissioner of Indian Affairs.

From my experience, I have found Mr. Bennett to be very considerate of each and every individual he met. And, most of all, I am sure he is very much concerned with the social, economic, and educational needs of our Indian population.

I would again like to ask you to speedily consider the appointment of Mr. Robert Bennett as U.S. Commission of Indian Affairs, and give him your approval.

Yours very truly,

ROBERT L. PAVATEA.

HON. ERNEST GRUENING,
U.S. Senate,
Washington, D.C.:

ALASKA NATIVE BROTHERHOOD,
CAMP No. 2,
Juneau, Alaska, March 22, 1966.

ANB Camp 2 having been associated with Mr. Bennett during the past few years he was area director, have come to know and respect him. Therefore, we earnestly urge that Mr. Bennett be appointed Commissioner of Bureau of Indian Affairs to fill the vacancy created by the resignation of Mr. Nash.

Sincerely,

AMOS WALLACE, *President.*

P. & O. ORIENT LINES,
Oriana, March 28, 1966.

DEAR SENATOR JACKSON: Have just learned that the President has nominated Robert Bennett to head the Bureau of Indian Affairs.

I have known Bob for 18 years. He is dedicated, competent, loyal, and an outstanding civil servant. He is worthy of your support.

Sincerely,

CLINT JOHNSON.

ARROW NATIONAL HEADQUARTERS,
Washington, D.C., March 28, 1966.

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

DEAR SENATOR JACKSON: Please accept this personal endorsement of Robert L. Bennett who has been nominated for the position of Commissioner of Indian Affairs.

Mr. Bennett's experience in working directly with Indian tribal leaders, his understanding of their problems, and his knowledge of Government will be of great value and assistance to that Office.

Respectfully,

E. THOMAS COLOSIMO.

SCOTTSDALE, ARIZ., March 27, 1966.

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

DEAR SIR: I would like to give you some of my impressions of Mr. Robert Bennett and to urge you to act speedily on his approval and acceptance as the U.S. Commissioner of Indian Affairs.

For the past 20 or more years, Mr. Bennett has been connected with the Federal service. In the early years of his service he was with the Veterans' Administration, then he went into the Indian service.

From his background of experience with the veterans of our Nation, the Indian services all over the United States; and most of all, himself an Indian, I believe him to be exceptionally qualified to know the social, economic, and educational needs of our Indian population.

I also believe him to be very popular with the Indian leaders of the various tribes and that they would cooperate with him in every way to move forward and become an active part of modern culture.

I would again like to urge you to favorably and speedily accept the appointment of Mr. Robert Bennett, as U.S. Commissioner of Indian Affairs.

Yours very truly,

ZACKUR MOSER.

INDIAN RIGHTS ASSOCIATION,
Philadelphia, Pa., March 28, 1966.

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

DEAR SENATOR JACKSON: This letter is in support of the confirmation of Robert L. Bennett to be Commissioner of Indian Affairs.

The responsibilities of the Commissioner cover an extensive range from the administration of large property interests of the Indians through all phases of human relationship and problems. Undoubtedly the outstanding need is to draw the Indian people more and more into plans and programs affecting their own affairs so that they may reach the position where any special governmental supervision is unnecessary.

We have known Mr. Bennett and his work throughout his career in the Indian service. Over these years he has held increasingly responsible and difficult assignments. At all times he has proven his ability, his integrity, and his sympathetic understanding of the Indian people.

We are happy to recommend prompt confirmation of his appointment.

Sincerely yours,

LAWRENCE E. LINDLEY,
General Secretary.

ROOSEVELT, UTAH, March 30, 1966.

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

We recommend confirmation of Robert L. Bennett as a Commissioner of Indian Affairs as a career Indian service man who is intimately acquainted with problems of Indian tribes. We feel that Mr. Bennett is well qualified by previous experience to make an outstanding contribution to the Indians of the United States.

FRANCIS WYASKET,
Chairman of Ute Tribal Business Committee.

ALBUQUERQUE, N. MEX., March 24, 1966.

Senator CLINTON P. ANDERSON,
*Senate Office Building,
Washington, D.C.:*

The all-Indian Pueblo Council of New Mexico has authorized me as its chairman to contact you with regard to the Senate confirmation of Mr. Robert L. Bennett as Commissioner of Indian Affairs. It is our opinion that President Johnson's selection of Mr. Bennett, an Oneida Indian from Wisconsin, is a wise and judicious choice of a man who has demonstrated exceptional ability in Indian affairs administration. We sincerely solicit your active support of Mr. Bennett's confirmation by the U.S. Senate as Commissioner of Indian Affairs.

Sincerely yours,

DOMINGO MONTOYA,
Chairman of the All-Indian Council.

METLAKATLA, ALASKA, March 30, 1966.

HON. HENRY M. JACKSON,
Senate Building, Washington, D.C.:

We would like to endorse the appointment of Hon. Robert L. Bennett for the post of Commissioner of Indian Affairs. We have had excellent relations with Mr. Bennett and know he has the ability and the background for a high executive office in the BIA. Again we commend the choice of Mr. Bennett for Commissioner.

METLAKATLA INDIAN COMMUNITY,
HENRY S. LITTLEFIELD, *Mayor.*

CHICAGO, ILL., March 30, 1966.

Senator HENRY M. JACKSON,
*Interior and Insular Affairs,
U.S. Senate, Washington, D.C.:*

Rosebud Sioux Tribe of South Dakota endorses appointment of Robert Bennett as Commissioner of Indian Affairs because of his knowledge of Federal and Indian affairs throughout Nation.

CATO W. VALANDRA,
President, Rosebud Sioux Tribe.

WINDOW ROCK, ARIZ., March 30, 1966.

Senator HENRY M. JACKSON,
*Standing Subcommittee, Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D.C.:*

Would appreciate your postponing the hearing set for April 1, 1966, before the Subcommittee on Interior and Insular Affairs concerning confirmation of Robert E. Bennett as Commissioner of Indian Affairs, until after Easter. The Advisory Committee of the Navajo Tribal Council would like to send representatives to this hearing in order to pose questions to Mr. Bennett. There is no intention of opposing his appointment, but we would like to know and feel that the committee should know his intentions concerning certain matters. The advisory committee did not have an opportunity to consider this matter at its last meeting since the date of the hearing was not known until the day after we

adjourned. The next meeting of the advisory committee will convene April 4, 1966. We respectfully request this postponement in order to give us and any other Indian tribes, who may wish to do so, sufficient time to consider the matter and authorize representatives to attend the hearing.

MRS. ANNIE D. WAUNKA,
Navajo Tribal Councilwoman and Advisory Committee Member.

TEMPE, ARIZ., March 30, 1966.

HON. HENRY JACKSON,
Chairman, Senate Committee on Interior and Insular Affairs,
Senate Office Building, Washington, D.C.:

Enthusiastically endorse Robert L. Bennett as Commissioner of Indian Affairs as former official on councilman for Ute Indian Tribe. Have known Mr. Bennett as highly affirmative of persons endowed with creative and imaginative ideas and who has understanding and sympathy for American Indians. Appointment will be beneficial to all Americans.

FRANCIS MCKINLEY,
Director, Indian Educational Center, Arizona State University.

JUNEAU, ALASKA, March 22, 1966.

U.S. Senator HENRY M. JACKSON,
Chairman, Interior and Insular Affairs Committee, Senate Office Building, Washington, D.C.

DEAR SENATOR JACKSON: Knowledgeable Alaskans feel the program of the Bureau of Indian Affairs will advance the native peoples a full decade further into the 20th century under Robert L. Bennett's direction. Bob Bennett is the best administrator our region ever had. He is a great American. I wholeheartedly endorse his candidacy for top position in the Bureau of Indian Affairs.

Sincerely,

JALMAR M. KERTTULA,
Democratic State Central Committee Chairman.

PHOENIX, ARIZ., March 23, 1966.

Senator HENRY M. JACKSON,
Chairman, Senate Interior and Insular Affairs Committee,
Old Senate Office Building, Washington, D.C.:

Request favorable consideration of appointment of Robert L. Bennett as Commissioner of Indian Affairs—have known 19 years, consider well qualified on record.

THOMAS R. CAMPBELL.

ANCHORAGE, ALASKA, March 18, 1966.

Senator HENRY M. JACKSON,
Chairman, Committee on Interior and Insular Affairs, Washington, D.C.:

Please add our enthusiastic endorsement to the list of those who support Robert Bennett for Commissioner of Indian Affairs. This is not a casual endorsement but reflects the feelings of every member of the Moquawkie Reservation, Alaska, and it is based on our personal acquaintanceship with Mr. Bennett. His refreshingly forward looking and thinking concerning Indian people will revolutionize the Federal approach to Indian problems which will clearly be our gain.

Respectfully,

ALBERT S. KALOA, JR.,
President of Tyonek Village Council.

PHOENIX, ARIZ., March 22, 1966.

Senator HENRY M. JACKSON,
Chairman, Senate Interior and Insular Committee,
Washington, D.C.

DEAR SENATOR JACKSON: It is our understanding that Robert F. Bennett, who is of Indian descent, has been recommended as the next Commissioner of

Indian Affairs. We would like to encourage you and others concerned with the appointment to grant favorable action to Mr. Bennett's appointment.

Sincerely yours,

Mr. and Mrs. JAMES D. WALLACE.

PHOENIX, ARIZ., March 25, 1966.

Senator HENRY M. JACKSON,
Chairman, Senate Interior and Insular Committee,
Washington, D.C.

DEAR SIR: I understand your committee is responsible for ratifying the appointment of Mr. Robert Bennett as Commissioner of Indian Affairs. I hope the committee will give a favorable response to this matter since there is no doubt that what it will make the work of the Bureau more effective if it is headed by one who is himself Indian.

Sincerely,

Mrs. ROBERT PHILLIPS,
736 Encanto Drive SE.

SAN ANSELMO, CALIF., March 28, 1966.

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

MR. JACKSON: I have studied several items that relate to the Hydaburg cannery situation and find that I must urge your investigation of Robert L. Bennett's proposed appointment as Commissioner of Indian Affairs in the Hydaburg, Alaska, area. From the evidence that I have seen, it is evident that Mr. Bennett is not qualified for this position. The people of Hydaburg are entitled to the support of their industry. Their past correspondence and presentation of their case to you and others show that these people deserve the continuation of their cannery. They also deserve a qualified administrator. Thank you for your attention to this matter.

Sincerely,

HOWARD J. ABBOTT.

MARCH 18, 1966.

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

MR. JACKSON: We would request you to investigate Robert L. Bennett in relation to his appointment as Commissioner of Indian Affairs. We would recommend that he not be given this position. In his past dealings with us when he was Alaska area director and recently through correspondence, he has shown that he is not truthful or a qualified administrator.

We are fighting for the operation of our cannery and have been asking specific questions to all parties as to why our plant is not operating. In two letters, one to Senator E. L. Bartlett on February 14, 1966, and the other to Sylvester Peele, Sr., on February 18, 1966, he misconstrued many facts which neither answered the pertinent questions or presented a just view of the situation. Thoroughly study the enclosed letter to Mr. Peele and see Mr. Bartlett for a copy of the one sent to him. Also study our enclosed statements regarding these letters.

We would appreciate it if our views are heard openly, in both hearings and investigations, in this matter.

Respectfully,

HYDABURG COOPERATIVE ASSOCIATION
COUNCIL,
FRED GRANT, Jr., *President.*
SYLVESTER PEELE, Sr.,
Vice President.
ROBERT SANDERSON, *Secretary.*
CLARENCE PEELE, Sr., *Treasurer.*
GLENN DOUGLAS, *Member.*
FRANCIS GUTHRIE, *Member.*
ED SANDERSON, *Member.*

HYDABURG, ALASKA, March 19, 1966.

