

(Whereupon, the Navajo Tribal Council reconvened at 1:40 P.M.)

THE CHAIRMAN: We'd like to come to order and proceed, first we have the roll call.

(Whereupon, roll was called, and 58 Councilmember were present at the commencement of the meeting.)

CARL BEYAL: Mr. Chairman, 59 present.

THE CHAIRMAN: We should like to now go this item number 33, scheduled on your agenda. We would like to have the proposed resolution read to the Council, and it will be ready for you to consider.

CARL BEYAL: Mr. Chairman, Members of the Navajo Tribal Council: Here is the proposed resolution of the Navajo Tribal Council.

(Whereupon, the following proposed resolution was read by Carl Beyal and made a part of the record.)

Proposed Resolution
of the Navajo Tribal Council

Urging the Department of the Interior to Approve and Execute the
Water Contract of the Utah Construction and Mining
Company

WHEREAS:

1. Utah Construction and Mining Company, a Delaware corporation, presently holds a lease from the Navajo Tribe permitting it to mine coal from certain lands situated in the Navajo Indian Reservation within the exterior boundaries of the State of New Mexico; and
2. The said Utah Construction and Mining Company has been instrumental in obtaining the location of two large thermal electric generating plants on the Navajo Indian Reservation, which plants are or are to be fueled with coal by the said Utah Construction and Mining Company; and
3. The mining activities of Utah Construction and Mining Company pursuant to the above-mentioned coal mining lease and the establishment of the above-mentioned power plants on the Navajo Reservation have brought and will bring substantial economic benefit to the Navajo Tribe and to its members by virtue of the rents and royalties payable to the Tribe and by virtue of the large number of Navajo Indians employed in the mining operation and in the operation of the power plants; and

4. Utah Construction and Mining Company has large reserves of coal available to be mined within the boundaries of its above-mentioned mining lease from the Navajo Tribe, which are at present uncommitted as fuel for the two above-mentioned power plants; and

5. Utah Construction and Mining Company has made application to the United States Department of the Interior, Bureau of Reclamation, for the purchase of 48,000 acre-feet of water annually, commencing in 1972, from the water stored by the Bureau of Reclamation in the reservoir behind Navajo Dam, and which water purchased by Utah Construction and Mining Company, would permit it to further utilize the uncommitted coal reserves remaining within the boundaries of its mining lease from the Navajo Tribe.

NOW THEREFORE BE IT RESOLVED THAT:

The Secretary of the Interior and the Congress of the United States be advised that it is the desire of the Navajo Tribal Council that the above-mentioned contract between the Bureau of Reclamation and Utah Construction and Mining Company for the sale of water from the reservoir behind the Navajo Dam be approved, and the Secretary of the Interior and the Congress of the United States be petitioned, and are hereby petitioned, by the Navajo Tribal Council to accomplish the issuance and approval of the aforementioned water purchase contract as soon as possible, provided, that said 48,000 acre-feet shall come from the 200,000 acre foot Municipal and Industrial Pool and not come from the 508,000 acre feet allotted to the Navajo Irrigation Project, all as provided in the Act of June 13, 1962 (76 Stat. 96); known as the Navajo Irrigation Project San Juan Chama Act.

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THE CHAIRMAN: You have received the resolution and heard the contents. Right now, we should like to call upon Mr. Hatathli once more and have him go over on this a little more to enlarge upon it. So, we would have the full knowledge of the proposal.

NED HATATHLI: Mr. Chairman, Members of the Tribal Council, and Visitors: First, I'd like to introduce the representatives of the Utah Construction and Mining Company. Mr. E.C. DeMoss, would you please stand, Mr. A.F. Geiger, Mr. Donald Pohlmann, Mr. James T. Curry, and our own Mr. Allen King. (Applause)

These gentlemen have a request to make of the Tribal Council, and I will merely introduce it. If there should be any questions, I will leave it up to the representatives of the Utah Construction Company, and also our own Minerals Department representatives Mr. Pohlmann is here, and Mr. Herb Tsosie.

