

DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1979

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

SUBCOMMITTEE ON THE DEPARTMENT OF THE INTERIOR AND
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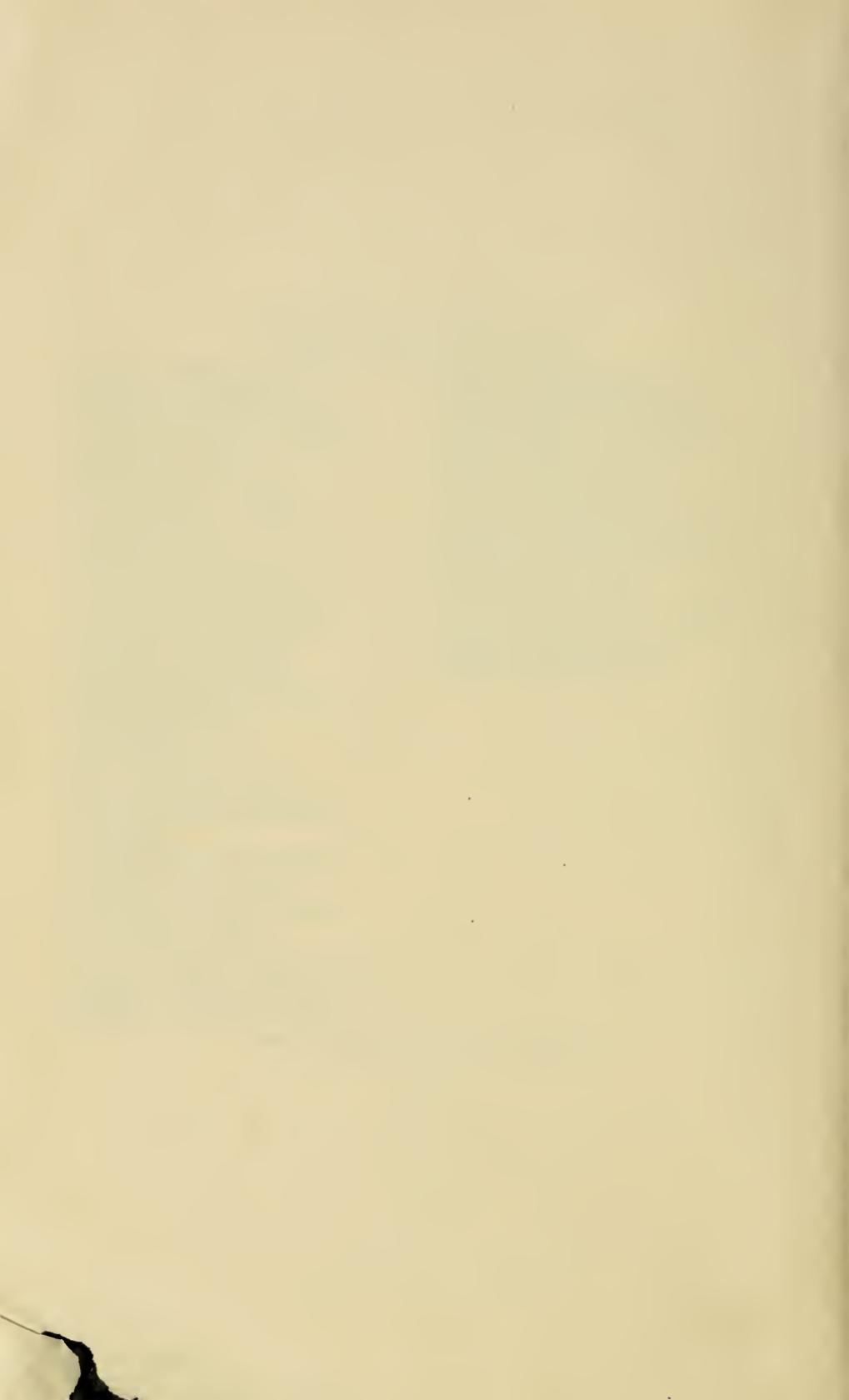
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DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1979

WEDNESDAY, FEBRUARY 22, 1978.

SMITHSONIAN INSTITUTION

WITNESSES

S. DILLON RIPLEY, SECRETARY

JOHN F. JAMESON, ASSISTANT SECRETARY FOR ADMINISTRATION

CHARLES BLITZER, ASSISTANT SECRETARY FOR HISTORY AND ART

DAVID CHALLINOR, ASSISTANT SECRETARY FOR SCIENCE

JULIAN T. EUELL, ASSISTANT SECRETARY FOR PUBLIC SERVICE

PAUL N. PERROT, ASSISTANT SECRETARY FOR MUSEUM PROGRAMS

T. AMES WHEELER, TREASURER

RICHARD L. AULT, DIRECTOR OF SUPPORT ACTIVITIES

PETER G. POWERS, GENERAL COUNSEL

THEODORE H. REED, DIRECTOR, NATIONAL ZOOLOGICAL PARK

JON E. YELLIN, DIRECTOR, OFFICE OF PROGRAMMING AND BUDGET

JAMES E. WEBB, CHAIRMAN, EXECUTIVE COMMITTEE, SMITHSONIAN BOARD OF REGENTS

PHILLIP S. HUGHES, CONSULTANT TO AUDIT REVIEW COMMITTEE OF SMITHSONIAN BOARD OF REGENTS

INTRODUCTION OF WITNESSES

Mr. YATES. This is the hearing on the appropriation for fiscal year 1979 of the Smithsonian Institution.

Appearing in support of that appropriation are two of its distinguished regents, Mrs. Boggs, a Member of Congress from Louisiana, and Mr. Cederberg, a member of Congress from Michigan. Mr. Ripley is Secretary of the institution; Mr. Jameson, Assistant Secretary for Administration; Mr. Blitzer, who is sitting in the first row back there, Assistant Secretary for History and Art; Mr. Challinor, Assistant Secretary for Science; Julian Euell, Assistant Secretary for Public Service. I thought it was for music.

Does that come with public service, Mr. Euell?

Mr. EUELL. I hope so.

Mr. YATES. Mr. Perrot, who is in charge of the whole domain, really, the physical aspects of it, Assistant Secretary for Museum Programs; Mr. Wheeler, the Treasurer; Mr. Peter Powers, General Counsel.

Glad to see you, Mr. Powers.

Mr. Reed, who is with the Zoo, and today without a beard.

What happened to your beard? You have taken off your disguise.

Then we have Mr. Yellin, who is director of the Office of Programming and Budget.

We are glad to have you here.

OPENING REMARKS

Before we begin, I should like to say that we consider this to be a hearing almost in the nature of a historic occasion, for a number of reasons.

First, I want to welcome the Regents who are here. To my knowledge it is the first appropriations hearing at which Regents have appeared, and I am glad to have you participating on this very historic occasion.

The second reason that this meeting has significance is the fact that there have been certain studies made of the operations, the affairs, the activities of the Smithsonian Institution. Some have called them investigations. I prefer to use the word "studies."

This is the first time that we have had an opportunity to have an open hearing upon the reports that have been made by the General Accounting Office, the Comptroller General's Office, secondly, by the representatives of the Regents' Audit and Review Committee, Mr. Phillip S. Hughes.

Incidentally, is he here today? I understand he will be here tomorrow. Also there has been a study by the investigative staff of the House Committee on Appropriations. I am told that there is a vote going on on the floor of the House. We will vote and come back.

[Recess.]

GAO REPORT

Mr. YATES. As I indicated, there were three studies. The first of the studies, the first of the investigations, was by the General Accounting Office, and its report may be made a part of the record at this point.

[The report of GAO follows:]



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-133332.

September 20, 1977

To the Chairman
and Ranking Minority Member
Subcommittee on Interior
Committee on Appropriations
United States Senate

This report discusses the Smithsonian Institution's private funds banking practices, which your Subcommittee asked us to look into, and which were not discussed in our March 31, 1977, report (GGD-77-43) on the Smithsonian.

As of April 30, 1977, the Smithsonian maintained 41 accounts in financial institutions and the United States Treasury. Most of these are small checking accounts used to pay local expenses at Smithsonian locations outside Washington, D.C.

Our review was limited to analysis of the use of five principal accounts--two at the American Security and Trust Company, two at the Riggs National Bank, and a deposit suspense account in the United States Treasury. In our view the Smithsonian has established adequate procedures to keep non-interest-bearing checking account balances at minimum levels sufficient to serve its needs.

FUNDS MANAGEMENT

The Smithsonian Treasurer has overall responsibility for the Smithsonian's financial assets. The investments accounting division in the Office of the Treasurer is responsible for cash management and cash needs forecasting. One employee in the accounting division of the Office of the Treasurer is engaged full-time in monitoring and analyzing the bank accounts and in providing the investments accounting division with information needed in its cash management responsibilities.

GGD-77-67

The investments accounting division attempts through various methods to invest, on a short-term basis, any operating funds which are temporarily available. In the past 2 years several different methods have been used. Currently, any excess operating funds are deposited in a savings account at American Security and Trust or invested in a short-term investment pool.

When the division's forecasts show that a large amount of cash beyond foreseeable current needs will be accumulated, the Smithsonian Treasurer obtains authorization from the Board of Regents to transfer the excess cash to one of four investment trust accounts maintained at Riggs. These funds are available for longer term investment by three professional investment firms.

U.S. TREASURY SUSPENSE ACCOUNT

The Smithsonian has had a deposit suspense account at the U.S. Treasury for its private funds since 1874. Deposits into the Treasury account consist of grants, gifts, receipts from auxiliary activities such as magazine and museum shop sales, and the various other sources of Smithsonian private funds. Some of these receipts, such as grants and museum shop sales, are now first deposited in a Riggs collection account and then transferred daily to the Treasury account. At one time the Treasury account served as the Smithsonian's principal checking account from which payroll and other payments were made. However, that function is now handled primarily through a Riggs payroll account and the American Security and Trust operating account. Withdrawals are made from the Treasury account for transfers to the American Security and Trust operating account, Riggs payroll account, and the other checking accounts. When excess funds accumulate in the Treasury account, they are transferred to an American Security and Trust savings account.