Mr. OWEN MORKEN,
Area Director, Bureau of Indian Affairs,
Juneau, Alaska.

DEAR MR. MORKEN: As a result of the facts brought out in the hearing of March 11, 1966, held here in Hydaburg, we request the transfer of Mr. Wright and Mr. Walker into jobs they can handle and their replacement by competent, trustworthy men.

The reasons for this request are the numerous faulty facts that they have apparently passed on to the Deputy Commissioner, Robert Bennett. Examples: (1) Our boiler was condemned and would require in excess of \$25,000 to repair. ("There is one plugged tube. Before this boiler can operate again, the tube must be replaced and the boiler fully cleaned and a hydrostatic test made on it. At the present time the boiler has only one safety valve. Before operation, a second valve must be installed," from the official inspection made August 23, 1965, by C. S. Hall.) (2) The comparisons of unparallel statistics. (\$92,500 "independent survey" with a \$51,000 budget found to be for different things.) (3) The misquotation of facts. (The production costs per case. This misquotation transformed an advantage for Hydaburg into one for Klawock.)

Any one of these errors (there were more) would be excusable, but all of them at once and in one case would not be and isn't. The decisions, which the information was used to make, were important ones and have great influences over many people. Such errors cannot be permitted to continue.

In the case that they did not provide Mr. Bennett with this information, please notify us so we might take further action.

If in fact they are guilty of these errors as it now appears, it would be difficult for us to place any trust in decisions they help make. We would thus be forced to agree with BIA decisions only after a great deal of resistance has been overcome.

Sincerely,

HYDABURG COOPERATIVE ASSOCIATION
COUNCIL.

FRED W. GRANT, Jr., *President.*

SYLVESTER PEELE, Sr.,
Vice President.

ROBERT SANDERSON, *Secretary.*

CLARENCE PEELE, *Treasurer.*

ED SANDERSON, *Councilman.*

FRANCIS GUTHRIE, *Councilman.*

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF INDIAN AFFAIRS,
Washington, D.C., February 18, 1966.

Through Area Director, Juneau, Alaska.

Mr. SYLVESTER PEELE, Sr.,
Hydaburg Cooperative Association,
Hydaburg, Alaska.

DEAR MR. PEELE: We have received your letter of February 7, 1966, enclosing copy of a petition of February 2 to the Secretary of the Interior. We are glad to explain the reasons for the decision to combine operations of the Hydaburg and Klawock canneries in 1966, with Klawock as the operating cannery.

We received a letter of May 1, 1965, signed by Mr. Fred Grant, Jr., and four members of the Hydaburg Council regarding the decision to combine operations of the Klawock and Hydaburg canneries in 1965 with Klawock as the operating cannery. We replied to this letter in detail on May 25, 1965, explaining why it was not possible to advise the council earlier of the decision. Copy is enclosed for convenient reference.

Financing of the native salmon canneries and allied operations constitutes the Bureau's most perplexing credit program. At June 30, 1965, the four villages with a population of less than one-half of 1 percent of the total Indian population eligible for loans from the Bureau's revolving fund were indebted for loans totaling \$5.54 million, or about 23.4 percent of the total loans outstanding from the revolving fund for loans. The fund is presently depleted. Other Indian groups in need of financing are unable to obtain loans. They are critical that such a large percentage of the fund has been frozen in large loans to these four

small villages. The problem is compounded by the fact that the cannery loans are in very poor condition, and the Government will suffer large losses on them. Over 77 percent of the Bureau's total reserve for potential losses on loans from the revolving fund was established to take care of potential losses on the cannery loans. The liabilities of these four villages exceeded their assets by more than \$2.15 million at the close of the last fiscal year.

The canneries have lost money most years. In order to keep them operating, the Government has been obliged to make additional loans to the villages almost annually. We are now dependent upon repayment of loans previously made for funds to make additional loans. Repayments constitute the only source now available for further financing of the canneries.

Results in 1965 have fully justified the decision to operate only one cannery and to operate at Klawock. The 1965 season was poor from a production standpoint in southeastern Alaska, and had the operations of the canneries not been combined it is now clear that the results would have been disastrous. In 1964, operating independently, the two canneries packed 78,533 cases and suffered a loss of \$250,601 to March 31, 1965, the close of the fiscal year. In 1965, the combined pack was 57,029 cases or 27 percent less than the 1964 pack. As a result of the combination, however, the loss was cut from \$250,601 to \$57,407. Had as large a loss as was suffered in 1964 again been suffered in 1965, funds would not be available to operate either cannery in 1966.

Hydaburg has 15 boats and Klawock 14. Neither organization has sufficient production to operate cannery independently. The Klawock boats, however, out-produce the Hydaburg boats. The average Hydaburg production in 1965 was 31,262 fish. The average Klawock boat produced 38,597.

When it is necessary to combine the operations of canneries as in this instance, it is difficult to decide which cannery will be operated and which one will be closed. One village is bound to be disappointed. At one time operations were alternated between Klawock and Hydaburg. This, however, is expensive and wasteful, and requires duplicate improvement and repair expenditures.

The decision that Klawock would be the operating cannery in 1966 was made because it is believed Klawock has a better chance than Hydaburg for a successful operation, and because the amount of funds required to operate Klawock is less. Although the Hydaburg cannery is newer than the Klawock cannery, it would cost more to place it in shape to operate than the Klawock cannery. An independent survey of the Hydaburg cannery in 1964, as mentioned in our letter of May 25, 1965, to Mr. Grant, showed that in order to handle more volume, additions and replacements of \$92,500 would be required in 1965; \$45,000 in 1966; and \$13,000 in 1967. In addition, Hydaburg's boiler was condemned in 1965. Cost of a new boiler and boilerroom foundation has not been definitely ascertained, but would run in excess of \$25,000.

Hydaburg does not have an adequate fresh water supply. There have been times in the past when it has been necessary to divert fish to other canneries for processing. Last summer Hydaburg experienced a water shortage which prevented the manufacturing of ice in the cold storage plant for some time. A large water storage tank is essential to a successful cannery operation. Presumably a high wind has caused the large warehouse and cold storage building to lean toward the cannery building. This would entail additional expense.

Klawock's cost of production are lower than Hydaburg's.

One other factor that influenced the decision to operate at Klawock was the confidence that the Klawock people demonstrate in their cannery manager, and the manner in which they support him. Hydaburg fired a very capable manager at the close of its successful 1961 season. The Klawock cannery has efficient management, and it probably would take any manager considerable time to bring the Hydaburg cannery up to the same standard if it were to be operated.

The decision again to combine operations with Klawock as the operating cannery was not an easy one to make. We know it must be a disappointment to the Hydaburg people. We hope conditions in the industry will improve to the point where both canneries can again be operated.

Sincerely yours,

ROBERT L. BENNETT,
Deputy Commissioner.

P.S.—It is our understanding that the Department is considering holding a hearing at Hydaburg regarding this matter. The date and details are as yet undetermined.

MARCH 17, 1966.

NEWTON EDWARDS,
Department of the Interior,
Washington, D.C.

DEAR MR. EDWARDS: We wish to thank you for coming to Hydaburg and conducting the hearing. The council was impressed with the manner in which you tried to seek the truth. This letter represents an official statement of the Hydaburg Cooperative Association. We are writing you this letter so that you will have an idea of our impressions and feelings concerning the hearing you conducted in Hydaburg. The council believes that the statements in this letter will show why our arguments might, in some instances, appear to lack the validity we attribute to them.

First of all, we feel the Bureau of Indian Affairs did not provide us with all the evidence we requested for the hearing. The council felt that officials from the BIA should have been at the hearing. Many points in the correspondence between the Bureau and the council could have been clarified on the spot. As it turned out the burden of interpreting the dialog between the Bureau and ourselves fell upon your shoulders. We feel that this was unfair to you and the council.

In our efforts to obtain information prior to the hearing we contacted the BIA and asked them to send all audits, council minutes, and correspondence pertaining to the cannery. We requested all the above-mentioned information from the year 1938 to the present. This request was made necessary because of a fire in 1959 which destroyed all of our records. Since that time the Bureau has not replaced our records. At the present time, 5 months of council minutes from the year 1960 are missing. Other pertinent information that we recently requested from the BIA has been sent to us only in part. The council feels that it was impossible for them to present the strongest possible argument at the hearing because of a lack of information. We feel that the Bureau has not been truly cooperative with us in our efforts to obtain all the information necessary to formulate the most accurate argument in our own behalf.

We felt that the Bureau should have made all the records of both the Hydaburg and Klawock Associations available to the Hydaburg Council. Since both organizations are supported by public funds, we feel that we should have been allowed the right to inspect the records of both companies. The Bureau argues that trade secrets might be given to our competitors, but we feel that this argument has no validity. The Bureau requests that we join Klawock in a combined business venture, yet it refuses to allow us the right to see if our partner will benefit our own interest. If we had the opportunity to compare our business records with those of Klawock's, we could have presented a much stronger argument in our own behalf at the hearing. The 1964 independent study which we requested was never made available to us until the hearing. This allowed us no time to use it in our own behalf. We felt that a survey made about our business should have been provided us. This should still be sent to us.

A final factor, and just another of many, was the attitude the BIA took when the council sent two official representatives to Juneau to inspect the business records of the Hydaburg Cooperative Association. The reason our representatives had to make the trip all the way to Juneau is because of the fact that BIA officials told us that there was too much material for them to sift through, and that they did not know exactly what material we needed. First of all we requested all records, and under such a statement, it was easy for them to know exactly what we needed. Secondly, upon arrival at the Juneau office we found a small stack of incomplete records waiting for our inspection. It would appear from the waiting stack that the BIA knew exactly what we wanted. While we were inspecting our business records, we were not allowed to make copies of certain letters in our files, because we were told that these letters came from the Washington office. These letters of correspondence were found in our business files and would have been proved valuable in the presentation at the hearing. Yet we were not allowed to take this correspondence from our files.

All the information concerning the Bureau relates to the hearing in the following manner:

1. Reasons for closing the Hydaburg cannery by the BIA could not be entirely refuted by the council because we were never given sufficient information by the Bureau to establish a complete argument at the hearing.

2. Information which you helped us obtain from the Bureau was presented only at the hearing and could not be used by us before the hearing in order to analyze and use as part of our argument.

Thus, we feel that because of the BIA's lack of cooperation in making all pertinent information available to us before the hearing, our honest efforts to present the strongest case possible at the hearing was made impossible.

We would next like to turn to the "expert" advice which both yourself and the council had to rely upon. We are speaking of Mr. Giss, the Ernst & Ernst accountant, and Mr. Nerland, the cannery manager.

Mr. Nerland was forced upon us by the BIA and was never officially accepted by the Hydaburg Council as its manager. Mr. Nerland, as our present unofficial manager, has split loyalties. He is employed by both the Klawock and the Hydaburg Councils and the BIA. We doubt if Mr. Nerland can make frank statements, even if he wanted to do so. It should also be pointed out that Mr. Nerland has never operated the Hydaburg cannery. Yet both you and the council were forced to take his opinions as the only official "expert" opinion at our hearing. We felt that Mr. Nerland could not represent us at the hearing because of the many pressures exerted upon him by his many employers.

If we had our own manager, who worked solely for our council, had operated our cannery, and was familiar with it, as Mr. Nerland is not, we would have been properly and effectively represented by an "expert." We feel, however, that Mr. Nerland did not and could not represent Hydaburg as its cannery manager. Instead, we had a man who has not operated both plants and who owes a split loyalty to Klawock, Hydaburg, and the all-powerful BIA. Thus, we do not feel that his comments could be totally valid, concise, or pointed under the circumstances.