This morning, rather as of last night, we had a resolution which was drafted last fall. From that information that, at least what my office can gather in accordance with that resolution it has been somewhat erroneous until I made contacts with these representatives as of yesterday morning. Therefore, we had to have another resolution prepared and this is that resolution which is before you this afternoon. Most of you are probably quite familiar with the Utah Construction operation up at Fruitland. They have under lease at the present time approximately thirty-one thousand acres of tribal land. Under this acreage, it is estimated there is approximately in excess of seven hundred and sixteen million tons of coal.

Utah Construction Company, presently is selling coal to the Arizona Public Service Company for the Four Corners plant. The Four Corners plant as you know originally was designed for three units. These three units are now in operation. Just this past year they were authorized an additional two units, which I understand is under construction and would be on the line by 1970. In addition to that I'd like to inform the Council that out of the one hundred forty employees, I have been informed at least eighty-nine are Navajos working in the mine operation.

Now then, as I have indicated before, as recently as yesterday morning, I had the understanding that the request for additional water was to be used in the units that have been approved and are under the construction at the present time. But in our conferences yesterday and this morning, in talking with some of our people, and attorneys, we've been informed that this request for water is to be used for any additional plant, or any additional units which will be authorized, in this case, by the West Group for 1972, and possibly '73. In other words, we're talking about a possible six and seven units, in the Four Corners power plant. I'd like to inform the Council that this request has been filed with the Secretary of Interior, the request for forty-eight thousand acre feet of water to come out of the municipal and industrial water pool of the Navajo Dam. Most of you are familiar with this because we've talked about it any number of times, but there is approximately two-hundred acre feet of water available for municipal and industrial purposes. This is over and above the five-hundred eight thousand feet that is above the allocation for irrigation on the Navajo project.

You are also aware that there are other companies interested in an allocation from the two-hundred thousand acre feet of water, which is in the hands of the Secretary of Interior and also Congress. The El Paso Natural Gas Company, for instance, has in their allocation approximately thirty-thousand acre feet. The town of Gallup we have talked about has a request, I don't know if they have filed it or not, they have been talking about it for three years for approximately fifteen

31,000 ACS.
716 MILLION TONS
COAL

89 NAVAJOS
EMPLOYEES

NEW
UNITS
48,000 A.F.

200,000 A.F. M.F.J.
EL PASO
NATURAL
GAS
GALLUP
15,000 A.F.

thousand acre feet of water. And New Mexico power Company, I understand, has an application for some of this M & I water.

So, the decision of the Council is primarily as to which of these companies will do the most good, which will give the Navajo Tribe the most returns for its natural resources development. And the request here, as I have indicated to you, there are quite a few applications for the M & I water and your decision will be this, those people, those companies, those firms, who are interested in development or resources, which would mean employment and income to the Navajo Tribe, these are the companies that we should back in their requests for water allocation and this is one of the companies. This is the decision that you are going to make, and this is a request of the Utah Construction Company in presenting this resolution.

JOHN BROWN: Mr. Chairman, Members of the Council: I'd like to ask Mr. Hatathli a question. Mr. Hatathli, I didn't quite get all of your explanation. Did you say that something wasn't administered in compliance with June 13, '62, irrigation project San Juan Chama Act?

NED HATATHLI: The only reference I made to the irrigation project, was that this request for water and the water that is set aside for M & I purposes is over and beyond the five-hundred eight thousand acre feet that is earmarked for Navajo Irrigation Project. Is that what you mean?

(John Brown, indicated in the affirmative.)

FRANKIE HOWARD: Mr. Chairman, Members of the Tribal Council: In consideration of this resolution, where it states that this will bring a substantial economic benefit to the Navajo Tribe, now, I'd like to ask a question in regard to what kind of a negotiation was made in regard to royalty payments to the tribe. What percentage will the company pay for say a ton of coal, what do they want to pay to the Navajo Tribe in regard to royalty?

COAL ROYALTIES

HENRY POHLMANN: Mr. Chairman, Members of the Council: Mr. Howard asked what percentage do we get, I think it was, what percentage of a ton of coal, and what kind of negotiations were made? Well, negotiation-wise, there was no negotiations made this week. This contract was negotiated sometime back. It's a contract, and we can't change that now, and no negotiations took place along that line. You ask what percent do we get in a ton of coal, well from the December royalty statement--would you please turn the blackboard over so that we can see those numbers? On the back side of this board we've placed results of the December royalty statements from Utah, and percentage-wise, it's about six point one percent we get, and the coal sells for two dollars and forty-six cents a ton, in December it did.