We were advised by the Smithsonian that the Treasury account is also used, in a limited way, for payroll purposes and for payment of some accounts payable. The account is charged for salary payments to private employees who want checks sent to a bank, thus enabling Treasury to merge into one document both Federal and private salary payments of Smithsonian employees who designate the same bank. Occasionally checks are also drawn on the account to pay vendors who submit bills for work chargeable in part to the Smithsonian's private funds and in part to its appropriated funds.

The vendors get one check to cover the appropriated fund and private fund charges. Using the deposit suspense account for these two purposes, according to Smithsonian officials, facilitates the accounting work for the Smithsonian, assures prompt and safe receipt of paychecks for those Smithsonian employees designating banks, and eliminates confusion for vendors who would otherwise receive two checks for partial payment of each bill.

In calendar year 1976 the Treasury account had an average daily balance of \$442,000, according to the Smithsonian's books. The Smithsonian later decided to keep the balance at about \$250,000 by transferring the excess to the savings account. A Smithsonian official recently told us that they would reassess the use of the account and the average balance may be further reduced.

ACCOUNTS AT AMERICAN SECURITY AND TRUST

In March 1966, the Smithsonian opened an account at the American Security and Trust Company for the purpose of depositing receipts from museum shop sales. Later, payments under Federal grants and contracts were deposited in the account. Originally the only checks written on this account were for monthly or bimonthly withdrawals for deposit in the Smithsonian's Treasury suspense account. In July 1968, the Smithsonian began drawing checks on the American Security and Trust account to pay some operating expenses and began making deposits to it, when necessary, from the Treasury suspense account. The account became the Smithsonian's primary operating account--taking over that role from the Treasury suspense account. The change was made because the Smithsonian Treasurer believed that the private bank provided more timely service and information on the operating transactions flowing through the account.

In April 1977, the Smithsonian discontinued using the American Security and Trust operating account as the initial depository for museum shop sales receipts and payments under Federal grants and contracts. All such receipts now go to the Riggs collection account. Thus, the only deposits to the American Security and Trust account are transfers from the Treasury suspense account to cover checks issued in payment of operating expenses.

Investment of excess cash

In June 1975 the Smithsonian entered into a repurchase agreement with American Security and Trust whereby the Smithsonian would withdraw daily from the operating account excess funds which American Security and Trust would invest in short-term money market securities (usually Treasury bills and notes) with the stipulation that American Security and Trust would repurchase them from the Smithsonian to fulfill any Smithsonian cash needs. Prior to this agreement the Smithsonian invested its excess operating funds primarily in Certificates of Deposit. According to the Smithsonian the repurchase agreement provided greater liquidity with a comparable rate of return.

In late 1975 a Smithsonian analysis of the operating account showed that there was an opportunity to also earn interest on the "float" resulting from the timing difference between the writing of the checks on the operating account and their being charged against the account. To accomplish this the Smithsonian broadened its repurchase agreement with American Security and Trust on December 3, 1975.

Under the new agreement American Security and Trust examined the Smithsonian's operating account at the start of business each day. If the balance exceeded whatever amount the Smithsonian had designated as necessary for daily operations (that is, necessary to pay the checks which it expected to clear that day) American Security and Trust would invest the excess. If the balance went below the Smithsonian-designated minimum, American Security and Trust would sell or repurchase for its own account enough of the notes and bills it was holding for the Smithsonian to bring the balance up to the designated minimum. American Security and Trust did not charge the Smithsonian directly for this service but recovered its costs by giving the Smithsonian a slightly lower rate of interest than the bank earned on the funds invested for the Smithsonian.

The use of the repurchase agreement for investment of excess operating funds and checking account float was interrupted twice after December 1975. The first occasion was early in 1976 when interest rates available on money market investments fell below the rate of interest which American Security and Trust paid on savings accounts. The Smithsonian

opened a savings account at American Security and Trust on March 18, 1976, and kept the excess operating funds and the checking account float in the saving account. When needed, transfers were made from the savings account to the checking account to cover checks presented for payment. On May 28, 1976, it was again more profitable to use the repurchase agreement, and the Smithsonian then discontinued using the savings account.

The second interruption lasted from January 3 to April 21, 1977, when Smithsonian officials were making a general reassessment of Smithsonian bank accounts. During this interruption the savings account was used for investment of excess operating funds, but no attempt was made to earn interest on the checking account float. On April 21, 1977, the Smithsonian reverted to using the repurchase agreement with American Security and Trust for investment of the checking account float, after judging it to be the most effective method for investing such funds. Excess operating funds were retained in the savings account.

Our review of the daily bank statement balances in the operating account showed that the Smithsonian was most effective in maintaining this balance at minimum levels when it was investing both excess operating funds and the float. From July 1, 1975, through November 30, 1975, when the Smithsonian retained sole management of the American Security and Trust account, investing only the excess operating funds under the repurchase agreement, the average daily bank balance in the account was \$798,000. For the 13 months (Dec. 1975 to Dec. 1976) that the checking account float, in addition to the excess operating funds, was invested through the repurchase agreement or in a savings account with American Security and Trust sharing in the management of the funds, the average daily bank balance dropped to \$269,000. During January and February of 1977, when the Smithsonian again had sole management of the funds and used the savings account for investing only the excess operating funds, the average daily bank balance in the operating account was \$850,000. However, the average daily check book balance was about \$225,000--the difference of \$625,000 represented by outstanding checks or the float. Investment of the checking account float, as well as the excess operating funds, with daily contact between American Security and

Trust and Smithsonian officials seems to be the most effective way to keep the nonearning balance in the operating account to a minimum.

The operating account at American Security and Trust was used extensively as the Smithsonian's principal checking account for payments other than payroll. During the 15-month period ended September 30, 1976, an average of over 2,600 transactions (deposits and withdrawals) a month were handled by this account. Since the only deposits to the operating account as of April 1977 are from the Treasury account to cover issued checks, excess operating funds no longer accumulate in this account.

Excess operating funds are transferred periodically from the Treasury account to the American Security and Trust savings account. When the savings account balance gets larger than needed for operating liquidity, sums are transferred to the Smithsonian's short-term investment pool or to the outside investment managers for longer term investment. The savings account had a balance of about \$1.4 million on June 22, 1977, the day after \$1 million had been transferred to an investment manager for long-term investment.

Secretary's relationship to
American Security and Trust

The Secretary of the Smithsonian was appointed by the Board of Regents in 1963 as a private payroll employee to assume his duties in 1964. He became a member of the board of directors of American Security and Trust in February 1967 and resigned after 10 years service in December 1976. His service on the board was approved by the executive committee of the Smithsonian's Board of Regents. The Smithsonian Institution and the Smithsonian Research Foundation opened bank accounts with American Security and Trust in 1966, before the Secretary was a member of the bank's board of directors, and they were maintained after he was appointed to the board. However, these were not the first accounts the Smithsonian had with American Security and Trust. The Smithsonian first opened an account at the bank in 1927.

Although the Secretary is a member of the Foundation's board of directors, he was not present at the meeting when it was decided to open the account at American Security and

Trust. At that time, however, he was serving as president of the Foundation. We were advised by the Smithsonian that the Secretary no longer owns the American Security and Trust stock which he was required to hold as a director of the bank.

ACCOUNTS AT THE RIGGS NATIONAL BANK

The Smithsonian opened its payroll checking account at Riggs National Bank in 1955. It is used to pay employees on the private payroll who do not have their paychecks sent to a bank.

The Smithsonian's usual procedure for administering the payroll account is as follows. For each 2-week pay period the Smithsonian deposits in two increments the total amount of the paychecks written against the account for that period. The first deposit, usually for \$150,000, is made on the same day for which the paychecks are dated. The second deposit, for the remainder of the payroll, follows 3 to 5 days later. The average daily bank balance in the account from July 1, 1975, to January 31, 1977, was about \$96,000.

The Smithsonian also has a collection account at Riggs. The account was opened in April 1976 for receipt of mail order payments for museum shop items. Three times daily Riggs' messengers pick up the mail orders from a post office box rented in the Smithsonian's name. The same day the mail is picked up, Riggs deposits any checks received into the collection account and forwards a deposit receipt and a listing of the checks received to the Smithsonian.

In April 1977, the use of this account was expanded to include receipts from over-the-counter museum shop sales and payments received under letters of credit on Federal grants and contracts. Previously these receipts were initially deposited in the American Security and Trust operating account. Money is transferred daily from the collection account to the Treasury suspense account. The balance in the collection account is maintained, together with the payroll account balance, at a level high enough to reimburse Riggs for its payroll and collection services.

Smithsonian officials advised us that use of the collection account reduces the amount of clerical work performed

by Smithsonian employees and results in receipts from revenue-producing activities becoming available to the Smithsonian more quickly than if the receipts were deposited directly into the Treasury suspense account.

Four separate trust accounts are also maintained at Riggs to temporarily hold funds awaiting investment by professional investment managers engaged by the Smithsonian for this purpose. These funds are used for long-term investment, as opposed to the day-to-day investing of operating funds by Smithsonian officials through the checking account repurchase agreement or the savings account at American Security and Trust.

CONCLUSION

In our opinion, the Smithsonian has adopted adequate procedures for the management of cash in its private funds. It strives to maintain only sufficient funds in its two principal non-interest-bearing checking accounts to pay the payroll checks and other checks presented for payment each day. Through the use of repurchase agreements, a savings account, and short-term investments, the Smithsonian attempts to earn interest on any funds not needed immediately to pay its expenses. We believe that beginning in December 1975 it did this successfully, except during the period January 3 through April 20, 1977, when it made no attempt to earn interest on the American Security and Trust checking account float. On April 21, 1977, the Smithsonian resumed earning interest on that float.

Private, nonprofit corporations

The Smithsonian Research Foundation maintained a bank account with American Security and Trust for about 11 years beginning in June 1966. In January 1977, the Smithsonian began acting as the Foundation's fiscal agent and custodian, and closed the Foundation's account at American Security and Trust on May 3, 1977. As needed, the Foundation's funds are now withdrawn from the Smithsonian's appropriated fund accounts and deposited in the Smithsonian's U.S. Treasury suspense account. Foundation funds are then withdrawn from the Treasury account and deposited in the Riggs payroll account or the American Security and Trust operating account for the Foundation's use in paying payroll and other costs.

The Smithsonian keeps separate accounting records for the Foundation's funds.