Finally, we are dissatisfied with the testimony Mr. Giss gave at the hearing. The comparative production cost analysis between the Klawock and Hydaburg plants was only for the 1964 season. We would like to have had a comparative analysis made for the last 10 years. We feel that this would have reflected consistent trends in each separate business. Mr. Giss also was involved in the independent survey of 1964 which projected costs for the years 1965, 1966, and 1967. We question the \$92,000 estimated for 1965. The council feels that many of these "improvements" are not essential and that Mr. Giss did not give us sufficient time to question them in a thorough manner.

Finally, both Mr. Giss and Mr. Nerland do not represent us as much as they represent the BIA. As the "1962 Report to the Secretary of the Interior by the Task Force on Alaska Native Affairs" states on page 80, "Because the village councils share with Bureau personnel and with the cannery managers the responsibility for maintaining the canneries, their members should participate in adopting procedures and decisionmaking. Bureau personnel in the Juneau office have apparently bypassed the councils in dealing directly with the cannery managers."

This quote holds true today. Therefore, we feel that because Mr. Nerland and Mr. Giss answer directly to the Bureau instead of the council, our side of the story was not fairly represented by the only "expert" advice which both of us had to rely upon at the hearing. Therefore, we ask you to take into consideration the fact that we felt all pertinent material was not provided us. We also felt that all "expert" advice was not totally impartial because of split loyalties caused by the BIA's policy of bypassing our opinion and hiring whom it pleases against our better judgment.

The purpose of this letter, then, is to add these opinions and feelings of the council to your file. We feel that this extra information may aid you in obtaining a fair and impartial decision. We think you for your splendid efforts in trying to uncover the truth in this matter which affects the livelihood of our small community.

Sincerely,

HYDABURG COOPERATIVE ASSOCIATION COUNCIL,
FRED GRANT, Jr., *President*,
SYLVESTER PEELE, Sr., *Vice President*,
ROBERT SANDERSON, *Secretary*,
CLARENCE PEELE, Sr., *Treasurer*,
GLENN DOUGLAS, *Member*,
FRANCIS GUTHRIE, *Member*,
ED SANDERSON, *Member*.

Statement to: Mr. Knute Edwards, U.S. Department of the Interior.
Statement by: Robert W. Frye II, intern pastor, United Presbyterian Church,
U.S.A., Hydaburg, Alaska.

SIR: In making this statement, I would like to begin by covering or uncovering a few inconsistencies that I find in letters from Robert Bennett and John O. Crow, Deputy Commissioners. Next I would like to present my views on the contents on a news story in the February 11, 1966 issue of the Tundra Times, a Fairbanks paper. This would be followed by comments on "a comparative cost analysis for the 1961 season between Klawock and Hydaburg prepared by Ernst & Ernst." In closing I would refer to a report to the Secretary of the Interior by the Task Force on Alaska Native Affairs, made in December of 1962. Along with this I would make my own personal comments and recommendations.

Robert Bennett's letter to Senator E. L. Bartlett on February 14, 1966:

"It is believed Klawock has a better chance than Hydaburg for a successful operation, and because the amount of funds required to operate Klawock is less."

"It" is a pretty abstract person to pin down. Who believes Klawock has a better chance at a successful operation? Give definite comparative reasons why. Who's the authority in knowing the funds needed in both operations? Is it possible to assume that Klawock is cheaper to operate because the Hydaburg plant has laid idle for almost 2 years?

Mr. Bennett says that the 1965 season favors one operation. This we have no argument with, but we wonder why the Klawock plant is being favored, both last year and this.

"Hydaburg has 15 boats and Klawock 14 * * *. The Klawock boats, however, outproduced the Hydaburg boats."

Mr. Bennett forgets we are talking canneries, not boats. Just because the Klawock boats catch more fish than our does not mean that their plant is better than this one. I shall return to this later.

"The Klawock cannery has efficient management."

This seems to imply that Hydaburg has not had efficient management. I doubt this, when I know that Hydaburg's total indebtedness is less than Klawock's. I know of years for Hydaburg profit. How does Klawock compare here. Now if this statement is referring to the present, Mr. Nerland is manager over both plants, but he has never managed a single operation here in Hydaburg. His prime authority or knowledge is of the Klawock plant, not this one. I contend that Hydaburg will never be considered "efficient" as long as partial views such as this are in the foreground.

"One village is bound to be disappointed."

Definitely, when it is a matter of survival, which is all too prominent in this land and in this world today, too many people are slighted, cut off, or segregated without the Government legalizing this, as South Africa and Rhodesia have done on a larger scale.

Mr. Bennett refers to the inadequacy of Hydaburg's water supply.

He said that we had a water shortage here last summer which prevented the continual operation of our ice plant. Very true, but he fails to note that this was not an act of nature, but planned repairs made on dam and waterline. The town was then not completely without water as a gas-operated pump took water from the creek for town use. The dam and waterlines are now in very good shape. Perhaps better than Klawock's as I understand from Theodore Roberts, Sr., water manager, that they have been having problems lately. Mr. Bennett goes on to say that what we "must" have is a water storage tank at the cannery. I would not say that it would be considered a "must" item, but this plant has one. He speaks of fish being diverted to other canneries, but this only occurred one year, 1961. I will refer to this year later.

Mr. Bennett tries to make an asset out of a liability when he argues for the use of small freighters or barges to pack fish from Klawock.

Insurance costs are higher on small freighters as I understand it, but they may be transported faster and more often than by large freighters. Hydaburg actually has an advantage in that with the deeper channel here we may transport by either barge or large Alaska steam freighter.

Mr. Bennett better doublecheck figures before he states them. Of the 16 figures given in this comparative list, 4 are wrong and 6 were not able to be checked.

	Klawock	Hydaburg
1961:		
Cases.....	34,867	31,609
Cost.....	¹ \$16.34	² \$18.26
1962:		
Cases.....	³ 31,998	24,092
Cost.....	³ \$21.24	\$21.44
1963:		
Cases.....	³ 48,195	35,170
Cost.....	³ \$18.92	\$19.04
1964:		
Cases.....	³ 44,946	⁴ 33,587
Cost.....	³ \$18.62	⁵ \$18.77

¹ \$17.84 corrected figure.

² \$16.60 corrected figure.

³ Not checked.

⁴ 33,644 corrected figure.

⁵ \$17.89 corrected figure.

"Hydaburg received appropriate credit" when Klawock took supplies and material for the combined operation last year.

What's appropriate? We lose now when we need it for an operation. We received a secondhand price for which now we need to buy new material. Did this association sell them this material or did the BIA merely take it, paying them a price they felt fair?

Mr. Bennett says that Klawock is fully behind their manager.

I believe I would be fully behind my manager too, if I knew he had power in helping to keep Klawock operating and me with a job. But I would pose this question, Does he have the full support of the council, the boatowners, and the people? I would say he does not.

Mr. Bennett says that Hydaburg fired Mr. Grimes after the successful 1961 season.

He implies that we were stupid to fire a good manager, but he fails to mention that in the past Klawock too had fired him.

The following is taken from Robert Bennett's letter to Sylvester Peele, Sr., dated February 18, 1966.

"Canneries have lost money most years."

This is a general statement which applies to no one, yet everyone. It is more or less assumed that canneries will lose money each year. Why cannot measures be taken to alleviate this? When the Government forces the repayment of loans when there is always a loss, sounds like the debtor prisons of old.

"Results in 1965 have fully justified the decision to operate at Klawock."

How? This gives no reasons. We agree one operation is better, but why is Klawock cannery the one to operate.

"The average Hydaburg production in 1965 was 31,262 fish. The average Klawock boat produced 38,597."

These figures do not tell the whole story. Why this vast difference? Where does Klawock get her fish? I would like to give an account of four boats in this fleet last summer. The *Minker* and the *Gladys* were rigged for trolling and not seining. It was only during the last several weeks that the *Gladys* changed over and produced for our fleet. The *Violet F* spent much of her time in port due to repairs. The *Dinna Jo* had a 2- or 3-week delay because of the death of its captain and the absence of its crew. With this explanation you may see how our overall average was affected.

"At one time operations were alternated between Klawock and Hydaburg."

We had not heard of any change from this agreement until our complaint was registered.

"* * * amount of funds required to operate Klawock is less."

Says who, and what exactly does this statement mean? Is it because we have laid idle for almost 2 years and much of our material was moved to Klawock? I referred to this in his first letter.

"An independent survey of Hydaburg cannery in 1964 * * *"

Who made the survey, and do we have access to it? If it concerns our well-being we should have it.

"Klawock's costs of production are lower than Hydaburg's."

Overall? Would like to see comparative figures?

Mr. Bennett says that Hydaburg would need \$92,500 its first year, \$45,400 its second, and \$13,000 its third year to bring it up to the same standards as Klawock.

The association does not know why it will take so long to bring this cannery up to certain standards. They also feel these figures are high.

"Presumably a high wind has caused the large warehouse and cold storage building to lean toward the cannery building. This would entail additional expense."

This seems to be a rather ridiculous argument or fact to bring up. It makes no difference in plant operation, and I see no reason why it need entail any expense.

The following is taken from a letter to Fred Grant, Jr. from John O. Crow, dated May 25, 1965.

Mr. Crow says that short-termed loans were made to canneries. Hydaburg still owes \$19,134 of \$170,000 advanced to them. Klawock has paid off in full.

Nothing is mentioned to the fact that Hydaburg's total indebtedness is not as great as Klawock's by about \$1 million and that this cannery has made profits where Klawock's hasn't.

Hydaburg is said to have lost over \$100,000 on their 1964 pack. How does this compare with Klawock's? It is not stated.

"We are entirely dependent upon repayments on loans previously made for funds to make additional loans."

I assume that this refers to short-termed loans. Then this is the primary reason we are not operating, but declared in default, because of our \$19,134 debt.

"Other factors being equal, Hydaburg should have been the operating cannery."

Because one cannery outproduced another when both ran independently, hinges on the strength of one's fleet, not operability of one's plant.

"Klawock * * * has access to ample housing facilities for transient workers * * *."

This implies that Hydaburg does not have ample facilities along this line. Give comparative figures. How do the facilities compare as to quality? Have the facilities here at Hydaburg been ample in the past? I believe they have been.

"* * * it (Klawock) has greater warehousing and cooling space and greater retort capacity * * *."

What are figures comparing warehousing and cooling areas? Is the maximum space ever used? Compare retort capacities and their qualities?

"Klawock's cost of production per case the past 3 years has been less than that of Hydaburg's."

In 1962 Hydaburg was 20 cents more per case, and in 1963 it was only 12 cents more. But in 1964 Hydaburg was less by 72 cents per case.

"* * * (Klawock) is more centrally located to the fishing grounds."

What does this statement mean? Specifically, where are the fishing grounds? Fish are wherever they happen to be, not where man wants them to be. Here in southeastern Alaska runs are hard to predict ahead of time for a particular place.

"The prices Klawock has received for pink salmon have generally exceeded those received by Hydaburg."

This is no place to speak in generalities. Why is this so, because of managers or plant? Is he implying that our fish have been taken illegally? Do Klawock boats get any special privileges or bonuses which Hydaburg boats do not?

"You express fear that the combined operation will result in the 'disintegration of Hydaburg's fishing fleet.'"

This was not Mr. Grant's fear, but that this slighting of Hydaburg in favor of Klawock would be the straw that would break the camel's back. Justice for all in this situation seems to entail an alternate year operation.

"If the consolidation suffers another large loss, it will be very difficult to justify future financing."

This I take as a threat, "to do this or else." It is in two or three places in this letter. The BIA is set up to help the Indian, not to threaten him or strangle him.

Chilling tanks and a condensor were said to be a necessity last year for either operation.