6.1%

\$ 2.46 / ton

FRANKIE HOWARD: Mr. Chairman, I'd like to further question the negotiating that was made in the past, only concerns the present power plants that exists today. But, it does combine with the Four Corners power plant that was being constructed, and also the future power plant that will be constructed. If that is so, if this is not so, I'd like to get a clarification on it, and also this resolution states that water will be sold to Utah Construction and Mining Company. Does this mean that the Navajo Tribe owns this five hundred, I mean two hundred thousand acre feet, and it has nothing, the Bureau of Reclamation Department has nothing to do with it, only the Tribe owns this water, is this so? I'd like to ask a little more on this sale of water. If the Navajo Tribe is going to sell this water what would the company pay to the Tribe on the acre feet of water that will be sold?

HENRY POHLMANN: Mr. Chairman, Members of the Council: I understand there were three questions. The first question has to do with this original lease. Does this mean that this coal will be used in one plant, two plants, or three plants? This coal lease doesn't say how many plants the coal is going to be used. It says these people, the Utah Construction have under lease in excess of seven-hundred sixty million tons of coal and our royalty from that coal will be fifteen cents a ton except for the last perhaps one hundred fifty million tons we will get twenty cents. But, it doesn't say in there where this coal will be used. I would like to call upon Mr. DeMoss, for the other questions, which revolve around water mainly, who collects the money for this water and then the third question, as I understand, what are we going to get out? Well, I don't think we'll get anything out of it, because it's not really our water, this portion of it, this is the commercial supply. If Mr. DeMoss would be so kind as to comment on these point, we would appreciate it.

E. C. DE MOSS: Mr. Chairman, Members of the Tribal Council: I understand the first question is, does the Navajo Tribe own the two-hundred thousand acre feet of water that we're attempting to contract? The answer to that question is, this is water that was provided in the Navajo Dam storage project, and is made available for sale by the Bureau of Reclamation. This is not the Navajo Tribe's water, this is over and above five hundred and eight thousand acre feet referred to in the last sentence of the resolution.

The next question was, I think, relative to an affirmative answer on the first one, does the water belong to the Tribe. However, I might explain that the price of this water to the Bureau of Reclamation, is a result of negotiations with various companies for this water by the Department of the Interior and Bureau of Reclamation, what should be charged for this water. And it has been decided that the price would be seven

dollars an acre foot per year. It is seven dollars an acre foot and we would use by the contract forty eight thousand acre foot per year. May I ask the Secretary if there was another question, I did not understand the other question.

CARL BEYAL: Mr. Chairman, the secretary does not keep the minutes, the reporter has that.

E. C. DE MOSS: I wondered if I had missed another question that Mr. Howard asked. You mentioned there were three questions.

HENRY POHLMANN: I think you answered all of them.

HOWARD GORMAN: Mr. Chairman, I'd like to ask a question to Mr. DeMoss, or whatever his name is. I notice on the board that the Utah Construction Company made lots of money. According to what is on the board there, four hundred thirty nine thousand eight hundred ninety five dollars and eighty cents, while the Tribes share is twenty-eight thousand five hundred seventy dollars and twenty cents. What is equivalent, what is that per ton of coal, that is, how much we received from that ton of coal, I'd like to ask that question.

E.C. DE MOSS: Mr. Chairman, Members of the Tribal Council: The royalty rate is fifteen cents a ton, and the sale price is two dollars, according to this, its two dollars forty six cents. That might be a little bit misleading. This is not Utah's share (indicating). All the expenses of mining have to come out of this. We have labor, we have a hundred and forty people and approximately sixty two percent of them-sixty three percent of the employees are Navajos. We have labor and then after that we have material and supplies. We also use electric power, and all kinds of replacement parts in our machinery. We have to have depreciation on the larger equipment that we buy. All of this has to come out of Utah's share. The sale price I, can make this comment that at the present time, to my knowledge, this is the cheapest coal of any place in the United States, with the exception of the lignite mines in North Dakota. And we make a very modest profit and the reason we made a modest profit is because it is a long term operation.