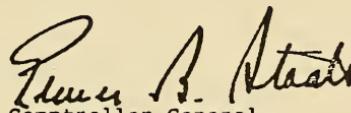
In the 15-month period from July 1, 1975, to September 30, 1976, the average deposits per month in the Foundation's bank account totaled \$166,144, while an average of 300 checks were paid per month, totaling \$162,766. The average daily balance in the account for the 15-month period was \$64,185.

Although the Smithsonian Science Information Exchange has a small checking account at the Madison National Bank for satisfying minor immediate needs, its major cash transactions have been handled by the Smithsonian in a manner similar to that currently used for the Smithsonian Research Foundation.

Scope of review

We reviewed the Smithsonian's policies and procedures for the use of bank accounts and banking services in managing its private funds. In this regard, we examined specifically the transactions recorded in two principal bank accounts--the American Security and Trust operating account and the Riggs payroll account--during the 15-month period ended September 30, 1976. We conducted followup work concerning several bank accounts to find out the current status of the Smithsonian's banking practices.

We also discussed the Smithsonian's banking practices with Smithsonian officials and the certified public accountants who examined Smithsonian private funds, including those on deposit at financial institutions and the United States Treasury. Smithsonian officials reviewed the draft report and we considered their comments in preparing our final report.



Henry B. Stahl
Comptroller General
of the United States

REGENTS AUDIT REVIEW STUDY

Mr. YATES. The second study was by the Audit Review Committee of the Board of Regents of the Smithsonian, and that may be made a part of the record at this point.

[The study follows:]

United States Senate

WASHINGTON, D.C. 20510

September 27, 1977

Honorable Sidney R. Yates, Chairman
Subcommittee on the Department of
the Interior and Related Agencies
Committee on Appropriations
House of Representatives
Washington, D. C. 20515

Dear Mr. Chairman:

As Chairman of the Audit Review Committee of the Board of Regents of the Smithsonian Institution, I transmit herewith a copy of a report to the Board of Regents prepared by Mr. Phillip S. Hughes and approved by the Audit Review Committee on September 22, 1977. The report discusses the relationship between the Smithsonian and the Congress and advances a number of proposals for improving the Institution's financial accountability to the Congress. It deals specifically with the GAO report of March 31, 1977 and the concerns that report provoked within the Appropriations Committees of the Congress.

I think you will agree that this independent study of the Smithsonian's relationship to the Federal Government and the conclusions and recommendations it advances will do much to overcome the confusion that has existed respecting the nature of the Institution and to establish clear ground rules respecting the Smithsonian's accountability to the Congress. The report does so in a manner that will at the same time preserve the unique qualities that have made the Smithsonian Institution such a source of national pride and achievement.

The Board of Regents of the Smithsonian Institution approved the Hughes Report at its meeting today.

Sincerely,


Henry M. Jackson
Chairman
Audit Review Committee

Enclosure



SMITHSONIAN INSTITUTION

Washington, D.C. 20560
U.S.A.

September 27, 1977

Dear Mr. Secretary:

I commend you and your staff at the Smithsonian Institution for the wholehearted cooperation and assistance you have extended to the Audit and Review Committee and to the Committee's consultant, Mr. Phillip S. Hughes. As stated by Mr. Hughes in his report, you and your staff provided fully and promptly the information and discussion requested and gave him substantial assistance in his work.

The joint review made by the Executive Committee of the Board of Regents and the Audit and Review Committee disclosed that the report was fully responsive to the request that we study and consider the relationship of the Smithsonian Institution to the Congress.

Your valuable services to the objectives of this inquiry are of significant, long-range value to the Institution.

Cordially,
Warren E. Burger
Chancellor

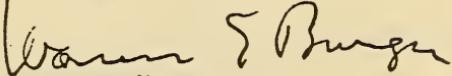
Honorable S. Dillon Ripley
Secretary
Smithsonian Institution
Washington, D.C. 20560

interest to have this renewed interest of the Congress in Smithsonian, and you can assure your colleagues of the Institution's eagerness to have the continuing interest of the Congress in these matters.

Your very expeditious and skillful handling of the matter as Chairman of the Audit and Review Committee and the assistance of the members of your committee are deeply appreciated. I look forward to your continuing interest and chairmanship of the Audit and Review Committee.

With kind regards and many thanks, I am,

Cordially,



Warren E. Burger

Chancellor

The Honorable Henry M. Jackson
Chairman
Audit and Review Committee
Board of Regents of the
Smithsonian Institution
United States Senate
Washington, D.C. 20510



SMITHSONIAN INSTITUTION
Washington, D.C. 20560
U.S.A.

September 27, 1977

My dear Senator Jackson:

After careful consideration of the Report prepared by Mr. Phillip S. Hughes, Special Consultant to the Audit and Review Committee which you chair, your committee adopted the Report unanimously. The Executive Committee, after review of the Report, also recommended approval. The Regents this afternoon adopted your Committee Report. The Board of Regents, having approved the report, recommends that it be released for distribution.

On behalf of the Board of Regents, I authorize and request that you convey to those Members of Congress who have an interest in this matter the fact of our wholehearted endorsement of the Audit Review Report by the Board of Regents.

I believe I express the views of the Regents that this inquiry has been of significant value to the Smithsonian Institution. As you know, historically the presence of three Senators and three House members on the Board was thought to be a means of continuing oversight. Over more than a century of its existence, the programs of the Institution have enormously expanded, and at the same time the vast burden that today rests on Members of Congress makes communication less effective.

The General Accounting Office Report and now the Report of the Audit and Review Committee have recommended that both the Regents and the staff of the Institution reexamine practices and policies in light of present day conditions, especially the desirability that Committees of Congress, other than the six Congressional Regents, be kept alerted and informed on programs, policies and projects of the Institution. It will be of great value to the public

United States Senate
WASHINGTON, D.C. 20510

September 9, 1977

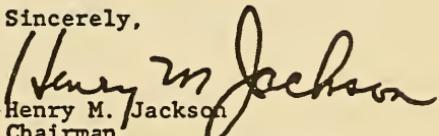
Honorable S. Dillon Ripley
Secretary
The Smithsonian Institution
1000 Jefferson Drive, S. W.
Washington, D. C. 20560

Dear Dillon:

As you know, Sam Hughes recently completed his report to the Audit Review Committee of the Board of Regents covering his study of the Smithsonian's relationship to the Federal Government. I have reviewed his work and think he has done a commendable job. His recommendations seem to address the concerns voiced here in the Congress without impairing the Smithsonian's unique place in the Federal establishment or the flexibility needed for its management.

I enclose a copy of the Hughes report for your review and comment. As you know, a combined meeting of the Audit Review Committee and the Executive Committee is scheduled for September 22. Your observations on the report will be most helpful and will, of course, receive every consideration. I will appreciate receiving whatever comments you may wish to make by Friday, September 16.

Sincerely,


Henry M. Jackson
Chairman
Audit Review Committee

Enclosure

September 1, 1977

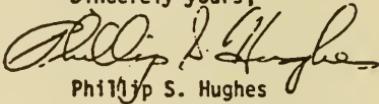
The Honorable Henry M. Jackson
Chairman, Audit Review Committee
Board of Regents
Smithsonian Institution
Washington, D.C. 20560

Dear Mr. Chairman:

Your letter of May 16, 1977 requested me to make a study of certain matters relating to the Smithsonian Institution. A report on this study and a summary are attached for your consideration.

I am hopeful that the report and my conclusions and recommendations will be useful to you and the other Regents, as well as to the Secretary and his staff, in carrying out the Smithsonian's mission.

Sincerely yours,



Philip S. Hughes

Attachments

SUMMARY OF REPORT

The Audit Review Committee of the Board of Regents of the Smithsonian Institution sought, and the Board of Regents authorized, the employment of a consultant "to conduct an independent study of the Smithsonian's relationship to the Federal Government. Following is a summary of the report prepared pursuant to that authorization.

Interviews of concerned persons in and outside of Government disclosed a rather overwhelming approbation of the Smithsonian Institution's programs as a whole and a general feeling that their quality was high. However, many of the most knowledgeable commentators expressed concerns about administrative policies, practices, or methods.

The interviews re-emphasized concerns similar to those expressed during the course of appropriation hearings with respect to various research awards programs and the Smithsonian Science Information Exchange. Concern was also expressed that the Congress was too often "surprised" by new programs or projects, some started with trust funds and then switched over to Federal funds. The concerns over "surprises" and over the awards programs appeared to have generated a more basic uneasiness over the Smithsonian's management policies and practices and its use of appropriated and trust funds.

THE RELATIONSHIP BETWEEN
THE SMITHSONIAN AND
THE CONGRESS

Of fundamental importance in considering specific steps which can be taken to eliminate Congressional concerns is the definition, in as clear terms as possible, of the relationship between the Smithsonian Institution and the Congress. Examination of the Smithson will, the 1836 and 1846 Acts, the authorization and funding patterns of the Institution, and the administrative relationships which have developed between the Institution and the rest of the Government produce the following highlights of that relationship: (1) Smithson clearly wanted the United States to be involved in the Institution, since he gave his property to the United States of America; (2) Congress accepted this involvement and took statutory action in 1836 to accept the bequest and in 1846 to carry out the trust; (3) growing Federal appropriations over the years have tended to further emphasize the Federal nature of the Institution; and (4) administrative actions involving the use of appropriated funds have followed the prevailing Federal agency pattern and the trust funds, and personnel paid from them, have been covered under several Federal statutes of general application.

In the above circumstances, the Smithsonian Institution seems practically and operationally to be a Federal "establishment," which was created to carry out the trust objectives of the Smithson will. The charter and mission of the Institution are broadly set forth in the 1846 Act; later legislation adds detail, but not scope.

The confusion as to the nature of the Smithsonian (whether it is "private" or Federal, for example) seems to have come about because the Regents and the Secretary have several kinds of funds at their disposal for achieving the Institution's basic mission.

Smithsonian trust and self-generated funds are used by the Regents and the Secretary with wide discretion and with only very general Congressional oversight to insure conformity with the trust. For about 100 years, however, the Institution's largest single source of income has been funds appropriated to it by the Congress in accordance with normal budget and appropriation procedures. These funds are not treated any differently from funds appropriated to Executive or other agencies of the Government. All of the applicable statutes and rules and constraints apply, and the Congress' oversight responsibility is the same as that involved in other expenditures from Federal appropriations.