If I remember correctly from Bennett's letter to Bartlett, \$24,000 was set aside last year for this installment at Klawock. However, if my information is correct, they were not installed. So both would have this same expense this year, depending upon who operates.

Hydaburg is said to need \$92,500 its first year of operation, \$45,400 its second year, and \$15,000 its third year.

Mr. Crow and Mr. Bennett better get together on their figures. For the third year Mr. Bennett gives \$13,000.

Mr. Crow holds up our financial condition to us, but how does ours compare to that of Klawock?

"The association has incurred a cannery operating loss 9 of the past 11 years."

This statement seems directly contradictory to that made in the Tundra Times, where it said Hydaburg had made profits in the years 1957-62.

"It is self-evident that the indebtedness cannot be permitted to increase indefinitely."

I fully agree. I do not believe that the BIA is living up to its purpose of existence. As I understand it, it is to be training the Indian to take over for himself. But bureaucracy hates to work itself out of a job. You are in the driver's seat, where are we going? But let us not get overly involved in statistical tables and forget about the human element.

Here the following information is taken from the Tundra Times, in the issue dated Friday, February 11, 1966.

"Mr. Walker said the decision to close Hydaburg was based on opinions of the Washington office, the credit office in Juneau, and Ernst & Ernst."

This statement, however, does not give us their reasons, and we have never received any concrete or valid ones. Although their action does seem to present one thing for sure, they have overlooked the human side and the particular situation here.

When Mr. Walker was asked if the people were consulted prior to a decision, he avoided a direct answer saying that naturally both communities wanted to operate.

The fact is that the people here were not consulted here before the final edict was given to them. I do not know about Klawock. Hydaburg demanded, in essence, the operation, stressing justice and fairplay under the alternate year agreement. Klawock must have other reasons.

Mr. Walker said the managers of both canneries were given opportunity to present budgets and presentations.

First, there is only one manager for both plants, and he has managed the joint operations 1 year. In previous years he was sole manager for the Klawock cannery, so he would naturally be more familiar with that operation than this. Hydaburg had no feeling or loud voice when these views were presented.

Mr. Udall's 1962 task force report states that boats and the gear of the Hydaburg plant were superior to those of Klawock, but that both canneries were deficient in the number of large boats which are able to fish in deeper water.

What would the statement be regarding both of the above statements today? Referring to the second part: If one is in the fishing business and much of the catch may come from deeper water, why are not more adequate boats provided? To supply second-class boats or material, means second-class output.

I would now like to refer to a comparative cost analysis prepared by Ernst & Ernst for the 1961 season between Klawock and Hydaburg. "Hydaburg's net profit aggregated \$184,466.04 on its own net pack of 31,609 cases and Klawock's \$148,727.89 on 34,867 cases." It should be pointed out here that the total pack for Hydaburg was 55,438 cases, while Klawock processed 68,110 cases. Remember that this was the year that Hydaburg had water problems and had to divert fish, thus limiting what could have been a much larger pack. Also noted here should be the following: "Mr. Nerland stated to the writer (Sargo Giss) on several occasions that each plant could have perhaps increased its respective production to 80,000 cases if each was satisfactorily equipped."

I have already pointed out that Hydaburg had a \$35,733.15 more net income than Klawock, even though it had a smaller pack. Perhaps more important to point out is the comparative total cost of production, which shows Hydaburg approximately \$100,000 less expense. The figures show Hydaburg \$524,913.14, Klawock \$621,966.18. Within this production report two individual items I would bring to your attention. The first is the difference in the overhead, which shows the Hydaburg cost at \$113.632.60 or \$2.05 per case, and Klawock at \$176,301.41 or \$2.59 per case. The other I would present is the difference in maintenance cost at both plants. Hydaburg's was \$13,855.84, and Klawock's was \$37,402.27.

Mr. Edwards, I would suggest you study this report, if you are not already familiar with it. Notice that here and elsewhere a strong argument favoring

Klawock is their larger pack or production of their boats. This would have no bearing if both canneries were combining operations. However, on the other hand, the lower overhead and production cost of the Hyدابurg plant does have bearing on the worth of this operation.

I would now like to turn to the Report to the Secretary of the Interior by the Task Force on Alaska Native Affairs, December 28, 1962.

"Testimony at its hearings in the cannery villages convinced the task force that the Indians have very little to say about the operation of their canneries at present. There is unquestionably a lack of communication between Bureau credit personnel and the councils. This evidently is not a new condition. Correspondence on file in the Washington office reveals that in 1960, the area credit officer did not visit the villages of Angoon, Kake, and Klawock, and visited Hyدابurg only once for a period of 4 days. In that same year, the area credit officer, his assistant, and two other employees—all of whom devoted most of their working hours to cannery matters—spent more time in Seattle than they did in the villages" (p. 76).

We are not treated as friends or business partners but more as slaves to the arbitrary action and whims of the BIA. The BIA tells us just what they want us to know, and when specific questions are sought, only vague generalities are the answer. This type of relationship and dialog brings on nothing but hatred, pessimism, frustration, discouragement, lack of trust, and an underlying feeling of second-class citizenship. None of these are desirable qualities to bring out in any people. Even in trying to obtain facts and material pertinent to our case, we were subjected to abuses.

"The task force also noted considerable 'buckpassing' in accounting for communication breakdowns and inefficient cannery management. Cannery managers blamed the Washington office for taking too much time in approving their budgets. Juneau office credit personnel held both the cannery managers and the Washington office responsible for the delays. Washington employees contended that the Juneau staff and the cannery managers were delinquent in submitting budgets for their approval." (P. 76f.) This association has noticed this in past dealings.

One of the recommendations or suggestions that I believe of utmost importance that needs consideration in the future is the treatment or lack of treatment given by the Juneau office toward the cannery council. "Because the village councils share with Bureau personnel and with the cannery managers the responsibility for maintaining the canneries, their members should participate in adopting procedures and decisionmaking * * *. The task force suggests that the Bureau add to its credit staff in Juneau someone experienced in cannery operations, who can work directly with the councils * * * this kind of communication is essential." (P. 80.) Dictation is not the answer in helping the Indian grow to maturity. Someone within the Juneau staff needs to have the ability to be able to work with people.

The way it seems to me is that the alternate year operational plan, when conditions merit, should be returned too. For economic reasons it may seem better to consolidate the two into one plant but in the realm of human relationships, this plan is doomed to failure. Lack of justice for either operation will mean lack of cooperation and support of the nonoperating cannery and its fleet. The two fleets are the instrument which make a single, combined operation successful, so without one fleet, death of the operation is apparent. If an alternate year operation, when conditions merit, should be adopted, perhaps a wise suggestion would be to have funds allocated for needed improvements and maintenance at the nonoperating cannery in its off year. With this there would not be needed any "crash pre-season improvement programs." It will also be added insurance for the future of each cannery and community.

On page 80 the task force points out the need for decentralization in the management of the cannery program. "The Washington office of the Bureau of Indian Affairs has through the years made most of the crucial decisions affecting the canneries. It has sometimes had to do so without complete information. There appears to have been a definite lack of confidence at the Washington level in the area office credit personnel and the cannery managers. If necessary, the Juneau credit office should be reorganized and staffed with personnel capable of managing the cannery operation. It should have full decisionmaking authority for the Bureau, insofar as this is possible." Earlier in this statement and this hearing you have seen how the Washington Department does not know what is going on. The suggestion about the reorganization and staffing of the Juneau office sounds like a good one, too.

Mr. Bennett referred to the newer and more modern plant here at Hydaburg, yet his recommendations are inconsistent with this. For your own background and future recommendations, Mr. Edwards, I should think that along with this hearing there be a viewing or physical comparison between the two plants.

If this cannery is to be closed for an indefinite period of time I would suggest that a road be approved and built into Hydaburg, and that some industry or means of income be established with and between the people and another party. I see too much graft and greed in the realm of politics within this State, which if not overcome means the death of this innocent community.

If any kind of joint operation is to be carried out, I feel that both parties should have full access to annual audits. Also, if the two plants operate singularly, with an agreement to alternate year operations when conditions merit, I would suggest that a comparable cost analysis be prepared. This way future savings and success may be seen and studied by all concerned.

STATEMENT OF MRS. CLARA NATKONG

I am a cannery worker. There are 55 cannery workers in the town of Hydaburg. Out of this 55, there are 28 mothers, 14 students, and 10 local men who depend on this seasonal work.

If the cannery lays idle another year, the hardship is going to be great for all families. Especially since, during the winter months, there is no employment for anyone.

Students who depend on this seasonal summer work will suffer also. True, the Bureau of Indian Affairs provides boarding schools in Alaska and other States but we do have many students who attend private schools. Another instance which should show our need of a cannery operation here.

Last summer while the cannery lay idle here, the 16- through 21-year-olds were able to earn money under the Youth Corps program. Now we have received the news that the program will not continue here at Hydaburg due to lack of funds. We have three here that were notified that they could not work anymore because each person was supposed to work just 6 months. So even if the program were to be continued sometime in the future, not very many would be able to work. That leaves the rest of the Hydaburg youth without jobs. Another reason for cannery operation here.

Now the 28 mothers who are on the cannery workers list play an important part in the family with their earnings. They help to buy clothing for the children 15 years of age and under.

This is because, figures on the gross earnings of boatowners look big, but after they pay out on boat interest, personal bills, et cetera, they bring home a small paycheck. This is where the women help. The need of a cannery operation here is very important to us.

So, with our prayers and hard work, we hope that the problems the cannery council, the VISTA workers, our minister, the cannery workers, the youth of Hydaburg and the members of the Hydaburg Cooperative Association, have presented will be clear enough so that you, Mr. Edwards, and your department will come to the decision that the cannery at Hydaburg will operate in the 1966 season.

STATEMENT OF VIRGINIA MORRISON

I am Virginia Morrison. I have worked at the Hydaburg Cooperative Cannery for approximately 12 years, as timekeeper and relief woman. I am going to use myself as an example, but it applies to all of the women in the village. I wish to tell you how the closure of our cannery has affected, not only the women, but at times, a whole family. These figures are based on the 1964 season.

There are approximately 54 women that are employed by the cannery, 38 of whom work in the cannery proper, processing the fish. All of these women are 18 years old and over. The remainder of these workers are 16-18, who work in the warehouse casing the cans of salmon. These women received a total of \$32,625 net pay.

When our men leave home to go fishing during the summer season, we do not know if they will catch enough salmon to bring home a paycheck. There are many lean years. A few times my husband, as well as the rest of the fishermen, have come home, after a hard season, with a red slip. At other times he made

only \$200 or \$300. It is a well-known fact that one child cannot be fed and clothed on this amount of money. There are very few people here that only have one child to consider.

This is where the employment of the women helps. The summers before my girls were of age to work in the cannery, I have come home with a blank paycheck, for the simple reason that I had to pay for our groceries that we used during the summer and purchase clothing for the children so they would be able to return to school in proper dress. A lot of the women hire babysitters who are too young for cannery work to take care of their younger children. This aids a younger child to be self-sustaining in buying his clothing. The girls 16-18 aid their families by working. They are proud in earning enough money to return to school, being able to clothe themselves in up-to-date fashions, and having a few extra dollars to purchase needed little extras that their parents are not able to afford.

As you can see we are all proud people, we do not live in squalor. We try to live up to the standards of the white man. Our living is not anything fine or fancy, just comfortable.

Some of these women that work are either widows, divorcees, or their husbands are not able to work. They depend on their summer earnings to sustain themselves and possibly supplement social security pensions.

A lot of these people who have not been able to work during the summer to earn money for themselves and their families have had to rely on welfare. No red-blooded American is proud of the fact that they have had to obtain welfare. We want to work for our money, not sit back and let Uncle Sam give us a measly \$50 a month.