HOWARD GORMAN: I'd like to ask another question. When you say that a certain percent of Navajos are working employed, I'd like to know just how many, in comparison with the non-Navajo are working there. Give us a number. just to say sixty-two percent is just a vague figure. Then what percent, or rather how much in comparison does the Navajo payroll consist of, Navajo employees? Then the last question would be you are requesting forty-eight thousand acre feet of water out of five hundred eight thousand acre feet of water reserved for municipal and industrial purposes. How much will you increase in the number of employees when you do this? I'm quite sure that

47/A.P./YR

439,895.80
TU
\$ 28,570.20

62% NAVAJOS

CHEAPEST COAL

we would like to know how many it would be, so that we can wisely approve of this resolution.

E.C. DE MOSS: Could I ask Mr. Geiger to answer the first two parts of it, the first two questions.

A. F. GEIGER: Mr. Chairman, Members of the Tribal Council: At the present there are eighty Navajos, and one Cheerokee, and one hundred and fifty gentiles.

E.C. DE MOSS: How about the payroll?

A. F. GEIGER: The payroll? One hundred and twenty thousand dollars a month, and the average wage is about one hundred twenty dollars a week.

HOWARD GORMAN: Is that Navajo?

A. F. GEIGER: One hundred and sixty is the average of everybody.

E. C. DE MOSS: Navajo is the same?

A. C. GEIGER: It's the same.

FRANKIE HOWARD: Mr. Chairman.

E.C. DE MOSS: Did you want me to answer the third question. I can put it on the board.

THE CHAIRMAN: Yes.

E. C. DE MOSS: These are estimates on units one, two, and three. We have just estimated what the employment would be. Now, the present mine operation and power plant, is unit one, two, and three. We have one hundred and forty employees in the mine and, to the best of my knowledge, I think they have about sixty in the power plant. We estimate for the two units under construction, when we furnish coal to those two units, that will be an added two hundred fifteen in the mine, and we estimate that there will be about seventy at the power plant. Now, we don't have anything to do with the power plant so this may be low or it may be high. I don't think it's high, but it may be too low, for the expansion that this forty eight thousand acre feet of water would provide. If we were able to use it all, we would sell another nine million eight hundred thousand tons of coal a year, and it would take four hundred and twenty employees at the mine to do the job. And we estimate the power plant would take about another seventy-five. Now again that might be low. The reason that you -- you add a hundred and forty and two fifteen, you get three hundred and fifty five give or take a little bit, or say around eight and half million tons a year. You might think that you would have a

reduction per ton of coal mined in labor by doubling the capacity, but, in this case, certain things happen when you have to mine the coal farther away from the power plant. So, it takes more hauling equipment and labor, and also you'd have to go deeper to get it, so it takes more labor to strip the coal so that's why the four hundred and twenty is greater.

FRANKIE HOWARD: Mr. Chairman, Members of the Tribal Council: I'd like to recommend to this Council, that the Navajo Tribe should renegotiate with the Utah Construction, because of the fact the Navajo Tribe at the time when they negotiated with the Utah Construction, the Navajo Tribe didn't realize or anticipate the Four Corners power plant was not feasible at that time. So, in the previous negotiation that was made which is fifteen cents a ton of coal, is really hitting the bottom of the barrel, and also the fact that the Utah Construction would be selling a lot of coal to the Four Corners power plant, and we only realize that Utah Construction would be getting rich on our coal resources. So, to this statement, I'd just like to make a motion that we approve this, and also our recommendation stands to this Council. Thank you.

THE CHAIRMAN: We have a motion here to adopt the resolution. I wonder if the gentleman before the Council has a comment as to the last speaker's remark.

E. C. DE MOSS: Mr. Chairman, Members of the Tribal Council: I would like to deny Mr. Howard's statement, that Utah is getting rich off of the Navajo coal most emphatically I'd like to deny this, because it will be a long time before we get our money back that we've had to invest in this whole project since 1953 or '54. We are actually using water that came from the state of New Mexico to develop the Navajo coal, and when we first applied for this water, we applied for over a hundred and thirty thousand acre feet, and all but fifty five thousand acre feet was given up so the Navajo Dam storage project would be possible. We relinquished that and didn't carry our application through. And the water that we are talking about for this further expansion is water that we are willing to pay for to the Bureau of Reclamation and commit ourselves to pay for without having a project, definite project, ahead of us.