Recognition and general acceptance of the Smithsonian as a Federal establishment spending funds derived from several sources according to differing statutes and operating practices would clarify and simplify relationships between the Smithsonian and the Congress without adversely affecting the interests of either. The Congress' oversight rights and responsibilities with respect to appropriated as well as non-appropriated funds would be preserved. The Smithsonian's unique characteristics would also be preserved, including management by the Regents and the Secretary and the program flexibility derived from having non-Federal funds at their disposal.

The table on page 19 of the report deals with certain questions as to the authority of the Smithsonian with respect to real property under its control.

RECOMMENDATIONS

The recommendations which follow center around the basic question of the accountability of the Smithsonian to the Congress, including aspects of the Institution's internal structure and management processes which affect accountability.

I. Improving the accountability of the Institution to the Congress

1. The Regents and the Secretary should adopt the policy of seeking specific authorizations for all significant new programs or projects involving the use of Federal funds. While the terms of the 1846 Act frequently have been deemed adequate to encompass new activities that are clearly for the increase and diffusion of knowledge, specific authorization will ensure Congressional awareness.

2. The Regents and the Secretary should adopt a policy of discussing with the Appropriations Committees any proposed use of trust funds which may involve the future expenditure of Federal funds. Such discussion should take place at a timely point before any commitment is made by the Institution.

3. The Regents and the Secretary should establish a 5-year forward planning process for the Institution covering all activities. Such a process should establish the general direction of the Smithsonian program

efforts and identify areas for priority and emphasis, but permit flexibility enough to take advantage of ad hoc opportunities. It will be a useful management tool, will provide a basis for periodic oversight hearings by the authorizing committees, and will communicate to those committees and the appropriations committees important information about the forward plans of the Institution.

4. With regard to various research awards programs, in addition to the changes proposed by GAO, the Institution should adopt the practice of a special review by the Regents or the Executive Committee thereof, of any awards which the Secretary believes might be perceived by the Congress or the public as self-serving or inappropriate.

II. Internal management matters

1. As an early and fundamental step in the planning process, the Smithsonian Institution should develop a comprehensive list with informative descriptions of activities which it carries on. Administrative and internal management functions should be listed and described separately. Such a list, kept current, will help to describe the Smithsonian to the Congress as well as to the public in a systematic and consistent manner and will permit appropriate note to be taken by the Regents, Congressional committees, and the public, of significant changes in the Institution's activities. As a related matter, the Institution should develop and keep up-to-date an organization chart accurately and completely reflecting the structure of the Institution.

2. The Institution should develop and issue general policies for the use of its trust funds. Such a policy statement will be extremely useful in communicating to the Congress the intentions of the Regents and the Secretary with respect to trust funds, and in clarifying differences between the use of such funds and appropriated funds. The 1846 Act contemplated that the Regents and the Secretary would have flexibility to use trust funds subject only to general Congressional oversight. The policy statement should be as specific as possible with flexibility afforded by a process for review by the Regents of proposed exceptions. The policies should extend to the identification of the categories of positions which would normally be paid from trust funds. (A draft example of such a statement is appended to this report.)

3. The Institution should fill the permanent position of Under Secretary. The incumbent would be responsible for day-to-day operation and internal management of the Institution. Under the present law, he would be appointed by the Secretary but the selection process should actively involve the Regents. The Under Secretary should be chosen for his managerial training, experience, and skills, rather than for scientific or cultural achievements and interests. With this background, he would not normally be a successor to the Secretary.

With the growth of the Institution in recent years, and the great diversity of its programs, its management has become a very complex and difficult task, perhaps as difficult as for any activity of its size. To help cope with this growing complexity, I believe the position of

the Under Secretary should be a permanent part of the management structure. His availability will also have the further advantage of permitting the Secretary to concentrate his attention on broad policy matters, substantive leadership and program innovations, and scientific interests which have been the concern of all Smithsonian Secretaries.

In addition to giving day-to-day direction to the management and service staffs of the Institution, the Under Secretary should take the lead in identifying and developing solutions (or alternative courses of action) to major policy and program questions at the request of or for consideration by the Secretary. He should also share with the Secretary, along mutually agreeable lines, the day-to-day supervision of the "line" activities of the Institution as they affect established program objectives, sound management practices, and accountability concerns. The Under Secretary should work through existing institutional staff. He should neither duplicate nor supplant existing key staff but should combine his and their efforts to add new strength to the Smithsonian's management team.

4. The Smithsonian's Office of Audits should be augmented by such additional positions as will permit it to maintain a 5-year audit cycle. Also, that Office should make available its audit reports to the Regents' Audit Review Committee at the same time that they are transmitted to the Secretary.

III. Recommendations contained in the GAO's report

The GAO's recommendations appear generally sound, and the report indicates general concurrence in them. However, certain modifications in approach are discussed in the report.

REPORT TO THE AUDIT REVIEW COMMITTEE
OF THE
BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION
by
PHILLIP S. HUGHES

By his letter of May 16, 1977, Senator Henry M. Jackson, in his capacity as Chairman of the Smithsonian's Audit Review Committee, set forth the circumstances which motivated that Committee to recommend, and the Board of Regents to authorize, my employment "to conduct an independent study of the Smithsonian's relationship to the Federal Government." The letter refers to the Regents' direction to the Audit Review Committee to undertake a review of a report of the Comptroller General of the United States, dated March 31, 1977, on the Smithsonian Institution; it also refers to concerns in the Congress both over matters addressed by the Comptroller General and over fundamental relationships of the Smithsonian to the Federal Government.

Senator Jackson indicated that the purpose of my study was "to define the Institution's present charter and its relationship to the Congress and the Executive Branch of the Government, and to recommend whatever changes seem desirable to clarify those relationships and strengthen the Smithsonian's present charter and its accountability to the Congress." The Regents' goal, he indicated, "is to identify opportunities for improvement while, at the same time, preserving the unique qualities that have made the Smithsonian such a source of national pride and achievement."

In my reply of May 20, 1977, I informed Senator Jackson that the framework established by his letter was satisfactory to me and that I would schedule my work so as to complete it by the first of September 1977. By his letter of June 2, 1977, Mr. James E. Webb, Chairman of the Executive Committee of the Regents, confirmed my appointment and set forth the terms of my employment. All three letters are attached as Appendix I (pp. 28-33). This report is the product of my study and is intended to fulfill the terms of my agreement with the Audit Review Committee and the Regents.

The study itself and the preparation of the report have been of even greater interest than I had originally anticipated and have afforded me an opportunity to learn a good deal about a fascinating and unique Institution. I am hopeful that the transformation of that knowledge into conclusions and recommendations will be useful to the Regents and the Congress. I am most grateful to the Regents and the Audit Review Committee for affording me this opportunity.

I would particularly like to thank Senator Jackson and Mr. Webb for their confidence, advice, and continuing support.

I also wish to express my appreciation to those Members of the House and Senate to whom I talked, who gave freely of their time and knowledge, and to the staff of both Members and Congressional committees who shared their knowledge and candidly expressed their views. Finally, I would like to thank Secretary Ripley and members of his staff for their cooperation and assistance which was well above and beyond the

call of duty. They made themselves fully available for advice and discussion and have provided fully and promptly information which I requested.

The friendly challenges, counsel, and editorial assistance of Wilfred H. Rommel have been invaluable during the latter stages of the preparation of the report, and Mrs. Dolores McCarthy provided the competent and accommodating secretarial help which made it possible to get the report on paper.

CONCEPT AND STRUCTURE OF REPORT

The General Accounting Office's report contained three recommendations dealing specifically with the Smithsonian Research Foundation and the Smithsonian Science Information Exchange.

"We recommend that the Board of Regents dissolve the Smithsonian Research Foundation and the Smithsonian Science Information Exchange.

"Further we recommend that their operations be carried out as part of the Smithsonian's regular organizational structure.

"We recommend that the Secretary:

--propose and justify to the Congress the exemptions from existing legislation the Smithsonian believes it needs to run effectively, and with a minimum of red tape, the programs now funded through the Smithsonian Research Foundation and the Smithsonian Science Information Exchange."

The report contained three additional recommendations dealing with the Smithsonian's accountability to the Congress.

"We recommend that the Secretary:

--Continue to work with the Appropriations Committees to reach a common understanding as to the types of budget reprogramming actions the Committees wish to approve in advance.

"We recommend that the Board of Regents:

--Establish, in conjunction with the appropriate congressional committees, clear policies governing the use of Federal and private funds.

--Provide the Appropriations Committees with information on the planned use of private funds at the time appropriation requests are submitted."

The GAO's report did not deal with the broader questions of relationship between the Smithsonian and the Federal Government, referred to in Senator Jackson's letter.

To give me an adequate information base for considering the GAO's recommendations and to deal with the broader relationship concerns, I did the following:

First, I engaged in rather extensive discussions with certain concerned Senators and Congressmen, members of their staffs, staffs of pertinent committees in both Houses, Smithsonian officials and staff members, and persons outside the Government who were interested in and knowledgeable of the Smithsonian Institution. These discussions were intended to identify areas of relationship presenting special problems and to provide a focus for a review of relevant legislation and administrative practices. Attached as Appendix II (pp. 34-36) is a list of those individuals with whom I talked during the course of my two-month study.

Second, as these interviews progressed, I reviewed applicable statutes and administrative practices to gain a clearer conception of the Institution and of the basic framework underlying its relationship with the Congress and the Executive Branch. It was my expectation that, by analyzing problem areas in relation to the statutes and administrative practices, it would be possible to recommend improvements which would resolve any significant relationship problems which were identified.

AREAS OF MAJOR CONCERN

Significantly, my interviews disclosed a rather overwhelming approbation of the Smithsonian's programs as a whole and a general feeling that their quality is high. Nevertheless, many of the most knowledgeable commentators expressed a sometimes vague but often quite specific concern about its administrative policies, practices, or methods. These concerns ranged from a general apprehension that the management of so large and diverse an enterprise was too decentralized to more specific concerns such as those noted below.

First, the concerns expressed during the course of appropriation hearings (and dealt with in the GAO's report) with respect to the research awards and foreign currency programs and the Smithsonian Science Information Exchange were reiterated, sometimes with considerable force. Basically, those who commented seemed to feel that, whether or not these programs were in fact self-serving, their structure and administration made them appear to be so. Of particular concern was the financing of the research awards program.