One of my girls, who is going to school in Chemawa, Oreg., does not want to come home this summer if the cannery does not operate, for the simple reason that she will not be able to earn any money to return to school in the fall. This is the feeling of many of our children. It is alienating our children from us.

Maybe some of you are wondering why I keep referring to our children returning to school. We do not have a high school in the village, so our children have to leave home at an early age, 12 to 13 years old. We only have them home with us 3 months out of the year, and we all look forward to them returning in the summer. This reunion does us all good, as well as boost the strength of the cannery work force.

Therefore, the women of this village want you to realize how essential the operation of this cannery is.

STATEMENT OF CLARENCE PEELE, SR.

Mr. Edwards, associates and friends, the decision to operate the Klawock cannery under joint operation was put off to the very last possible moment to put us in the most unfavorable position.

The decision handed down by the area director was a complete reversal of 1960 contract made by the Juneau BIA office.

Under that agreement should there be a joint operation Hydaburg was to have been the operating cannery.

The facts expressed by the area director for operating the Klawock cannery was refuted by figures advanced in their budget.

First. A great deal of argument was advanced both by Mr. Nerland and Juneau BIA for advantages of a brine tank to be installed at Klawock cannery for 1965 season. It was not installed. (Budget for that item \$24,000.)

Second. Housing for transient workers. In their budget an item approved "Since housing facilities at present is 40 to 50 years old, \$4,500 has to be spent on it to bring it up to date." That was not done.

The area director said Klawock cannery was more efficient to run, yet after the decision was made, Klawock transported to their cannery from Hydaburg, all the coolers, reason being that theirs was older type and rusted badly. Allowance was made for a new fish elevator; that was not put in. We have a new galvanized elevator at our cannery.

Allowance also was made to replace their fish bins; it was not done for the 1965 season. That is a major job. We have new bins at the Hydaburg cannery.

Mr. Bennett's reasoning: Since Klawock owes more money he said the Government should operate the Klawock cannery to recover the loans. This is not logical thinking. In order to recover their loan to Klawock the Government would have to pump in more money to replace old buildings and equipment. I quote the above because as a port engineer since 1946 to 1964 we have had

problems arising in late 1940's and early 1950's experiencing the problems of working with old boats under the Wheeler Howard Act, under the individual loan program. It came to the point where spending more money on old outdated boats to updating them was not to the best interest of the association. So with the advice of the BIA it was agreed that to come out ahead, all the old boats were not to get refinanced but retired and be replaced with new boats.

I know the broiler problem is not a serious one. It was done—meaning condemning it—in line to bolster the argument of not operating the cannery for 1966.

Due to the reversal of the 1960 contract, our faith and trust in Government has gone to the lowest possible point. Something has to be done to restore that confidence.

Klawock has refused to sign contracts under similar conditions and nothing was done to them.

We only ask for what is just and right according to contract.

There are 11 men that make a living in the cannery during summer months beside the 52 women.

Mr. Bennett made a statement at the mass meeting, at the school, that he could not make jobs for the number of women mentioned.

What are we supposed to do when that is the only industry here in our town?

OBJECTIONS TO THE KLAUOCK/HYDABURG CONSOLIDATION AGREEMENT

The proposed agreement does not specifically require the Hydaburg fleet to fish for the Klawock cannery, although it assumes the fleet will do so (the last sentence of the second introductory paragraph; par. 1; par. 2, sec. (b); par. 3, sec. (c)). What is the reason for the absence of a statement of specific requirement; or, to put it bluntly, is the Hydaburg fleet legally bound to deliver its fish to the Klawock cannery?

Objection to paragraph 1: If the Hydaburg council cannot reveal the contents of the Klawock contracts and agreements to any other party, it can never hope to gain a consensus of opinion on possible areas of disagreement with all or parts of those contracts and agreements among the Hydaburg Cooperative membership—the organization the Hydaburg council will be representing in the proposed consolidation. Gagged, as it is, by the proposed agreement, the Hydaburg council is virtually liquidated. In effect, the agreement states, "The Hydaburg council represents the Hydaburg association in this agreement, but, under the terms of this agreement the Hydaburg council may not communicate with the Hydaburg association."

Objection to paragraph 2, section (b): What is meant by "supervise"? What degree of control does the Klawock manager exercise over the relenting activities? To what degree is he subject to the control of the Hydaburg council? The contract contains no provisions specifically relating the degree of control the Hydaburg council will exercise over the combined operation.

Objection to paragraph 3: Who determines what improvements are major and what improvements are not? Can the question be answered quantitatively? If so, had not a ceiling sum on minor improvements better be set? What control does Hydaburg retain over the books of its enterprise to be kept by the Klawock accountant? Are these books open at all times to council members?

Objection to paragraph 3, section (d): The phrase "from time to time," is imprecise. Information on the progress of the operation should be available to the Hydaburg council on demand, if that council is to retain more than mere nominal control.

Objection to paragraph 3, section (e): A receipt for Hydaburg's inventory should be held by the Hydaburg Council.

ED SANDERSON,
Member, Hydaburg Cooperative Association Council, Captain MV "Carolyn S."

STATEMENT OF SYLVESTER PEELE, SR.

Mr. Newton Edwards, visitors, members of the association: I want to report the physical conditions of our cannery plant here in Hydaburg. Due to many misstatements by some of the BIA officials, we have to report the conditions of our plant at this hearing, to make Mr. Edwards familiar with the true condition of the entire plant.

The cannery and warehouse was built in 1949, after our first cannery was lost by fire in 1948. The present plant is only 16 years old, and the entire plant is solid with no rot anywhere as indicated by Mr. Robert Bennett, in his letter of February 18, 1966. An inspection was made of the foundation of the boiler room, and we find the entire foundation solid. The piling and timbers and flooring are all sound. As for condemnation of our boiler, no one in the association is aware of any test made on it last summer. This would have been necessary to determine the condition of the boiler. If it was condemned it would not cost \$25,000 to replace. The new style high-pressure boilers are not as bulky or as heavy as the present one, so the foundation under the present one is sufficient to hold any new boiler we might buy to replace the present one. The report on the boiler did not come until late in the summer of 1965, so it had no bearing to keep our cannery closed in the 1965 season.

In Mr. Bennett's letter of February 18, 1966, he stated that in order to get Hydaburg ready for an operation in 1965, it would have cost \$92,500. How so? We are completely unaware of what these figures represent. We have custom packed for Nakat Packing Corp., New England, and Columbia Ward in 1961 successfully with our present facilities, so therefore I feel that the figures of \$92,500 given by Mr. Bennett for getting the Hydaburg plant ready for the 1965 season is misleading.

Yes; it might be true that for a brief period in the 1965 season there was an inadequate water supply, but it was only due to repairs of the waterline and present water reservoir. However, we had a pumping station at the creek in the middle of town which could have supplied the cannery had it operated. We always have an adequate water supply even in the driest years. All the reasons for which our cannery was declared inefficient by the BIA in 1965 has been or will be refuted in statements made by our cannery councilmen.

Comparisons have been made at both Hydaburg and Klawock canneries to determine which plant is the most efficient to operate. Our present manager and BIA officials both made statements saying Klawock was in better physical condition than Hydaburg. We feel this is a misleading statement, because Hydaburg is by far a newer plant and does not need the repair as the older Klawock cannery may need. Our fish elevator is made of galvanized metal and operates efficiently, while at Klawock their elevator is made of wood and very old and is desperately in need of repair. This is considered a "major" repair.

A statement was made by Mr. Nerland and BIA officials saying Klawock had more warehouse space than Hydaburg's. If this is true, we have yet to see figures of dimensions to substantiate their case. We have here drawings of the entire cannery plant at Hydaburg. The drawings will give you the exact floor space we have. We have asked for dimension of the Klawock plant, but so far we have not received any. Our housing and other facilities for transient workers have been adequate in the past, so therefore the claim that Klawock has an advantage over Hydaburg for having better and more facilities for transient workers is misleading and should not have any bearing on which should be the operating cannery. Their claim to be better located geographically to fishig grounds has no merit, because we all know and are aware of the fact that salmon runs appear in different localities from time to time.

The statement made by Mr. Nerland and BIA officials saying that Klawock has more people available for cannery work is not true. Hydaburg has always had more available workers than needed.

We were greatly dissatisfied in the manner by which the BIA decided against Hydaburg in 1965. No mention of plans for the 1965 operations were made known to us until late in March or early April. Everything or all the plans were made and kept secret from us until too late. The area Director and his aids came to Hydaburg to announce the closure of our cannery in a dictatorial manner. Everything we said in our behalf fell on deaf ears. There was no consideration given to our plans. This is evident by the BIA's decision to operate Klawock again in 1966, therefore causing our action in requesting this hearing.

Mr. Bennett in his letter of February 18, 1966, stated that high winds had caused the large warehouse and cold storage building to lean toward the cannery, which would entail some expense. The warehouse leaning toward the cannery, if it is, has no bearing on chances for operation. The warehouse could be leaning, but this does not hinder in anyway the storage of cases of salmon in large amounts. As for cooling space we have more than adequate space.

Mr. Nerland and BIA officials stated that Klawock was more efficient, more economical to operate. If this was so, why did Mr. Nerland move so much of our equipment to Klawock? As a member of the cannery council I will demand that piling, pallet boards, Hyster, and all other equipment taken to Klawock be returned at once, so that if and when the time arises again to evaluate the efficiency of our cannery we will be in a position to compare highly with Klawock or any other cannery.

The consequences of the decision to leave our cannery idle will be disastrous in that it has already caused many families hardship by losing their only income in the 1965 season. Now we are confronted with the same situation in 1966. Our school will be directly affected since the town is responsible for part of operation of the school. Our only church will be affected, too.

I strongly believe that the solution to the unjust decision by the BIA could be solved by allowing the councils of each native-owned cannery to take part in plans for operations from year to year. This is a democratic form of doing business, and we would appreciate it greatly if afforded such an opportunity.

I strongly believe that Hydaburg cannery should have its own manager and bookkeeper. The manager should be placed here by the membership or council's choice. Our manager will then be in a position to negotiate for our own operation.

All the people present in this room and everyone connected with Klawock cannery are aware of the fact that they have been in the fish canning business with their present plant far less time than we have been with ours. How then can anyone account for Klawock's owing more money than we do in a shorter period of time?

We have a cold storage capable of supplying enough ice for all the tenders necessary to haul fish, and we have the only brine chilled tender.

We have a large oil storage, adequate to serve our cannery and fleet throughout the season. We are better equipped in many ways than Klawock. All we have to do to prove this statement is to take any impartial observer through our plant and then take the same party through the Klawock plant. This party I am sure can reach a decision in their own minds as which cannery is the best to operate.

We trust, Mr. Edwards, that you, as an impartial observer, will weigh our arguments and statements carefully, and we trust that after your own impartial and careful observation, you will report back to the Secretary of the Interior enough evidence to indicate that he should reverse the decision of the Commissioner of Indian Affairs to operate Klawock and allow the Hydaburg cannery to lay idle during the 1966 season.

STATEMENT OF FRED W. GRANT, JR.

Mr. Newton Edwards, people of Hydaburg, and visitors: We wish to express our appreciation for your response in making this hearing possible. Your interest in coming the many miles involved we hope will not go unnoticed as we feel much good will come about as the result of this impartial hearing.

We would like to stress at this point that we feel we do not have all the information necessary to make a complete study of the situation. We need the independent study mentioned in Mr. Bennett's letter of February 18, 1966, as well as statistics concerning the Klawock operation. Bear this in mind as we present our views.

We feel certain that a plan most beneficial to both Klawock and Hydaburg is the most logical course to follow. If this isn't possible and one cannery must suspend operations then let it be the one that is the most uneconomical to operate.