CRIG. APPLIED
FOR 130,000 A.F.

ALLEN HARVEY: Mr. Chairman, Members of the Council: You can see that this proposed resolution is merely for the purpose of supporting the company's application for this purchase of water. In other words, we have the Utah Construction representatives here who has made this application and now are seeking our help in obtaining the approval of this application. And they have every means at hand and true it is for our benefit in many ways, because look at the development. Look at how much coal is being mined. Look at the employment the potential, and other things that are tied into all this. And this is what we've been after

all the time, and since the Navajo Tribe already has this allocation, five hundred eight thousand feet-acre feet, then we are in position to help someone else who is seeking water from this source, namely from the other two hundred thousand acre feet reserved for such purposes as this. So, I, in support of this, would second the motion to adopt the resolution.

THE CHAIRMAN: Members of the Council: Mr. Howard has moved to adopt the resolution, second by Mr. Allen Harvey.

HOWARD GORMAN: Mr. Chairman, I'd like to make a correction. Mr. Howard made a motion, he made a stipulation that the Utah Construction Company and the Navajo Tribe renegotiate, because there was no negotiations made in the first place, he made a motion with that stipulation. Now, Allen Harvey, Mr. Harvey made a motion to approve the resolution as it is, without any change. I seconded that motion and I would like to approve the resolution just like this. My reason for stating this is that the gentleman from Utah Construction Company denied that they were making too much money. That was the basis on which Mr. Howard made the motion that the whole deal be renegotiated. I believe, if we were to renegotiate the whole thing, I think we should bring the Arizona Public Service into it, because they may be making too much, you never can not tell. That is the reason why, if we are going to pursue this, I think we're going to have another resolution later on. But, let's approve this resolution as it is, I second Mr. Chairman.

THE CHAIRMAN: We now have on record that Mr. Howard in making the motion had placed the condition in his motion that being the case it was being seconded as intended by Mr. Harvey, but Mr. Harvey did make a separate motion to adopt the resolution that was seconded by Mr. Howard Gorman.

BENJAMIN HOGUE: Mr. Chairman, Members of the Council: I have a question concerning this application in that we're actually concerned about two organizations. It's just as stated by Mr. Gorman here at the end that we have another company or organization to be concerned about this. Since this activity is in District 13, we do have a representative of that district here in this Council, that is Mr. Mason and myself. Of course, we lost our third member here only a few days ago. In fact, it was and it is in his precinct area where we have all this mining activity and so on. In that respect it seems rather odd that we should be promoting or supporting this when there's no real representatives from the immediate area here in the Council.

District 13

As I see it the Utah Construction and Mining Company do not actually use water. I don't see where they can use that. All they do, of course, is get out to the mine fields get the coal mined and haul it into the plant, and on the other hand it's the Four Corners Power Plant, the power plant itself which utilizes water, not the mining company. So I just wonder why this company would apply for water, perhaps, in behalf of the electric power company who utilizes the coal in its production of electricity. In other words, why do they do that? It would seem that the power company itself should apply for this water. It might be that this company, if they wish to again sell whatever water they receive, they would in turn sell that to the power plant.

Then as to presenting us as with figures about the labor force and so on, again, I don't think that would be the real true figures. We hear people complain that all they see out there in the work area are non-Navajos, and then-- So I feel they are not giving us the full information with respect to the labor they have or the number of employees they may expect to have. Then in asking for this water from the 200,000 acre foot provided for purposes as this. We also should like to find out how that will be transported. In other words, we have this 508,000 acre foot allocated for agricultural purposes primarily. Now how would this additional water be provided for insofar as getting it where it's needed. In other words, are your tunnels and canals sufficient to take in this additional 48,000 acre foot of water or would you have to provide a separate line for that and how would it be stored? Then getting back to the resolution on page 2, you have a sentence which says that this would be permitting you to utilize uncommitted coal reserves. I had the impression that these were already committed.