Second, there was evident a strong concern that the Congress was too often "surprised" by new programs or projects, some of which were started with trust funds and then switched over to Federal funds. The GAO report's references to greater accountability have obvious relevance here.

Third, the concerns over "surprises" and the awards programs appear to have generated a more basic uneasiness concerning Smithsonian policies and practices governing the use of appropriated and trust funds. The view was expressed by some, including the GAO, that there should be firm, specific policies for the uses of Federal and trust funds.

Fourth, a few expressed concern that the unusual diversity, decentralization, and flexibility afforded the Smithsonian might permit misuse of funds available to it. As I have made clear, it was not the purpose of my study to investigate this area of concern, and I presume that the investigative staff of the House Appropriations Committee will look into it during the course of its review of Smithsonian activities. However, I have included recommendations which are directed toward the improvement of the management of the Institution and which have relevance to this concern.

In summary, the general picture which my interviews have painted is one of friendly concern by interested persons that, despite the tremendous achievements of the Institution, its management operations may need tightening and its accountability to the Congress does need to be improved.

THE RELATIONSHIP BETWEEN
THE SMITHSONIAN AND
THE CONGRESS

Of fundamental importance in considering specific steps which might be taken to eliminate Congressional concerns is the definition, in as clear terms as possible, of the relationship between the Smithsonian and the Congress. The purpose of this section is to review briefly the history and nature of this unique establishment as reflected in enabling Acts and other key documents and in its financial and administrative practices.

Theories have been advanced that the Institution is "private" not Federal in character; that there are two Smithsonians, a "private" and a Federal; that the Institution is located in the Executive Branch or in the Legislative Branch; or that it is in the Federal Government but outside any of the three branches. For reasons indicated below, I have concluded that the Smithsonian is a Federal establishment. However, the objectives of this report do not require determining where it is located in the spectrum of the Federal Government so long as its relationships to the Congress and to the Executive Branch, as well as its lines of accountability, as defined in the Acts of Congress and in practices, are identified. I believe these relationships and lines can be described with reasonable clarity by examining the Smithson will, the 1836 and 1846 Acts, the authorization and funding patterns of the Institution, and administrative relationships which have developed between the Institution and the Executive Branch and the Congress.

With respect to the Smithson will, I believe it is fundamental that Smithson bequeathed the whole of his property "to the United States of America to found at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men." (Underscoring for emphasis.) Since he could more easily have created a totally private institution, had he wished, it seems unavoidable that he wished the Government of the United States to be involved in administering the trust.

The 1836 and 1846 Acts indicate the acceptance of the bequest on Smithson's terms. These Acts underline the U.S. Government's involvement in the establishment of the Institution and its consequent responsibilities. They were necessary to effectuate the bequest, since Smithson specifically bequeathed his property "to the United States of America."

In this connection, in December 1835, President Jackson transmitted to Congress a report on the bequest, emphasizing the need for legislative action by stating:

"The Executive having no authority to take any steps for accepting the [Smithson] trust and obtaining the funds, the papers are communicated with a view to such measures as Congress may deem necessary." (Underscoring for emphasis.)

There has been no really generic legislation with respect to the Smithsonian since the 1846 Act which, with the 1836 Act, was Congress' response to President Jackson's referral. All later legislation has been for specific and limited purposes.

The first report of the first Secretary of the Smithsonian, Joseph Henry, dated December 13, 1847, observed:

"That the Institution is not a national establishment, in the sense in which institutions dependent on the government for support are so, must be evident when it is recollect that the money was not absolutely given to the United States, but intrusted to it for a special object, namely the establishment of an institution for the benefit of men, to bear the name of the donor, and, consequently, to reflect upon his memory the honor of all the good which may be accomplished by means of the bequest." (Underscoring for emphasis.)

Within a few years, however, the Regents sought, and the Congress provided, Federal funds to supplement the trust funds. The Federal funds were intended to carry out purposes consistent with the objectives of the 1846 Act, but beyond the resources provided by Smithson. Generally speaking, they were appropriated to finance the "national collections" which were accumulating at a rapid rate. For about a century, Federal appropriations have provided most of the financial support for Smithsonian activities. The receipt and use of these funds over the years has obviously made the Institution more, rather than less, "national," to use Secretary Henry's term.

Relationships between the Smithsonian and the Executive Branch and the Smithsonian and the Congress have not followed a uniform pattern. Under some circumstances, the Institution has been excluded from statutes which normally apply to Federal agencies. Under other circumstances, it has been included in such statutes or has chosen to follow program or administrative procedures which are substantially the same as those relating to Executive agencies.

For example, Federal funds appropriated to the Institution are subject to the laws and regulations governing Federal budgets and

expenditures, including audit by the GAO. Its employees who are paid from Federal appropriated funds have the benefits and the attendant restrictions of the Civil Service system. It receives assistance from the General Services Administration and may use Federal real and personal property. On the other hand, the uniquely constituted Board of Regents, in whom responsibility for the administration of the Institution is vested by statute, has the duties of a trustee with regard to trust funds of the Institution with independent discretion. On balance, the ad hoc development of the Institution's activities reflects a pronounced Federal tilt, dictated largely by the preponderance of Federal funding.

In summary, then: (1) Smithson clearly wanted the United States Government to be involved in the Institution since he gave his property to the United States of America; (2) Congress accepted this involvement and took statutory action in 1836 to accept the bequest and in 1846 to carry out the trust; (3) growing Federal appropriations over the years have tended to further emphasize the Federal nature of the Institution; (4) administrative actions involving the use of appropriated funds have followed the prevailing Federal agency pattern; and (5) the trust funds, and the employees paid therefrom, have been covered under several Federal statutes of general application; e.g., the Federal Tort Claims Act, the Federal Employees Compensation Act, the Occupational Safety and Health Act, and the Unemployment Compensation for Federal Employees program.

This background leads me to conclude that the Smithsonian Institution is practically and operationally a Federal instrumentality, agency, or "establishment" (to use the term of the Smithson will and the 1846 Act), which was created by Congress to carry out the trust objectives of the Smithson will. Thus, while the Institution does not "govern" in the customary sense and was not intended to be governmental in its basic character, it is a Federal establishment.

The charter of the Institution is essentially set forth in the 1846 Act, which incorporates the Institution, sets forth its mission in broad terms, provides for the appointment and terms of office of the administering Board of Regents, provides for the election by the Board of a Secretary and the establishment of an Executive Committee of the Board, and authorizes the Secretary to employ "assistants." All later legislation is essentially within the framework established by that Act and adds detail rather than scope to the charter.

The mission of the Institution also is broadly set forth in the 1846 Act, as "the increase and diffusion of knowledge among men." As with the charter, later legislation adds detail but not scope to this very broad mission statement. The Smithsonian Institution is now in its 132nd year of existence, and its programs extend over a substantial part of this mission spectrum. The program and activity listing in the Smithsonian Year 1976 "Contents" section is illustrative:

SCIENCE

Center for the Study of Man
Chesapeake Bay Center for Environmental Studies
Fort Pierce Bureau
National Air and Space Museum
National Museum of Natural History
National Zoological Park
Office of International Programs
Radiation Biology Laboratory
Smithsonian Astrophysical Observatory
Smithsonian Science Information Exchange, Inc.
Smithsonian Tropical Research Institute

HISTORY AND ART

Archives of American Art
Cooper-Hewitt Museum of Decorative Arts and Design
Freer Gallery of Art
Hirshhorn Museum and Sculpture Garden
Joseph Henry Papers
National Collection of Fine Arts
National Museum of History and Technology
National Portrait Gallery
Office of Academic Studies
Office of American Studies

MUSEUM PROGRAMS

Conservation-Analytical Laboratory
National Museum Act Program
Office of Exhibits Central
Office of Horticulture
Office of Museum Programs
Office of Registrar
Smithsonian Institution Archives
Smithsonian Institution Libraries
Smithsonian Institution Traveling Exhibition Service

PUBLIC SERVICE

Anacostia Neighborhood Museum
Division of Performing Arts
International Exchange Service
Office of Elementary and Secondary Education
Office of Public Affairs
Office of Smithsonian Symposia and Seminars
Reading is Fundamental, Inc.
Smithsonian Associates
Smithsonian Institution Press
Smithsonian Magazine

The question has been raised whether current circumstances make it desirable that the charter or definition of mission be modified. I believe that the broad legislative charter and definition of mission, which have played such an important part in bringing the Institution to its present high level of development, are still suitable and effective. Any problems of mission definition and clarification can be better approached, in my judgment, by means other than statutory changes, and I have made some recommendations later in this report as to such means.

I believe that the confusion as to the relationship of the Smithsonian to the Congress does not stem from the scope of its mission and charter, but has come about because the Regents and the Secretary have several kinds of funds at their disposal for achieving the Institution's basic mission--the increase and diffusion of knowledge among men. These several kinds of funds come from different sources and different provisions of law or trust restrictions are applicable to them.

First, with respect to the Smithson trust fund and subsequent unrestricted additions to it, the 1846 Act and funding and administrative practices over the years indicate that the Regents and the Secretary have wide discretion in the expenditure of the income from that fund, so long as their actions are consistent with the Institution's basic mission. In recognition of the terms of the 1846 Act and the statutory responsibilities and discretion of the Regents and the Secretary, the Congress has exercised only very general oversight responsibility with respect to these trust funds to ensure consistency with the basic mission of the trust.

Second, the Smithsonian also receives restricted trust funds from private sources and grant and contract monies from Federal agencies. Both of these are provided for specific purposes and must be spent in accordance with the stipulated terms of the grant, contract, or restricted trust agreement.

Third, for about 100 years, the Institution's largest single source of income has been funds appropriated to it by the Congress in accordance with normal budget and appropriation procedures. These funds have been appropriated by the Congress at the request of, or with the approval of, the Regents. While the purposes for which these appropriations are provided are consistent with the objectives for which the Institution was established, they enable it to do work which could not be accomplished without Federal financial support; for example, to house and display the "national collections." These funds are not treated any differently from funds appropriated to Executive or other agencies of the Government. All of the applicable statutes and rules and constraints apply, and the Congress' oversight responsibility is the same as that involved in other expenditures from Federal appropriations.