This statement is prepared in connection with the manner in which the area director, Bureau of Indian Affairs, Juneau, Alaska, chose to handle the cannery operation plans for the year 1965, more clearly identified as Modification No. 10 to Loan Contract No. 14-20-300-882; and to a very similar Modification No. 11, with one exception; that is, if we accepted Modification No. 11 the default action taken against us by a letter dated April 16, 1965, from area director, Robert L. Bennett (now Deputy Commissioner) would be withdrawn.

To relate the happening of events in proper order we will seek to show the unusual reasoning in each instance as we see it.

In November 1964, we understand, the BIA officials along with Washington officials held a conference in Seattle and at this time it was definitely decided what would take place as far as cannery operational plans for Hydaburg and Klawock were concerned. What is strange about this? Our manager was in-

structed not to inform us of this decision. This is evidenced in the fact that on March 19, 1965, we wrote Mr. Gunderson relative to what was developing on cannery operational plans for 1965. No answer. He informed us at the March 29 meeting at Juneau that he was advised not to tell us anything.

On March 24, 1965, I received a telegram, advising us of a meeting at Juneau regarding cannery operations called for Monday, March 29, 1965. At this meeting we were told plans were made for a combined operation with Klawock cannery operating. This deal is better known as Modification No. 10. We object strongly to the forceful manner in which this deal was carried out for the following reasons:

1. Our manager was never given an opportunity to show or present an operational budget for a combined operation. So how could a comparative analysis have been made between two budgets of an operation at Hydaburg or Klawock for the purpose of determining which of the two was the best?

2. We were never given an opportunity to represent our business as is our right under its constitution and charter. This in our estimation is a very sorry situation inasmuch as our rights were denied us.

3. In spite of arguments favoring Klawock as represented by BIA officials we contend our cannery is just as good if not better; accordingly we refused to sign their proposed plan; instead, on April 5, 1965, the Hydaburg Cooperative Association Council went on record to request that we be permitted to operate as it was our turn based on the history of alternating combined operations. On April 6, 1965, the Klawock council was confronted with our request but turned the request down as we were notified in a letter of April 9, 1965, from the area director's office. This clearly points to their attitude regarding cooperation; that is, in my humble opinion necessary inasmuch as Hydaburg or Klawock cannot each go their own way independently.

In view of this situation it seems to us in order to keep disappointment, arguments of unfairness and lack of cooperation between both places to a minimum, a plan of alternating operations at each plant is by far the most logical course to follow for prolonged success in our efforts. The present course only spells doom. If Klawock continues to possess an uncooperative attitude, cut us loose from the present plan and let us be free to explore the field of us engaging in a more appealing deal from the standpoint of keeping our enterprise operating to provide income to the community, and to strive for a plan of operation to liquidate our indebtedness in the most expedient manner. This is our primary objective.

Allow us the right to have a manager and a bookkeeper as any business should never be deprived the right to have. They are an essential part of our activity and should be instrumental in seeking other ways and means of carrying on a more desirable plan to benefit members of our association whom are now being asked to lay idle for an indefinite period of time as the result of BIA plans.

On April 16, 1965, the area director's office informed us officially, by letter, that we were declared in default on all loans. On May 1, 1965, we appealed the decision as plans outlined in Modification No. 10 were unreasonable as we outlined in our letter. The letter appealed for an immediate hearing with the expressed views of operating Hydaburg cannery over their plan of Klawock operation.

In response to our May 1 letter Mr. John O. Crow, Deputy Commissioner, attempts to justify the Bureau's action in his letter of May 25, 1965. I will quote his remarks and follow with our comments.

Mr. Crow states: "Klawock also has access to ample housing facilities for transient workers." However, Mr. Crow intends this remark to mean; that is, housing for Indians, Filipinos, or whites, we will answer in this manner. There would not be a need to house native transient workers as the local labor force of men and women is more than adequate to meet the requirements of a combined operation. The housing situation for transient Filipino and white workers, is this, if he had taken the time to inquire on this subject, he would have found in addition to cannery facilities several real nice places are available at a reasonable cost. We never required additional housing when combined operations were carried on here.

Mr. Crow states: "It has greater warehousing and cooling space and greater retort capacity." If Mr. Crow and his associates took the time to actually take a physical check they then must have measurements to offer as proof of this statement. I have demanded via correspondence proof in the form of

signed statements substantiating this statement of fact. On February 28, 1966, the area director requested Mr. Nerland to provide this information. This exposes again their statements without proof attitude. Several councilmen and other members of our association through comparisons of their own say this statement is simply absurd and is far from the truth. We demand that the party responsibly conducting this hearing check to seek out the truth in this statement, and all other statements we question to contain untruths or cast even a shadow of doubt as misrepresentation of facts just to support their case.

Mr. Crow states: "Klawock is more centrally located to the fishing grounds."

This is one business that this rule cannot possibly apply due to the nature and habits of the raw material sought after in the course of any one season in relation to the other. We are at the mercy of the elements; nature decides this rule and it is safe to say man probably will do well to second guess exactly what can be called centrally located when dealing with salmon.

Mr. Crow states that: "Klawock's cost of production per case the past 3 years has been less than that of Hydaburg." We do not have a comparative cost summary later than for 1961 season in our possession but at the time we beat Klawock by \$1.24 on a per case basis not considering overhead cost which would have added 54 cents more. But if volume were the same I am sure we would still be the better plant to produce a lesser cost per case.

Mr. Crow states: "The council's letter causes us to wonder how well informed the council is of the serious financial condition of the association."

"1. The association currently is indebted to the United States for loans of \$1,373,640.36 plus interest.

"2. The association was indebted to the bank for loans of \$313,880, plus interest, at February 4, 1965.

"3. At March 31, 1964, the association had a deficit (excess of liabilities over assets) of \$314,522.73. This will be increased by the amount of the loss on 1964 operations, which will run well over \$100,000.

"4. The association has incurred a cannery operating loss 9 of the past 11 years."

In each of the four items above it is safe to say Klawock's equipment exceeds that mentioned in our case. This statement only tends to bolster our contention that to operate Hydaburg cannery would net more profits or reduce losses whichever the case may be at the end of operations each year. Mr. Crow will never know exactly how well aware we are of our indebtedness and we would like nothing more than to pay off our loan completely if for no other reason than to get the Bureau off our backs. An interest cost of \$40,000-plus would be realized when and if we pay off our loan.

Mr. Robert L. Bennett in his letter of February 18, 1966, seeks to explain the reasons for the decision to combine operations of the Hydaburg and Klawock canneries in 1966, with Klawock as the operating cannery. This proposal is more clearly defined as modification No. 11.

We will quote his remarks and follow with my comments.

Mr. Bennett states: "Results in 1965 have fully justified the decision to operate only one cannery and to operate at Klawock. As a result of the combination, however, the loss was cut from \$250,601 to \$57,407."

I commented on this last year by projecting an estimated loss of \$30,000 if conditions in the industry remained the same. I can only contend that if Hydaburg were the operating cannery we would have showed a lesser loss. This contention is based on our willingness to make certain cannery workers out of necessity perform the work of two people. It is highly possible that the Filipino help could be cut in the most part and perhaps totally. This would save on travel, board and room, maintenance, and repair expense. We would seek to have the Bureau arrange for an immediate program to train machine operators at the Continental Can Co. to operate the Iron Chink, filler, seamer, and can loft machinery. Again travel, board and room, maintenance, and repair expense would be reduced. A local cook and helper could be employed; as a result of the same, savings of travel and allied expense would be realized. Local office help could be utilized. Unnecessary overtime would be stopped. Other possible savings in cost would be practiced, rather than preached. Needless to say, local labor utilized would contribute much to individual benefit. Further, to increase our chances of profit we feel that better utilization of outside production such as the Puget Sound fleet offers much to be desired in capitalizing on the loss of production to this competition. They have taken

away a lot of our production through competition; estimates would be something like 50 percent in our case.

Mr. Bennett states: "The Klawock boats, however, outproduce the Hydaburg boats."

In 1965 we did not have the full productive effort by the boat *Violet F* due to engine trouble for approximately 80 percent of the season. The boat *Minker* did not produce at all. If we were allowed to participate in our capacity as directors of the business we would have had this productive effort without fail. In order to make the comparison fair we could make a libelous statement at this point but will not because of this.

Mr. Bennett states: "When it is necessary to combine the operations of canneries as in this instance, it is difficult to decide which cannery will be operated and which one will be closed. One village is bound to be disappointed. At one time operations were alternated between Klawock and Hydaburg. This, however, is expensive and wasteful, and requires duplicate improvement and repair expenditures."

I suppose coldblooded business calculations should govern when all facts add up to a bad situation. In this case let the chips fall where they may and let us select the best plant through proper reasoning, such as which can produce the best chance of profits via the lesser cost of production route. Note Mr. Bennett's last statement of "expensive and wasteful." In our estimation it has been quite expensive to keep Klawock in general good repair and wasteful inasmuch as Hydaburg is a good plant already and would not need much maintenance and repair work to support a combined operation.

Mr. Bennett states: "The decision that Klawock would be the operating cannery in 1966 was made because it is believed Klawock has a better chance than Hydaburg for a successful operation, and because the amount of funds required to operate Klawock is less. Although the Hydaburg cannery is newer than the Klawock cannery, it would cost more to place it in shape to operate than the Klawock cannery. An independent survey of the Hydaburg cannery in 1964, as mentioned in our letter of May 25, 1965, to Mr. Grant, showed that in order to handle more volume, additions and replacements of \$92,500 would be required in 1964; \$45,000 in 1966; and \$13,000 in 1967. In addition, Hydaburg's boiler was condemned in 1965. Cost of a new boiler and boilerroom foundation has not been definitely ascertained, but would run in excess of \$25,000."

At this point we are requesting that on-the-spot comparisons be made to determine that this statement is accurate; if not, just what makes the difference. This statement must be proven to our satisfaction as it is hard to believe without details where Klawock cannery is \$150,900 better than Hydaburg's. The survey taken in 1965 that included details covering the improvements was held to be of a confidential nature. For this reason we were denied permission to have a copy of said report regarding our business thus denying us the right to agree or disagree depending on what was said therein. We must be presented with two budgets; one showing a Klawock operation; one showing a Hydaburg operation which was never done. Our last manager, Mr. Fred Gunderson, to our knowledge, never presented to us for study any such budget. Therefore Mr. Bennett's remarks of the amount of funds required to operate Klawock is without proper comparative basis. The boiler looks good to us from the outward appearance and it is unbelievable that we should be required to replace the entire unit especially if it can be repaired for one-tenth or so of quotation made by Mr. Bennett. Mr. Bennett further states that the boilerroom foundation needs to be replaced entirely. If this is an indication of the accuracy of his study in bringing about the decision to operate Klawock instead of Hydaburg then perhaps all of his statements should be checked for accuracy. We checked out boilerroom foundation and found it to be as good in shape as the day it was constructed. Others better qualified will comment on boiler inspection.

Mr. Bennett states: "Hydaburg does not have a adequate fresh water supply."

The waterline was recently repaired by Public Health Service and is in real good shape. For protection against accidental water main troubles we have the following safeguards:

1. Water pump station at creek which is excellently set up for emergency purposes only.

2. A large water storage tank. It is not essential as Mr. Bennett states but merely set up for emergency use only.

We had but 1 accident in the 20-plus years of cannery operations here which is an enviable record but Mr. Bennett is trying to downgrade our entire system because of this.

Mr. Bennett is getting ridiculous in his arguments when he states: "Presumably a high wind has caused the large warehouse and cold-storage building to lean toward the cannery building. This would entail additional expense."