In other words, when we entered into a lease with you that this had been so provided for. So I'd like to get a clarification as to what you mean as to having not committed.

HENRY POHLMANN: One of the obvious questions asked here was an obvious lack of Navajos on the job, I believe, was the point they made. These people say there are 80 Navajos and roughly 60 non-Navajos on the job. This point I think could be cleared up real easy if Mr. Geiger or some other representative kindly would send Mr. Hogue a list of the employees and that would be real simple.

BENJAMIN HOGUE: Mr. Chairman, I was talking about what was going on at the power plant.

HENRY POHLMANN: Oh! Okay. I'm, sorry I can't answer the question about the plant itself. Perhaps one of the representatives of Utah can give some enlightenment on that point, but I can't answer that. I don't know what their reasoning is, why there is a lack of people there. I don't have any idea. Do you? Do you have any suggestions to offer I mean even from left field?

A. F. GEIGER: I certainly don't, the only suggestion I have is to go see the people themselves and find out. I can't speak for the Arizona Public Service Company.

HENRY POHLMANN: I'll take that suggestion. I will go see them and we'll get some answers.

Another question was are the present tunnels and canals enough for the additional water? I think that's definitely can be fielded by one of you gentlemen can't it?

E. C. DE MOSS: The water facilities for the future power plant beyond units 4 and 5 would have to be installed but they would be installed on the San Juan River and the water from the dam would be transported down the river. They would just release the water needed that would flow in their regular stream channel and be pumped out of the river. It's approximately the same diversion point as the present pumping facility.

The last question as I understand Mr. Hogue's had to do with uncommitted coal reserves. Mr. Hogue questions and states that we we committed our reserves. Well that's true this uncommitted that's used in this resolution applies to these people. The reserves are uncommitted as far as they're concerned.

PETE RIGGS: Mr. Chairman, I'd like to ask a very brief question to Mr. De Moss. I've been wanting to ask some other questions but that pretty well has been covered. My question is in selling your coal, Mr. De Moss, what is your-- approximately what is your profit range making your profit selling your coal

before the tax is deducted.

E. C. DE MOSS: Mr. Chairman, the question has been asked, is the profit range-- we've been asked this question before by various people in the Tribe, and have declined to make our figures public because we feel that in the best interest of the Tribe and in the best interest of ourselves that we don't want the power companies, we don't want our competitors to know what profit margin there is. The reason for this is if they knew exactly what it would take to get new business they might under cut us and the power companies would put the squeeze on us and cut the price and we think that the price is the lowest in the country and that alone should indicate that the profit is a very reasonable and modest profit. In fact, with the trouble with the power company had this year when we kept on our labor force and they shut down one of their units for several months because they had a broken steam shaft we suffered some severe economic losses because of this, but because we had other things to do in expansion we kept our labor force on and continued to operate even though the coal sales had dropped for 1966 over what they had expected.

THE CHAIRMAN: Members of the Council: We have a motion and a second here to adopt the resolution.

CARL TODACHEENE: Mr. Chairman, Members of the Navajo Tribal Council: I know you gentlemen are in a hurry to vote, but I just want to remind the Council that there's other items that we have to discuss for a day or two in which as far as finances are concerned we're more less in the future, but in this instance we're talking about the income that's going into our pocket today, the income that has gone into our pockets yesterday and tomorrow. That's what we're talking about. Therefore, we should know what's going on. There are some legitimate questions, I think, that have been brought forth such as brought forth by Mr. Hogue. We do hear complaints from our people.

Now in our estimation since this mining is on the Reservation I want to let Utah Construction know that I am not satisfied with the number of my people that you're employing. I'm not satisfied with that between 50 and 63% employment of people. I would be satisfied when that employment has been brought up beyond 75%, 80%. I'll then have a smile on my face because this is the Navajo land, this is Navajo country. My people need the jobs that's the reason why I feel that way and I say this for the benefit of officials of the Utah Construction Company and this also holds true, Mr. Hogue just stated that since you are tied in you're selling our coal to Four Corners, therefore, you should bear in mind that we're not quite satisfied with the employment of our Navajo people at the Four Corners Power Plant. We want your assistance to tell the Four Corners