Finally, the Regents and the Secretary have at their disposal certain funds generated by the Institution itself primarily from business enterprise type activities. This category has increased in importance in recent years because of the growth and vitality of the Institution as a whole. The 1846 Act has been interpreted to authorize the addition of such funds to the corpus of the unrestricted trust funds and to authorize their discretionary use for trust purposes.

I believe that recognition and general acceptance of the above facts--that while the Smithsonian Institution is a Federal establishment, it spends funds derived from different sources according to differing statutes and operating practices applicable to each source--would both clarify and simplify relationships between the Smithsonian and the Congress without adversely affecting the interests of either. From the standpoint of the Congress, its oversight rights and responsibilities with respect to both Federal funds and all categories of non-Federal funds would be preserved. From the standpoint of the Smithsonian, its unique characteristics would be preserved, including management by the Regents and the Secretary and the program flexibility derived from having non-Federal funds at their disposal.

With respect to Congressional oversight rights and responsibilities, several factors have increased Congressional interest in trust and other funds not appropriated to the Smithsonian, but available to it: (1) the increased size, visibility, and vitality of the Institution inevitably raises questions about how it makes program choices for funding from non-appropriated, as well as appropriated, sources; (2) the total volume of Federal funds provided the Institution has grown steadily for many years and rapidly in recent years; (3) the Congress has been asked to appropriate funds for projects or programs initially financed by funds from non-appropriated sources, and (4) the total volume of self-generated funds has increased substantially in the last few years, increasing the significance of non-appropriated funds in total as well as the purposes

for which they are used. This increased Congressional interest is both understandable and warranted in my judgment and can be satisfied by the Smithsonian in a number of ways which are set out in subsequent recommendations.

Two rather basic, specific questions with regard to the Smithsonian's "charter" were raised during the course of my discussions:

1. The administrative relationship of the Institution to activities associated with it, including the National Gallery of Art, the John F. Kennedy Center for the Performing Arts, and the Woodrow Wilson International Center for Scholars.

2. The authority of the Regents and the Secretary with regard to real property under the control of the Smithsonian.

Certain background information with regard to these two matters is set forth in the next three pages of this report.

RELATIONSHIP BETWEEN THE SMITHSONIAN INSTITUTION AND ITS CONSTITUENT ELEMENTS

The "Contents" section of the Smithsonian Year 1976 (the Smithsonian's Report for the period July 1, 1975 through September 30, 1976) lists 43 museums, galleries, offices, centers, laboratories, programs, or activities of the Smithsonian. Forty of these are grouped under four major functional categories: Science, History and Art, Museum Programs, and Public Service. Three of them, the Woodrow Wilson International Center for Scholars, the John F. Kennedy Center for the Performing Arts, and the National Gallery of Art, are separately listed.

My review of the basic statutes and operating practices of the Smithsonian Institution indicates that the 43 constituent "activities" divide into only two basic administrative categories. The 40 noted above (and some additional programs not specifically listed as major entities in the "Contents" section) are under the direct administrative control of the Regents and the Secretary. There are minor differences in the scope and directness of that control, and in one case (the Joseph H. Hirshhorn Museum and Sculpture Garden) an "advisory" body has important discretionary functions relating to acquisition, retention, and exhibition of works of art in this collection. Basically, however, the Regents and the Secretary control budgeting, personnel selection, and program activities.

The three other "activities" noted above--the Woodrow Wilson Center, the Kennedy Center, and the National Gallery--are, for all practical purposes, independent of control by the Regents and the Secretary. While their statutes identify them as "bureaus" or "centers" in the Smithsonian and while such statutory language may impose some residual or receivership responsibilities on the Smithsonian, both policy control and day-to-day administration are in the hands of independent boards. The budgets of all three are independently prepared and independently justified before the Congress. The Secretary of the Smithsonian is ex officio a member of all three boards, and the Chancellor also is a member of the board of trustees of the National Gallery. However, this arrangement makes possible only coordination, not control.

Thus, while the Regents and the Secretary have the necessary authority to direct and manage the affairs of the great majority of the Institution's constituent elements, they have no such authority with respect to the National Gallery, the Kennedy Center, and the Woodrow Wilson Center. Key portions of the sections of Title 20, U.S.C. applicable to these three organizations are attached as Appendix III (pp. 37-38).

REAL PROPERTY UNDER THE CONTROL OF THE
SMITHSONIAN INSTITUTION

All real property under the control of the Smithsonian is listed below in three categories with brief comment as to the authority of the Regents and the Secretary with respect to each category.

FEDERAL TRUST PROPERTIES

Smithsonian Institution Building
Arts and Industries Building
Natural History Building
Freer Gallery of Art
History and Technology Building
Hirshhorn Museum
National Air and Space Museum
National Zoological Park
National Portrait Gallery
National Collection of Fine Arts

These properties are "appropriated to the Institution" by the terms of the 1846 Act and subsequent legislation (see 20 U.S.C., §52). It appears that such "appropriation" was intended to give the Institution the right to use such federal property for trust purposes, but not the right to mortgage the property, or to dispose of it without the consent of Congress, if no longer needed for trust purposes.

CUSTODY IN THE SMITHSONIAN

NZP Animal Conservation Center
Renwick Gallery
Properties at Silver Hill, Maryland
Barro Colorado Island

The first three properties have been transferred to the custody of the Smithsonian by the General Services Administration for the Institution's use, and at whatever time the Smithsonian ceases using these properties they would be returned to GSA. Barro Colorado Island was transferred to the Smithsonian by the 1946 Reorganization Plan No. 3 (see 20 U.S.C., §79, et seq.), and is subject to United States treaty provisions.

NON-FEDERAL TRUST PROPERTY

Barney House
Belmont Conference Center
Chesapeake Bay Center for
Environmental Studies
Cooper-Hewitt Museum

These properties have been purchased with trust funds or received by, or through private donations. To date no facilities have been constructed with appropriated funds on any of these trust fund properties, except for some repairs and minor renovations. Control and disposition of such properties is within the general discretion of the Board of Regents under the 1846 Act (see 20 U.S.C., §§41, 42, and 55). Should appropriated funds be requested for any such construction in the future, consideration will be given at that time to the appropriate protection of the federal interest.

The above categories exclude property under lease or use permit arrangements.

RECOMMENDATIONS

The recommendations which follow center around the basic question of accountability of the Smithsonian to the Congress, which is of particular concern to those with whom I have talked. Also covered are certain matters relating to aspects of the Institution's internal structure or management processes which affect accountability; however, this coverage was necessarily selective rather than comprehensive. The discussion and conclusions in the report which have to do with the Smithsonian's nature, charter and mission, as well as the processes by which it relates and reports to the Congress, are obviously of fundamental importance to the recommendations.

For convenience, the recommendations are divided into three groups: improving the accountability of the Institution to the Congress, internal management matters, and recommendations contained in the GAO's report.

I. Improving the accountability of the Institution to the Congress

These recommendations are for the purpose of improving the accountability of the Institution to the Congress without jeopardizing its essential character.

1. The Regents and the Secretary should adopt the policy of seeking specific authorizations for all significant new programs or projects involving the use of Federal funds. While the terms of the 1846 Act frequently have been deemed adequate to encompass new activities that

are clearly for the increase and diffusion of knowledge, specific authorization will ensure Congressional awareness.

Consultation with appropriate committees in specific future cases will permit the development of criteria satisfactory to the committees and the Institution as to what is a "significant" new program or project.

2. The Regents and the Secretary should adopt a policy of discussing with the appropriations committees any proposed use of trust funds which may involve the future expenditure of Federal funds. Such discussion should take place at a timely point before any commitment is made by the Institution. This will avoid "surprises" of the type noted earlier and make advance planning more realistic.

3. The Regents and the Secretary should establish a 5-year forward planning process for the Institution covering all of its activities. Such a process should establish the general direction of the Smithsonian's program efforts and identify areas for priority and emphasis. At the same time, it should permit flexibility enough to take advantage of ad hoc opportunities. If properly designed and executed, it will be a useful management tool for the Regents and the Secretary, will provide a basis for periodic oversight hearings by the authorizing committees, and will communicate to these committees as well as the appropriations committees important information about the forward plans of the Institution.

As a management tool, it will help focus the efforts of the Institution within its broad statutory mission and will establish a framework within which the Regents and the Secretary can decide to do

or not do projects which arise on an ad hoc basis. From an accountability standpoint, I believe a planning process properly carried out is a better approach to mission definition and clarification than to attempt this by statutory means. Discussions of plans and priorities with the Congress will facilitate basic communications between the Institution and the Congress and will improve both the Congress' and the Institution's awareness of each other's priorities and concerns.

4. With regard to various research awards programs, in addition to the changes proposed by GAO, the Institution should adopt the practice of a special review by the Regents or by their Executive Committee of any awards which the Secretary believes might be perceived by the Congress or the public as self-serving or inappropriate.

II. Internal management matters

These recommendations relate to selected matters of internal management which in turn affect the Institution's charter and accountability.

1. As an early step in the planning process, the Smithsonian Institution should develop and keep current a comprehensive list of activities (programs, projects, etc.) which it carries on. Administrative and internal management functions should be listed and described separately. The list should be more than a simple, "one-line" listing and should include informative descriptions of the activities and functions. Such a list, in addition to being a fundamental step in planning, will help to describe the Smithsonian to the Congress as well as to the public

in a systematic and consistent manner and will permit appropriate note to be taken by the Regents, Congressional committees, and the public of significant activity changes which will occur from time to time.

As a related matter, the Institution should develop and keep up-to-date an organization chart which accurately and completely reflects the structure of the Institution in standard form and terms.

2. The Institution should develop and set forth in concise written form general policies for the use of its trust funds. Such a statement will be very useful in communicating to the Congress the intentions of the Regents and the Secretary with respect to trust funds and in clarifying differences between the use of such funds and appropriated funds.

The 1846 Act contemplated that the Regents and the Secretary would have flexibility to use trust funds subject only to general Congressional oversight. The policies should be as specific as possible, with flexibility afforded by a process whereby the Regents would review any exceptions to the policies proposed by the Secretary. The policies should include the identification of the categories of positions which would normally be paid from trust funds. Attached as Appendix IV (pp. 39-47) is a draft example of such a statement, which was prepared by Smithsonian staff for presentation to the Secretary and to the Regents.

