

Statement of Ken Smith, Consultant for the Grand Ronde Tribes, before
Congressman Les AuCoin

August 10, 1987

Congressman AuCoin, it's a pleasure for me to present my views on the two bills to establish a reservation for the Confederated Tribes of the Grand Ronde Community.

As you know, I have spent all my working career in Indian Affairs. I am an enrolled member of the Wasco tribe in Warm Springs, Oregon and worked for the tribe for 22 years. Then in 1981, I was appointed by President Reagan to the office of Assistant Secretary of Interior, where I was in charge of the Bureau of Indian Affairs. I spent the first term (4 years) in Washington D.C. and then came back home to Oregon and set up my business as a consultant for Indian Affairs.

This background and experience has given me a wide range of expertise in Indian Affairs. From this experience, I have drawn the following opinions that I think are helpful in reviewing these two bills.

We already know that the termination policy of the 1950's was wrong and Congress has rectified it where ever possible. Grand Ronde was restored as a recognized tribe in 1983, thanks to you Congressman, and Senator Hatfield.

We also know that the policy of the U.S. government is to promote and assist tribes to become more self-sufficient, so they can become less dependent on the federal dollar.

I also know, through my experience, that the tribes with resources become more successful in addressing their cultural and financial needs and moving towards being more self-sufficient than tribes that don't have adequate resources. I think the Warm Springs Reservation here in Oregon is an excellent example of what a tribe can accomplish if given the resources and the opportunity.

If the goal is to create a reservation that will give the tribe an opportunity to develop a viable economy and promote self-sufficiency, and if the reservation is going to make a positive contribution to the economy of the greater Sheridan/Willamina area, then we should all support Bill Number 1.

I would like to compare the two bills in what they can do for the Grand Ronde Tribe and this local area.

TABLE 1

Grand Ronde Reservation Bill	<u>No. 1</u>	<u>No. 2</u>
Gross Acres	15,665	5,116
Net Annual Allowable Cut (MBF)	10,042	3,207
*Price Per Thousand	*117.12	*117.12
Gross Stumpage Revenue	\$1,176,119	\$375,604
Less Intensive Forest Management (10%)	\$ 117,612	\$ 37,560
Net Revenues to Tribe	\$1,058,507	\$338,044
<u>Payment to Three Counties</u>	\$ 15,665	\$ 5,116
Amount Available for Tribal Programs	\$1,042,842	\$332,928

*Average stumpage rate received by BLM for the Grand Ronde block of timber during the 5 year period of 1982-86.

TABLE 2

IMPACT OF BILL NO. 1 ON AMOUNT OF FUNDS THAT ARE KEPT IN THE LOCAL AREA.

<u>PRESENTLY</u>	<u>BILL NO. 1</u>
O & C Land (kept whole)	(same)
P/D - Land:	
96% of all receipts goes back to the U.S. Treasury and 4% goes to the state and is redistributed back to the counties.	Tribe receives 100% of all receipts.
Gross Receipts \$1,176,119	Gross receipts \$1,176,119
U.S. Treasury \$1,129,074	Tribe receives \$1,176,119
To;State \$ 47,045	
To 3 local counties:	Tribe pays 3 local
\$ 15,665	counties: \$ 15,665
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NET GAIN IN FUNDS TO LOCAL AREA	\$1,160,454

TABLE 3

IMPACT OF BILL NO. 2 ON AMOUNT OF FUNDS THAT ARE KEPT IN THE LOCAL AREA.

<u>PRESENTLY</u>		<u>BILL NO. 2</u>	
O & C Land (kept whole)		(same)	
P/D Land:			
96% of all receipts goes back to the U.S. Treasury and 4% goes to the state and is redistributed back to the counties.		Tribe receives 100% of all receipts.	
Gross receipts	\$375,604	Gross receipt	\$375,604
U.S. Treasury	\$360,580	Tribe receives	\$375,604
To State	\$ 15,024		
To 3 local counties:		Tribe pays 3 local counties:	
	\$ 5,116		\$ 5,116
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NET GAIN IN FUNDS TO LOCAL AREA:			\$370,488

As you can see, in Table 1, Bill No. 1 generates \$1,042,842 of funds for the tribe and Bill No. 2 generates only \$332,928. If the tribe's needs are \$1,200,000, then Bill No. 1 provides 86.9% of the need and Bill No. 2 provides only 27.7% of their needs. There is no question that Bill No. 1 gives the tribe the necessary resources to be able to address their financial needs. It also gives them the opportunity to move towards being more self-sufficient.

In Table 2, Bill No. 1 shows that it generates a net gain in funds to the local community in the amount of \$1,160,454 and Table 3 shows that Bill No. 2 generates a net gain of \$370,488 to the local area. Again, there is no question in my mind, which bill contributes more to the local economy.

Therefore, it is my view that Bill No. 1 would better meet the needs of the tribe. Bill No. 1 would contribute more to the local economy in additional jobs not only for the tribe but for the businesses in the three local counties.

Also, the tribe has placed economic development as a high priority in their annual budget. The result surely will strengthen the local economy by increasing additional job opportunities in future years.

Congressman AuCoin, I see nothing but positive results in creating the 15,665 acre reservation and hopefully you will support Bill number 1.

Thank you Congressman AuCoin.