Power Plant when you sell our coal to them that we want an equal percentage as I've mentioned, the same number of employment over there in the Four Corners Power Plant. I know that here's what we hear that there are cases at this Four Corners Power Plant where Navajos are janitors then there are non-Navajos who are hired as janitors but then these non-Navajo janitors just work in that capacity for about 90 days then they're promoted to assistant such and such operators and the Navajos continue to be the janitors. The reason why we're expressing these things, like I say, I want to emphasize that we are concerned for our people. We want to work together and the only way the Utah Construction Company or the Four Corners Power Plant are going to know what we think, they can't read our minds, neither can we read theirs.

Therefore, we have to express just what we feel and that's the reason why I'm saying what I'm saying that we're not quite satisfied even with the royalty to tell you the truth. Yes, it's already negotiated. The reason why we're not quite satisfied with the royalty is because we already have gone through the stage of course, I think this is gone now where we got as high as 16 2/3 per cent for royalty on our oil income and that's out of the way. Our Navajo Tribal income is dropping we're no different from anybody else, we want money that's what we want. We want high standards of living that's what we want. That's why we're asking for these things and then we're concerned with uranium. Of course, the uranium industry has come and it's gone too. We got better than 16 2/3 on an escalating clause depending on the richness of the soil and then that's gone too. Now on only other big volume of resources we have left is the coal regardless of the grade. That's the only thing we have and we're just getting 6 per cent royalty on it. That's the reason why we should ask to offset those things for more employment for our people. That's why we say these things and talk about it. Let us know what's going on. We're nobody just like I say, we're no different from anybody else we want to look at our share of it. Consequently, this is why I wanted to pose this question and I don't think it was answered.

HOWARD GORMAN: Question.

CARL TODACHEENE: Question 1 is that, Mr. Hogue was interested he said when you get-- when you pay that \$7 for an acre foot of water, do you resell it to the power company? That was the question that was not answered that's my number 1 question, sir.

E. C. DE MOSS: Mr. Chairman, the answer to the question of whether we resell the water or not-- is that we do not resell the water we would assign, if we could get a customer to build another power plant which in the last case was six utility companies, we would assign the water to them. They would

pay the \$7. We would get nothing else, other than to sell the coal. The coal is no good right now for power without water. So that's why we, in 1953, made application for New Mexico water to make your coal usable and we gave this water to the utility company. In the case the Four Corners Power Plant we don't get one dime for the water not one dime only the sale of the coal.

*
1953
APPLICATION
FOR WATER

CARL TODACHEENE: Question Number 2 is that I'd like to ask since we don't have a leeway in the confidence that we have with the company. Now do you mind if we send our auditors along with the Bureau to look over your books at your head office, do you mind that?

E. C. DE MOSS: Mr. Chairman, well I don't have the authority to give you that but let me say again that this is the lowest priced coal in the United States. There's no place, except the lignite fields in North Dakota, where the coal is sold for less money. Units 4 and 5 the price will be \$2.15 per ton. The price on 1, 2 and 3, I guess is \$2.46. I believe it was just escalated a little bit so that the price of 4 and 5 will be \$2.15. There just can't be any margin--

COAL
PRICES

(Whereupon, there was confusion in the Council.)

CARL TODACHEENE: Mr. Chairman, whom can we ask then-- whose permission would you say you would need to get so that the Tribe and the Bureau of Indian Affairs can audit your books.

E. C. DE MOSS: Mr. Chairman, I think this would have to be a decision of our company's executive committee.

CARL TODACHEENE: Mr. Chairman, the reason why I asked is this, that we have staff in whom we have confidence, also the fact we have guardians over there. We feel that at a certain level there might be exchange of information and now this is not coming forth. That's the reason why we ask. So we'd like to get this clarified. We'd like to get some kind of an answer, and I would ask of Mr. De Moss when you get that person, would you write an answer to Mr. Hatathli so we'd know where we stand, and I think in this matter the importance and the confidence we have that we better get that kind of an answer so we can go along and help each other, because if we don't get information from one another there's no confidence and there's no cooperation so we have to guard it along those lines, too, because we are the landlords and so forth and we're partners. So that's the reason why we're concerned about that. So I would like to ask Mr. De Moss that he get the answer from the executive board and he will write to Mr. Hatathli what the answer is. My last question would Mr. De Moss do what I'm requesting.