3. The Institution should fill the permanent position of Under Secretary. The incumbent should be responsible for the day-to-day operation and internal management of the Institution. Under present law,

he would be appointed by the Secretary but the selection process should actively involve the Regents. The Under Secretary should be chosen for his managerial training, experience, and skills, rather than for scientific or cultural achievements and interests. With this background, he would not normally be a successor to the Secretary.

With the growth of the Institution in recent years, and the great diversity of its programs, its management has become a very complex and difficult task, perhaps as difficult as for any activity of its size. To help cope with this growing complexity, I believe the Under Secretary should be a permanent part of the Smithsonian staff. His availability will have the further major advantage of permitting the Secretary to concentrate his attention on broad policy matters, substantive leadership and program innovations, and scientific and cultural interests which have been the concern of all Smithsonian Secretaries.

In addition to giving day-to-day direction to the Institution, the Under Secretary should take the lead in identifying and developing solutions (or alternative courses of action) to major policy and program questions at the request of or for consideration by the Secretary. He should also share with the Secretary, along mutually agreeable lines to be worked out between them, the day-to-day supervision of the "line" activities of the Institution as they affect established program objectives, sound management practices, and accountability concerns. The Under Secretary should work through existing institutional staff. He should neither duplicate nor supplant existing key staff but should combine his and their efforts to add new strength to the Smithsonian's management team.

4. The staff of the Auditor of the Smithsonian Institution should be augmented by such additional positions as will permit the Office of Audits to maintain a five-year audit cycle. Also, the Auditor should make available copies of his Office's audit reports to the Audit Review Committee of the Board of Regents at the same time that he transmits them to the Secretary.

III. Recommendations contained in the GAO's report

The GAO recommended that the Smithsonian Research Foundation and the Smithsonian Science Information Exchange (SSIE) be "dissolved" and that their operations be carried out as part of the Smithsonian's regular organizational structure.

I concur in the recommendations with respect to the Smithsonian Research Foundation. The GAO also recommended that the Secretary seek legislative exemptions needed to operate the Smithsonian research awards program, provided, of course, that such exemptions prove necessary. The Institution is exploring the need for exemptions.

With regard to the SSIE, however, I believe that other organizational locations for it should be explored as an alternative to integrating it into the Smithsonian organization. While the SSIE fits within the broad trust mission of the Smithsonian, its continued operation by the latter is not essential to other Smithsonian activities and it tends to diffuse central management responsibilities. The SSIE may well be more appropriate to, and supportive of, the basic mission of another agency. Under

these circumstances, I believe it appropriate to explore the possibility of locating the Exchange in another department or agency. OMB has initiated action to this end; and the Smithsonian Institution has furnished OMB with a discussion paper prepared by Dr. David Hersey, President of the SSIE, which outlines possible alternative organization locations. In addition to the locations discussed in that paper, I believe that the Library of Congress merits consideration.

With regard to the GAO's recommendations dealing with the accountability of the Institution, I concur in the general thrust of its recommendation regarding consultation by the Smithsonian with the appropriations committees on reprogramming. I also concur in its recommendation that those committees be provided with information on the planned use of trust funds at the time appropriations requests are submitted. The Secretary and the Smithsonian staff have been working with the committees on both of these matters. It is my understanding that the work on reprogramming is nearing completion. I also understand that the Institution intends to set forth for the committees' information its budget plans for the use of trust and other non-appropriated funds on a combined basis with its budget request for appropriated funds.

I have recommended to the Smithsonian staff that its presentation of budget plans be on a gross rather than a net basis to more adequately portray the full scope of the Institution's activities. Gross expenditures, (reflected in the Table numbered Appendix V (p. 48) are about 50 percent greater than net expenditures. They more clearly and completely reflect

the increasing importance of self-generated income as well as the significance of grant and contract funds.

As reflected in Recommendation II (2) above, I also concur in the thrust of GAO's recommendation that the Regents "Establish, in conjunction with the appropriate congressional committees, clear policies governing the use of Federal and private [sic] funds." Since appropriations are controlled through the authorization and appropriation processes, however, the recommendation appears to be addressed primarily to trust funds. The term "trust" seems more appropriate than "private" to describe such funds.

United States Senate
WASHINGTON, D.C. 20510

May 16, 1977

Mr. Phillip S. Hughes
3710 Taylor Street
Chevy Chase, Maryland 20015

Dear Mr. Hughes:

I am writing this letter in my capacity as Chairman of the Audit Review Committee of the Board of Regents of the Smithsonian Institution. As you know, the Audit Review Committee has been directed by the Board of Regents to undertake a review of a Report of the Comptroller General of the United States on the Smithsonian Institution. The Comptroller General's report was released March 31, 1977 and calls for the strengthening of the Smithsonian's financial accountability to the Congress in a number of respects. The report has also provoked considerable concern within the Appropriations Committees of the Congress not only over the specific matters addressed by the Comptroller General but over the fundamental relationships of the Smithsonian Institution to the Federal Government and how that relationship impacts on the Institution's financial and management accountability to the Congress.

The concerns now being evidenced in the Congress arise from the fact that Federal support in the form of appropriations and grants now accounts for some 90 percent of the Institution's funding. Yet, the Smithsonian retains its original character as a charitable trust accepted by the Congress and committed to a management framework substantially different from that applied to other Federal Government programs. The current debate in the Congress bespeaks a fundamental concern over the present ability of the Appropriations Committees to insure the Smithsonian's full accountability to the Congress respecting both its Federal funds and its management of the heavy Federal investment in the Institution's assets.

As you know, on May 13, 1977 the Audit Review Committee recommended and the Board of Regents authorized your employment as an outside consultant to conduct an independent study of the Smithsonian's relationship to the Federal Government. The study is to concentrate on a review and assessment of the GAO Report, the concerns that report has raised in the Congress, the Smithsonian's history, the body of laws under which it operates, and related matters. The purpose is to define the Institution's present charter and its relationship to the Congress and the Executive Branch, and to recommend whatever changes seem desirable to clarify those relationships and strengthen the Smithsonian's present charter and its accountability to the Congress. The goal, of course, is to identify opportunities for improvement while, at the same time, preserving the unique qualities that have made the Smithsonian such a source of national pride and achievement.

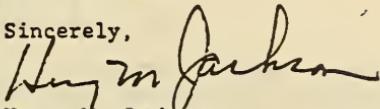
The Audit Review Committee and the Board of Regents are highly pleased that you have made yourself available to perform this important study. As you know, we feel you are specially qualified to bring to the task the kind of experience, impartiality, scholarship and knowledge of government operations needed for the undertaking. The Executive Committee of the Board of Regents has been authorized to take such actions as may be necessary to engage your services, to enter into an appropriate arrangement for your compensation, and to provide such facilities, staff assistance, and additional consultant services as may be necessary. Mr. James E. Webb, the Chairman of the Executive Committee, is available to assist with these matters and will expect to hear from you.

Pursuant to our earlier discussions, I understand that you will be available to devote full time to the study commencing July 5, 1977. In the meantime, and while your work proceeds, the Audit Review Committee, the Executive Committee and the Smithsonian staff will be available to assist you in every way possible.

Again, I appreciate your willingness to undertake this review, and will be available throughout to be helpful in any way I can.

Please do not hesitate to call me.

Sincerely,



Henry M. Jackson

APPENDIX I

May 20, 1977

Senator Henry W. Jackson
Chairman, Audit Review Committee
Board of Regents, Smithsonian Institution

Dear Senator Jackson:

Thank you for your letter of May 16, discussing the circumstances surrounding the Audit Review Committee's and Board of Regents' interest in and review of fundamental relationships between the Smithsonian Institution and the Federal Government, and setting forth the general framework for my work as a consultant on these matters.

The framework established by your letter is entirely satisfactory with me. I will discuss the specific terms of my employment with Mr. James Webb, Chairman of the Executive Committee of the Board of Regents of the Smithsonian Institution, when he returns to the city. I don't expect any unusual circumstances or problems in this regard. I will schedule my work in such a manner as to enable me to complete it by the first of September, 1977.

I look forward to working with you, and the Audit Review Committee on this interesting and important matter and hope that my efforts will be helpful in enabling the Smithsonian Institution to continue to perform its unique functions.

Sincerely yours,

/s/ Phillip S. Hughes

Phillip S. Hughes

3509 Chevy Chase Lake Drive
Chevy Chase, Maryland 20015

cc: Owen Malone
 James Webb

APPENDIX I



SMITHSONIAN INSTITUTION

Washington, D.C. 20560
U.S.A.

June 2, 1977

Mr. Phillip S. Hughes
3509 Chevy Chase Lake Drive
Chevy Chase, Maryland 20015

Dear Mr. Hughes:

This is to confirm your appointment as a consultant to the Audit and Review Committee of the Board of Regents of the Smithsonian Institution to conduct an independent study of the Smithsonian's relationship to the Federal government, as requested by the Executive Committee of the Board of Regents. The study is to concentrate on a review and assessment of the GAO Report, the concerns that Report has raised in the Congress, the Smithsonian historical relationship with the Congress and the Executive Branch, and related matters. The purpose is to define the Institution's present charter and its relationship to the Congress and the Executive Branch, and to recommend whatever changes seem desirable to clarify those relationships and strengthen the Smithsonian's present charter and its accountability to the Congress. The goal is to identify opportunities for improvement while, at the same time, preserving the unique qualities that have made the Smithsonian such a source of national pride and achievement.

It is my understanding that you plan to devote full time to the study beginning on July 5, 1977 and to present your report on or about September 1, 1977.

Since you have stated that you wish to be paid only the difference between your current Federal retirement annuity and what would be paid were you still an Executive Level IV, your grade at the time of retirement, compensation for your services will be in the amount of \$5,400, which amount is based on a period of nine weeks. Payment will be made upon presentation of the report. The Smithsonian Institution will provide such facilities, staff assistance, additional consultant services and any other necessary expenses to carry out this assignment.

This letter contract is executed on behalf of the Executive Committee of the Board of Regents as authorized by the Board of Regents at its meeting on May 13, 1977. By copy of this letter the Secretary of the Smithsonian is authorized to administer this contract.

Please be assured that the Secretary and the staff of the Smithsonian are available to provide whatever information and assistance you may require.