The wind did cause a very slight bulge in the north side wall when windows on the south side gave way to wind forces thus the sudden force did very slight damage. If you weren't told about the accident you would never tell this happened. That section was reinforced the year it happened and does not require additional expense. The entire building has been taxed to capacity with canned and frozen salmon storage since the accident and has shown no indication of weakness as he infers. No other building could have withstood the wind forces of that day which exceeded upward of 100 miles per hour under the same kind of accident.

Mr. Bennett states: "Klawock's costs of production are lower than Hydaburg's." At this point we shall request Mr. Sargo Giss to make a comparative analysis of the two plants for at least 10 years back. In a 1961 comparative analysis Hydaburg was then ahead of Klawock. Generally speaking, this is governed by numerous factors relatively the same at each plant as both utilize the same machinery and same method of processing. Any difference is due to condition of plant facilities and ability of manager. Some years even the size of fish is a real big factor as to cost. So, if you follow, this is really not a real conclusive argument in comparative facts.

Mr. Bennett states: "One other factor that influenced the decision to operate at Klawock was the confidence that the Klawock people demonstrate in their cannery manager, and the manner in which they support him, and so forth." It would be interesting to know just who contributed this statement as we have given our manager all the support possible. He again forces our hand by bringing in such arguments and so doing is building up undesirable human relations among those involved in this dispute as we must rebut to such statements. One boat, not too long ago, left the Klawock association because of dissatisfaction. Just this year two more were trying to get someone else to buy them out of indebtedness from Klawock. This was told to one of our members directly by the parties seeking this action. This to us does not represent peace and harmony. It behooves us to argue in this manner but the Bureau elects this route although we prefer to keep the arguments based on financial, physical, and fairness reasons; no other.

Mr. Bennett states: "We hope conditions in the industry will improve to the point where both canneries can again be operated." Now we understand the price of pink salmon has gone up to \$28 per case. Our pack is of this species mostly. If this is true I think we should be allowed to operate independently or preferably stay with an alternate year plan which really is the best but with each plant having their own manager and bookkeeper when not operating.

In years Hydaburg was the operating cannery and Klawock was idle it was not necessary to borrow any of their equipment. Nor would this be necessary now. If Klawock had to buy the following for their operation last year, and this, the amount of money involved would have added several thousand dollars to their budget:

1. Approximately 60 pieces of piling was taken. Which they paid \$1 per foot for. When it is necessary for us to replace this deal we will have to pay approximately \$4 per foot. Mr. Merland should be compelled to pay the going price. This is one of many disadvantages of having one manager of two places.

2. A considerable amount of cooking utensils, beds, and bedding was taken from the bunkhouse.

3. Practically all of the pallet boards were taken.

4. Almost all of our coolers were taken.

5. One Hyster was taken.

Mr. Edwards, certain factors that must have weighed heavily in deciding which cannery was chosen to be the operating cannery, need to be ascertained at this hearing; they are:

1. Let's check and compare Hydaburg and Klawocks warehouse space here and there.

2. Let's check and compare Hydaburg and Klawocks cooling space here and there.

3. Let's check Hydaburg and Klawocks retort capacity for what each had in 1964, here and there.

4. Let's make a comparison of audits to seek out the cost of production on a case basis. What the audits show from 1964 for at least 10 years back. We

should bear in mind that the more cases produced the smaller the cost per case; this is true because of certain fixed costs.

5. Let us together check out the boilerroom foundation to show how relentless Mr. Bennett is in his free-swinging statement of facts. This alone will cast a shadow of a doubt on all of his remarks. In view of this statement of fact, second check of the boiler should be made with one of our experienced boilermen observing. It is unreasonable to replace all of a boiler when minor repairs is all that is required.

6. We want you to get a copy of the 1964 survey that was conducted on our plant, now, before the hearing is over, so together we can review and determine what the \$150,900 improvement item covered.

7. We demand to see a budget prepared by our last manager, Mr. Fred Gunderson, covering the combined operation plan for the season of 1965. We can tell you now, Mr. Edwards, no such plan exists, as we were never asked to review any such plan prior to the time we were asked to sign Modification 10 and 11, sight unseen, so to speak. You recognize, Mr. Edwards, we are arguing in our behalf at a great disadvantage; we sight the fact our manager and bookkeeper were released without our permission. Their abilities and experience would each help beyond all reasonable doubt in this dispute. The arbitrary manner in which they were released lends us to believe this action was deliberately planned to quell our efforts to cause any type of a dispute.

8. Let us all go through each plant together, examining top to bottom, so to speak, with Mr. Lars Nerland pointing out all the way along the line the advantages and disadvantages in answer to questions we will ask. This is essential in view of fairness.

It has been pointed out certain improvements planned for Klawock such as brine chill facilities were never started nor completed for the year 1965. We would like to point out here and now that any or all improvements that we budgeted in any year past have always been completed far in advance of operations. This indicates a reliable crew which is essential to lower cost production. Suppose last year was a better than average year, Klawock would have been exposed to severe criticism because of the failure to complete improvements. It was brought to our attention at one time on a fair day 22,000 of 55,000 delivery was diverted to another cannery because Klawock could not handle. We can safely say our plant can process a like amount in 10 hours with ease. Before someone else tells you otherwise we would like to point out now that these facts denote real top processing as these standards go.

To try to illustrate one factor that has been played down all too lightly although the word has entered into correspondence and arguments several times and it is cooperation. This is something money usually does not buy; we sight: Foreign aid, doled out, we might say, indiscreetly in some cases, yet we do not get full cooperation from its recipients. Cooperation is an element that only fairness can finally bring to its full potential. This being the case we will quietly submit to an alternate year plan as for as long as conditions indicate this to be of necessity.

In conclusion may I state that we respectfully request that Mr. Stewart Udall, Secretary of the Interior, Washington, D.C., reverse the decision of the Bureau of Indian Affairs to operate Klawock in the 1966 season. Instead, operate Hydaburg. Thence in the future should this type of operation become necessary again the alternate operation plan be adopted. A decision must be reached by April 1, 1966.

We remain willing to entertain any proposal which would be of mutual advantage to the two communities, but we are steadfast in our determination not to participate in any arrangement which would affect the indefinite closing of the Hydaburg cannery and the continuing operation of the cannery at Klawock.

If satisfactory agreements cannot be negotiated with Klawock; then give us the right to explore the possibility of negotiating operational plans with other companies in the same business.

SUGGESTIONS

1. Repair and maintenance work should be conducted on idle year if alternate year plan adopted. One-half of savings on combine plan should be given to idle plant for improvements to community.

2. Diversified lines of fish products should be thought about and plans laid to experiment with such products as smoked kippered coho salmon and pickled coho. Both could be packed in one-half pint jars. I believe a market would be good for these items.

3. Diversified plans can only be carried out with the removal of the Seattle office, which is an unnecessary expense anyway. Phone answering service is adequate representation there now with modern communication available here. Let's not abandon expensive plants but make them work and cause expansion instead. People should be relocated here, not away to places that are overcrowded already.

I wish to thank all the good people that made this hearing possible.

I thank you.

STATEMENT OF FLOYD FRANK, SR.

Mr. Newton Edwards, associates and friends, I would like to make a brief statement concerning the boiler at the cannery here at Hydaburg.

To my knowledge the boiler was in good working condition at the end of the 1964 canning season.

Before the 1964 canning season, as the fireman salmon cook of the plant, I made some repairs with the help of one of the cannery mechanics. After these repairs were made an inspection was made by a qualified boiler inspector who issued a certificate to the cannery. The certificate states the boiler was in excellent shape at the time of the inspection.

To my knowledge there has been no inspection made of the internal parts of the boiler and this has to be made to determine safety of the boiler.

Mr. Bennett's letter of February 18, 1966, indicates that the boiler was condemned in the summer of 1965. This statement is untrue and should have not been cited as a reason for the closure of our cannery again in 1966.

We have five retorts and the capacity of each retort is 105 cases—a total of 525 cases when all are full. When the cannery is operating at full capacity one retort is filled every 20 minutes. The present boiler and retorts are adequate to handle any sizable amount of fish.

With minor repairs I know that this boiler and retorts will service our needs for some time longer. As for the productive ability of the canning and cooking facilities, at the cannery, we are capable of handling approximately 5,000 fish per hour or approximately 312 cases per hour. This balances out with retort capacity of 315 cases per hour.

I am grateful for the opportunity to present these facts and I thank you kindly for this privilege.

STATEMENT OF ED SANDERSON

A major cause of complaint throughout the cannery dispute has been the high-handed and seemingly arbitrary treatment the BIA has accorded the people of Hydaburg. As an example of that treatment, I offer this report of the dismissal of Mr. Gunderson, Hydaburg's cannery manager until 1965, now manager of the BIA cannery at Kake.

Mr. Gunderson was terminated early in 1965, but no notice of his termination was given to the council. Under what section 66, paragraph 13, of his management contract was he terminated? The only relevant section is section (c): "The Commissioner may terminate the contract at any time without prior notice to the manager for misfeasance, malfeasance, or nonfeasance on the part of the manager, or for other cause which, in the opinion of the Commissioner, is serious enough to make immediate termination necessary." Was the manager guilty of misfeasance, malfeasance, or nonfeasance? What other causes did the Commissioner consider in making his decision to terminate the man's contract?

Mr. Gunderson was selected by the BIA to manage the Kake cannery in 1965 and again in 1966. This fact leads us to question the reasons for his dismissal here. Was he guilty enough of misfeasance, malfeasance, or nonfeasance here to warrant dismissal, yet not guilty enough of misfeasance, malfeasance, or nonfeasance to forbid his employment at Kake? It is hardly necessary to point out that the termination here and subsequent employment elsewhere of Mr. Gunderson by the BIA requires a full and satisfactory explanation to the council. A year has passed since the termination became effective. No explanation has been made.

If Mr. Gunderson had information of BIA activity relating to a decision affecting the operation of Hydaburg's cannery he would have been required, under paragraph 4, section (h) of his management contract, to furnish a report of such activity to the council when such a report was requested. If the request

was made, and if Mr. Gunderson had such information yet failed to report it, he violated the terms of his contract. According to the minutes of the Hydaburg Cooperative Association for March 26, 1965, such a request was made: "Request from council for information as shown in minutes of February 9 has not been received from the manager of BIA. Council is in the dark as to developments regarding operations." Furthermore, Fred Grant, Jr., requested the same information in a letter to Fred Gunderson dated March 19, 1965: "Everyone is anxiously waiting news concerning a 1965 operation. Keep us posted."

A letter from Fred Gunderson to Area Director Bennett dated February 26, 1965, is relevant here. "I hope Mr. Wright will soon get information in Washington about the 1965 operation so that you will be able to go to the people in Hydaburg and discuss their position and explain to them that in Washington's best judgment I was directed not to discuss any information that came to me with anyone."

"Much against my better judgment I have not discussed or written the council any of the possibilities that they might be faced with for the coming season."

"This pathetic letter makes plain not only the violation of the contract Mr. Gunderson was forced into, but also the secretive and deceptive methods the BIA has employed in its dealings with the people of Hydaburg."

Mr. Robert Bennett, Assistant Commissioner of Indian Affairs, stated in a letter dated February 18, 1966, to the Hydaburg Cooperative Association Council that one of the factors, which decided the joint cannery operation be held at Klawock, was the confidence the people of Klawock have shown in their cannery manager, also that Klawock had efficient management. How does he justify this statement as a factor. The implication here is that Mr. Fred Gunderson, our last manager of record, lacked efficiency and did not enjoy the confidence and support of the Hydaburg Cooperative membership. Mr. Bennett offers no proof of this in his letter and it is my contention that every statement quoted in support of the decision to operate Klawock over Hydaburg be substantiated and this I submit cannot be done, and should not have had any bearing on this important decision.