E. C. DE MOSS: Mr. Chairman, I'll convey this question on, but I don't offer much hope for getting this information for the reason that I told you before that we just couldn't afford to let our competitors or the utility companies know and if we make information like this public that's what will happen.

CHORUS: Question.

THE CHAIRMAN: And now we'll ask for your vote.

Members of the Council, those wishing to adopt the resolution vote so by standing; in opposition now.

CARL BEYAL: Mr. Chairman, Members of the Council: The vote 43 approved, 1 disapproved.

CHORUS: Recess.

E. C. DE MOSS: Mr. Chairman, I'd like to express my thanks to the Members of the Tribal Council, the Chairman and for spending the time with us this afternoon and we'll make every effort to get the information asked for.

THE CHAIRMAN: Members of the Council: Whenever we call a recess sometimes it means for the day when we don't have the quorum returning so right now we need to get clarification as to your schedule and the schedule of other work ahead.

You've assigned the legislative review committee to start working on that assignment. Now when do you advise them to start meeting and where? That's a question -- another is you also at the same time felt that you should send a delegation to the Washington hearings. Again, who do you send and is it of that committee you should arrange for that.

The next is remembering that you voted to meet only this month, the month of January. Then we also find that the Advisory Committee has a very long agenda awaiting them. The same way with the Budget and Finance Committee who is scheduled to go to work on the annual budget estimates. Here, again the Council has adopted a resolution specifying that this annual budget work should begin in December by that committee. So members of the Council, you need to organize things, and to proceed on this.

Another announcement is if the Council wishes the Indian Commissioner is ready to come and meet with the Council on February 8th and 9th. So when you consider the work of these committees that I've named what do you do with your Council session?

One other announcement was the attendance of the funeral services of Nat Curley. So all that has bearing on our schedule.

KEITH SMITH: Ladies and Gentlemen of the Council, Mr. Chairman, Visitors: As to the work schedule for the Budget and Finance Committee I'd like to inform the Council that our staff had advised that we would get to work on the budget documents on the 15th of February. I understand January 16th that they'll have this ready.

TOM RAFEL: Mr. Chairman, as for the budget session that was arranged to have started on the 16th of February, January, of course, that's past now but for the Council we already decided that we meet through the end of the month but then since you have all these other committees who have work outlined, we might as well just go ahead and adjourn at the end of the week. In other words, go to work on whatever that's left. There are a great many items we didn't get to -- finish up on what we can, and then adjourn by the end of the week. So beginning next week these other committees can tend to their assignments.

CARL BEYAL: Mr. Chairman, Members of the Council: While you're talking about your schedule we've been handed out a copy of a letter by Mr. Todacheene. This is the letter from the Area Director, dated January 25, 1967, it's to Mr. Raymond Nakai, Chairman, Navajo Tribal Council, Mr. J. Maurice McCabe, Director, Administration Division, Mr. Ned A. Hatathli, Director, Resources Division, Mr. Samuel W. Billison, Director, Public Services Division, Mr. Ed Plummer, Supervisor, Land Investigation Department, Members of the Legislative Committee.

(Whereupon, the following letter was read by Carl Beyal and made a part of the record.)

January 25, 1967

Mr. Raymond Nakai, Chairman, Navajo Tribal Council Mr. J. Maurice Mc Cabe, Director, Administration Division Mr. Ned A Hatathli, Director, Resources Division Mr. Samuel W. Billison, Director, Public Services Division Mr. Ed Plummer, Supervisor, Land Investigation Department Members of the Legislative Committee

Dear Sirs:

As you know the Commissioner of Indian Affairs has called a meeting of tribal representatives in Washington, D. C. beginning January 30 to discuss proposed legislation for the development of Indian resources. In the Navajo Tribal Council today there was some discussion about delegates to this meeting, also, there was discussion concerning organization of the Committee. For the further reason that at best the time is short, I am calling a meeting of the Committee in my office at 3 o'clock, Thursday, January 26, 1967, for the purpose organizing the