STATEMENT OF ROBERT SANDERSON

Mr. Edwards, and associates, visitors and members of our village association, this statement has been prepared to present our side of the dispute with the Bureau of Indian Affairs. Copies of the petition to the Secretary of the Interior, with the letter of transmittal, and copies of correspondence between Mr. John O. Crow and Mr. Robert Bennett, Assistant Commissioner of Indian Affairs, will be referred to.

First of all, let me state the case for a joint operational plan, alternating operations between the villages, stressing fairness and cooperation. Klawock needs the production of the Hydaburg fleet to operate; we would need the production of the Klawock fleet. The cooperation of both parties must be obtained. The only way cooperation can be obtained is by alternating operations at each plant. To do otherwise, is to invite disaster. If for instance, the Hydaburg fleet had refused to cooperate with Klawock during the 1965 season, losses would have been incurred which would take years of joint operational savings to make up for the losses. Any plan that would concentrate operations in one plant while closing down indefinitely the other cannery, with the resultant impact upon the community, can only fail. We maintain that we have the better cannery and set up for operation; but realize that we cannot ask for the operation each and every year, and close down Klawock indefinitely. We need their production, they need our production. Cooperation and very definite agreements are essential for successful operations of the respective canneries. Only a plan of operation, to be conducted at each plant on alternate years, can be successful.

Incidentally, we proposed by letter to the area director, that this plan of operation be carried out; Hydaburg to have the 1965 operation, as it was their turn; Klawock to have the operation the following year, with the understanding that Hydaburg would fully cooperate in this case. This alternate plan of operations would continue until conditions change whereby, both canneries can operate independently of each other. We feel that this was a fair and reasonable proposal, but this proposal in due course was turned down by both the BIA and the Klawock council.

Statements have been made by Mr. Bennett and Mr. Crow purporting to show the superiority of the Klawock operation over that of Hydaburg, enough apparently, according to them, to reject issues of fairness and cooperation.

The reasons given for the closure of the Hydaburg cannery and the decision to combine operations at Klawock are, in our opinion, misleading, inadequate, and without foundation. A letter of transmittal to the Secretary of the Interior, dated February 2, 1966, and signed by myself as Secretary of our DA organization, expresses our side of the dispute with the BIA.

First of all, these decisions were made without the knowledge and consent of the council, who were given no opportunity to present our side of the case. Questions we asked were not answered. Information was deliberately withheld from the council. On several occasions, he was asked to give information on the type of operation decided upon, or even hints or other knowledge of the probable type of operation that would take place. Reports and information were to be furnished to the council upon request. This is in the manager's contract. Evidently, it was deemed important enough that the BIA felt it necessary to deliberately request the manager to withhold information from the council, even though the manager, by so doing would violate his contract with the association. To our knowledge, such a request has never been made of the manager before. We contend that this was done and information deliberately withheld from the council, and made known at such a late date, to make futile any efforts by the council to rectify the situation. Our managers contract was terminated effective the day of the announcement, thus depriving the council of his services to argue effectively on our behalf.

This was done as an "economy" measure by the BIA, who then put our cannery enterprise in the hands of the Klawock manager. In another case, however, the Angoon Community Association had no operation in the year 1965, selling their salmon outright to Peter Pan Seafoods. However, they were forced to keep their manager at \$11,000 salary per year, and whose sole function was to oversee the boat relending operation payments thereof, a mere bookkeeping function, which could have been settled by agreement between the BIA and the private operation concerned. Yet the Hydaburg association was deprived of a manager, whose responsibilities would be much greater than one at Angoon, under the condition described. We were deprived of the services of our own manager. Not one point favoring Hydaburg has been mentioned. If we had our own manager, he would right now be presenting our case in our behalf on this matter. All correspondence points out the supposed superiority of the Klawock cannery over that of Hydaburg. There must be some reasons to support a Hydaburg operation. Why are these reasons not presented? Were direct comparisons made? Can they be supported by facts and figures? Mr. John O. Crow, Assistant Commissioner of Indian Affairs, gave these reasons for closure of the Hydaburg cannery:

Klawock can be more efficiently operated for the following reasons:

1. Central location of the Klawock cannery to the fishing grounds.
2. More space and living quarters for transient workers.
3. Superior retort and warehouse capacity of the Klawock cannery.

We contend that these reasons are ridiculous and without foundation. We challenge the BIA to prove their points, as these reasons were deemed sufficient to scrap the plan of alternate year operations and close down the Hydaburg cannery. Also, we ask that data be provided to show the estimated financial savings from the reasons cited above, and why.

In our position, these reasons were refuted and reasons given. A letter was subsequently received from Mr. Robert L. Bennett giving reasons for the closure of the Hydaburg cannery for the canning season. He does not give facts and figures to support the reasons above, but has been trying to dig up other reasons to support their decision. His letter may be referred to.

First of all, he states that events have fully justified the decision to combine operations to operate at Klawock. The loss was cut from \$250,601 to \$57,407 over that of 1964. A combined operation was probably justified but not necessarily at Klawock. The real saving was the price advance from \$18 per case to \$26-\$28 per case on the selling price of canned salmon, making a difference of several hundred thousand for the combined operations, although I do not have the exact figures in the absence of an audit. Mr. Bennett's statement is misleading and does not show the full side of the overall picture.

Mr. Bennett states that the Klawock fleet has more production than the Hydaburg fleet. Another misleading statement. In a combined operation, the

catch of both fleets are processed together, and the salmon pack would be the same, regardless of which plant is in operation. How would this have a bearing on the case? Is there a financial saving because of this?

Mr. Bennett states that the Klawock cannery has efficient management, and it would take any manager considerable time to bring the Hydaburg cannery up to the same standard. What can Mr. Bennett mean by this? Both the canneries are under the same management, and the same personnel will be involved, and each should incur practically the same costs. If by inference, Mr. Bennett was referring to the former manager of the Hydaburg cannery, why was he immediately assigned to the Kake cannery, and another BIA-sponsored cannery, if his management was not up to standard?

Mr. Bennett states that it is difficult to decide which cannery will be closed as one village is bound to be disappointed. All this can be avoided, if a fair, alternating plan of operations were employed, as in past agreements with the Klawock association. Mr. Bennett contends also, that alternate plans of operation are wasteful and require duplicate improvements and repair facilities. We can only surmise, that it is the intent of the Bureau to close down the Hydaburg plant for a number of years and use the savings from joint operations to build up the Klawock cannery. Under the joint operation agreement, Hydaburg is responsible for one-half of the repair and maintenance of the Klawock cannery, yet the entire burden of repair and maintenance of the Hydaburg plant will be born by the Hydaburg association, if and when it is ever decided to operate the Hydaburg cannery again. In any case, neglected maintenance and repairs can be more expensive in the long run, although, in all fairness, it must be stated that repairs and maintenance at Hydaburg would be much less than that of Klawock, and a strong argument in our favor, contributing to reduced operational costs over that of the Klawock cannery. The very nature of the capital improvement of the Klawock plant for the year 1965 (repairs of old and overaged equipment and repairs to meet the sanitation requirements), point to the added costs of maintaining and repairing an old cannery. These costs and repairs seem to be incurred every year. At the end of the year 1958, both canneries were indebted to the Government as follows:

Hydaburg -----	\$1, 093, 064
Klawock -----	1, 099, 457

It can be seen that both canneries were very close in their indebtedness, Klawock owing \$6,000 more. However, the last figures that were available to me show Klawock owing approximately \$600,000 more than Hydaburg (Hydaburg owes \$1.4 million Klawock \$2 million.) These figures could be perhaps corrected and brought up to date and the present indebtedness of both canneries furnished for comparison. Both canneries have had capable managers up to the present, production has been practically on a par. Klawock even has a slight advantage. We can only surmise that the great increase of indebtedness of the Klawock association over that of Hydaburg was the result of renovating, improving, repairing and maintaining an old cannery over that of a new cannery. This should be taken into account, on long range projections of operations.

Mr. Bennett points out the inadequacy of the Hydaburg water supply and points to failures in the past. This has happened once during the history of the cannery operation. A combined joint financing of repairs of the cannery, State rural development agency and town of Hydaburg was undertaken, whereby, 5,000 feet of new pipeline, a water tank and a standby pump for emergencies were installed in the spring of 1962. During the year 1964-65, the dam was renovated and repaired, pipeline and bridges were repaired or replaced, and exposed pipes insulated. Mr. Bennett should be aware of this, as it was his office that approved the expenditure of cannery funds to assist in this project.

Mr. Bennett states that a factor in the selection of the Klawock cannery was the confidence they have in their manager. This may be true, as during the last 7 years, Klawock has operated every year while Hydaburg will have been shut down three times. His success in obtaining the operations these years, is the largest factor in gaining the people's support. This could change though, if they had shut down 3 years and Hydaburg operated each year.

Both canneries are basically one line operations, with the same capacity. The bulk of the costs, if under the same management, would be the same. I pose this question to Mr. Nerland. With the exception of variations caused by pact value, would operating costs under your management be higher at the Hydaburg plant than at the Klawock plant? The BIA contends that it is. If your answer is yes,

please explain and justify your reasons. State the excessive costs involved in alternation operations, in general, and also specifically to the Hydaburg operation.

In your opinion, would a fair, workable agreement between the two parties concerned be preferable to possible noncooperative and bitterness because of an unfair decision with resulting repercussions?

To Mr. Giss: Under the same management and the same personnel, would a joint operation conducted at Hydaburg, show a greater loss, and why?

We had asked that BIA personnel be here to explain their position and answer questions. Regrettably, they have not appeared, as should have Mr. Gunderson, our last manager of record. This, in effect, limits each party to dispute to making statements, which they will not have to support under questioning.

A statement by Mr. Bennett that alternate plans of operation are expensive and wasteful, with the implication that operations are to be conducted in one plant only; such a statement and plan of operation would be, in my opinion, the surest way to insure lack of cooperation, and disaster for both operations.

A statement that \$96,000 would be needed to make the Hydaburg cannery operational. Who made the independent survey referred to? Are these improvements absolutely necessary? Klawock budget calls for approximately \$52,000 in capital improvement. Is this based on an "independent survey"? If Hydaburg had an operational budget, I am sure that the figures would not coincide with that of the "independent survey."

Another point of interest, lack of funds is cited for the primary reason to combine operations. Estimated savings approximately \$50,000; \$25,000 to each association, capital improvement to the Klawock association to safeguard joint operation exceed the proposed savings by joint operation. Very little capital investment would be needed if Hydaburg operated by itself.

In conclusion, a very clear-cut understanding of the duties and function of the council should be furnished. If they are to have no voice in the formulation of decisions and plans of operation, then there is no need for a council, and it should be dissolved. The Bureau of Indian Affairs has condoned a policy resulting in the buildup of one operation at the expense of the other. If not corrected, such a policy will result in the disintegration of our fishing fleet, canning association and eventually our community.

We request, therefore, that in the interest of fairness, and taking into consideration points brought out in our arguments, the decision to operate in Klawock during the year 1966 be reversed, and the operation to be conducted in Hydaburg. We also request that a policy of alternate year operations be reinstated on a fair, equitable basis. We cannot participate in any plan keeping the operation at one plant, (Klawock) and cannot and will not support an operation at Klawock, under present conditions.

HYDABURG, ALASKA,

March 19, 1966.

DEAR BROTHER: After reading the enclosed statements etc. you will note we feel it is worthwhile to oppose Mr. Bennett's appointment as Commissioner of Indian Affairs. His attitude toward us can easily mean his policies overall will affect you too. We urge you to oppose his appointment through the direction of correspondence to the right people. Our suggestion to Mr. Morken should also be noted.

Best regards,

SYLVESTER PEELE,
President, Camp No. 6.

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