Sincerely yours,

/s/ James E. Webb

James E. Webb
Chairman,
Executive Committee
Board of Regents

APPENDIX II

**LIST OF PERSONS CONTACTED DURING
REVIEW OF THE SMITHSONIAN INSTITUTION**

U.S. SENATORS

The Honorable Henry M. Jackson
Chairman, Permanent Subcommittee on Investigations, Governmental Affairs Committee; Chairman, Audit Review Committee, Board of Regents, Smithsonian Institution

The Honorable Ted Stevens
Ranking Minority Member, Subcommittee on the Department of Interior and Related Agencies, Committee on Appropriations

U.S. REPRESENTATIVES

The Honorable John L. Burton
Chairman, Subcommittee on Government Activities and Transportation, Committee on Government Operations

The Honorable Elford A. Cederberg
Ranking Minority Member, Committee on Appropriations; Member, Board of Regents, Smithsonian Institution

The Honorable Joseph M. McDade
Ranking Minority Member, Subcommittee on Interior, Committee on Appropriations

The Honorable George H. Mahon
Chairman, Committee on Appropriations; Member, Board of Regents, Smithsonian Institution

The Honorable Lucien N. Nedzi
Chairman, Subcommittee on Libraries and Memorials, Committee on House Administration

The Honorable Sidney R. Yates
Chairman, Subcommittee on Interior, Committee on Appropriations

SENATE COMMITTEES' AND MEMBERS' STAFF

William McWhorter Cochrane
Staff Director, Committee on Rules and Administration

Dwight E. Dyer
Staff, Committee on Appropriations

Owen J. Malone
Chief Counsel, Permanent Subcommittee on Investigations, Governmental Affairs Committee

Raymond N. Nelson
Staff, Committee on Rules and Administration

Linda L. Richardson
Staff, Committee on Appropriations

HOUSE COMMITTEES' AND MEMBERS' STAFF

Michael A. Forgash
Administrative Assistant to the Honorable Elford A. Cederberg

Helen C. Hudson
Staff Director, Subcommittee on Libraries and Memorials, Committee on House Administration

Frederick G. Mohrman
Staff, Subcommittee on Interior and Related Agencies, Committee on Appropriations

Cynthia M. Mora
Staff, Subcommittee on Government Activities and Transportation, Committee on Government Operations

Byron S. Nielson
Staff, Subcommittee on Interior and Related Agencies, Committee on Appropriations

Edwin F. Powers
Staff, Committee on Appropriations

Robert S. Royer
Counsel, Subcommittee on Libraries and Memorials, Committee on House Administration

SMITHSONIAN INSTITUTION

The Honorable Warren E. Burger
Chief Justice of the United States; Chancellor of the Smithsonian
Institution

The Honorable James E. Webb
Chairman, Executive Committee, Board of Regents, Smithsonian Institution

The Honorable S. Dillon Ripley
Secretary, Smithsonian Institution (and key Smithsonian staff members)

OTHERS--GOVERNMENT AND NON-GOVERNMENT

The Honorable Elmer B. Staats
Comptroller General of the United States (and certain GAO staff
members working on the Smithsonian Institution)

Mark W. Cannon
Administrative Assistant to the Chief Justice of the United States

Hugh F. Loweth
Deputy Associate Director for Science and Energy Technology, Office
of Management and Budget (and staff members working on the Smithsonian
Institution)

Charles Krause
Formerly reporter, now on editorial staff, The Washington Post

Rodger A. Mastako
Director, Hillwood Museum, Washington, D.C.

Robert H. Simmons
Consultant, Arlington, Virginia

APPENDIX III

§ 72. Same; establishment; Board of Trustees

(a) There is established in the Smithsonian Institution a bureau, which shall be directed by a board to be known as the Trustees of the National Gallery of Art, whose duty it shall be to maintain and administer the National Gallery of Art and site thereof and to execute such other functions as are vested in the board by sections 71, 72 to 74 and 75 of this title. The board shall be composed as follows: The Chief Justice of the United States, the Secretary of State, the Secretary of the Treasury, and the Secretary of the Smithsonian Institution, ex officio; and five general trustees who shall be citizens of the United States, to be chosen as hereinafter provided. No officer or employee of the Federal Government shall be eligible to be chosen as a general trustee.

**§ 80f. Woodrow Wilson International Center for Scholars:
Board of Trustees of the Center.**

(a) Establishment.

There is hereby established in the Smithsonian Institution a Woodrow Wilson International Center for Scholars and a Board of Trustees of the Center (hereinafter referred to as the "Center" and the "Board"), whose duties it shall be to maintain and administer the Center and site thereof and to execute such other functions as are vested in the Board by sections 80e to 80j of this title.

(b) Composition of the Board.

The Board of Trustees shall be composed of fifteen members as follows:

- (1) the Secretary of State;
- (2) the Secretary of Health, Education, and Welfare;
- (3) the Chairman of the National Endowment for the Humanities;
- (4) the Secretary of the Smithsonian Institution;
- (5) The Librarian of Congress;
- (6) The Archivist of the United States;
- (7) one appointed by the President from time to time from within the Federal Government; and
- (8) eight appointed by the President from private life.

- 76h. Bureau, Board of Trustees, and Advisory Committee-Establishment of bureau; direction by Board of Trustees; composition of Board

(a) There is hereby established in the Smithsonian Institution a bureau, which shall be directed by a board to be known as the Trustees of the John F. Kennedy Center for the Performing Arts (hereafter in sections 76h to 76q of this title referred to as the "Board") whose duty it shall be to maintain and administer the John F. Kennedy Center for the Performing Arts and site thereof and to execute such other functions as are vested in the Board by sections 76h to 76q of this title. The Board shall be composed as follows: The Secretary of Health, Education, and Welfare, the Librarian of Congress, the Assistant Secretary of State for Public Affairs, the Chairman of the Commission of Fine Arts, the President of the Board of Commissioners of the District of Columbia, the Chairman of the District of Columbia Recreation Board, the Director of the National Park Service, the Commissioner of the United States Office of Education, the Secretary of the Smithsonian Institution, three Members of the Senate appointed by the President of the Senate, and three Members of the House of Representatives appointed by the Speaker of the House of Representatives ex officio; and thirty general trustees who shall be citizens of the United States, to be chosen as hereinafter provided.

Above underscoring for emphasis.

SAMPLE OF A POSSIBLE
POLICY STATEMENT CONCERNING
THE USE OF SMITHSONIAN
TRUST FUNDS APPENDIX IV

PRELIMINARY DRAFT:
Prepared by the Staff for the
approval of the Secretary and
the Board of Regents
September 21, 1977

SMITHSONIAN INSTITUTION POLICIES AND PROCEDURES
GOVERNING THE USE OF APPROPRIATED FUNDS;
CONTRACTS AND GRANTS; AND TRUST FUNDS

The Act of August 10, 1846 (20 U.S.C. §41 et seq.), which established the Smithsonian Institution, provided for its governance by an independent Board of Regents. The Regents were given broad authority to receive and disburse funds of the Institution "as they shall deem best suited for the promotion of the purpose of the testator." They were also directed to make provision for collections, exhibitions, library and research functions, and facilities for public education.

The funds of the Institution, which originated with the bequest by James Smithson to the United States for "the increase and diffusion of knowledge among men," have been augmented through the years by gifts and bequests, grants and contracts, and the revenue-producing activities of the Institution itself. Many of the activities which implement the trust are substantially funded by Federal appropriations.

All funds of the Institution, both public and those held in trust, are administered by the Secretary, under the direction of the Board of Regents, subject to the terms and conditions required by their sources.

Status reports on the financial condition of the Smithsonian and on the progress of particular programs or projects funded with trust and other funds are provided to the Regents' Executive Committee and to the full Board at its regular meetings.

SOURCES OF SUPPORT

The Institution has three major sources of support: Federal appropriations, Federal grants and contracts, and non-Federal trust funds. The trust funds are further divided into restricted and unrestricted categories.

Federal Appropriations

Federal funds are sought and received through the regular budget and appropriations processes, and are expended in compliance with Government regulations. The administration of these funds, delegated by the Board of Regents to the Secretary, includes adherence to specific legislative authority, conformance to standard Government personnel procedures, and observance of Federal procurement and accounting regulations.

Traditionally, funds have been requested by the Institution for programs authorized by the Board of Regents, and approval has been received for their use in support of basic research; the acquisition, care, maintenance, exhibition, and study of the national collections; construction, renovation, and repair of facilities; and protection of the buildings and collections under the jurisdiction of the Smithsonian.

Funds derived directly from Congressionally approved appropriations are the largest single source of funds available to the Institution. They were initially provided in 1857, at which time they constituted 30% of total operating expenses, and reached their highest proportion, 91%, in 1907. In the current decade, Federal appropriations have ranged between 64% and 76% of the Smithsonian's operating budget, and in 1976 accounted for 66%.

Federal Grants and Contracts

For the past thirty years funds received by means of Federal grants and contracts have been a significant factor in institutional operations. Generally, Smithsonian personnel seek and receive grants and contracts from Government agencies and departments to assist in financing specific research and educational projects that are related to the mission of the Institution and in consonance with programs outlined by the Board of Regents. Occasionally, an agency or department has requested the Smithsonian to perform specific kinds of work because of its expertise in a given area, the availability of key research people, or its ability to respond quickly to certain kinds of needs. Such requests have been honored and carried out by grant or contract when they could be accommodated within the limits of available time, personnel, and existing programmatic priorities.

Grant and contract funds are made available to the Smithsonian as an educational institution; administered through the Institution's restricted trust funds accounts; and expended for purposes of the individual grant or contract in accordance with terms and conditions required by law and regulation and as agreed to between the parties. In 1976 Federal grant and contract funds accounted for 9% of the Smithsonian's operating budget.

Trust Funds

Restricted Trust Funds consist of gifts, grants, endowments, and other income designated for specific projects and purposes by the donor. The Freer fund is the largest example in this category, being

strictly controlled under the terms of the original gift and bequest for the sole use of the Gallery.

Unrestricted Trust Funds are made available for the Institution's use from a variety of sources. These sources include interest on the Smithson bequest; income from short and long-term investments; concessions such as food service and parking; royalties from sales of Smithsonian products designed from objects in the collections; the Resident and National Associates' programs (including the Smithsonian Magazine) and activities such as the Museum Shops. They also include unrestricted gifts or bequests of funds.

POLICIES AND PROCEDURES FOR THE USE OF TRUST FUNDS

The policies and procedures which have been developed for the use of trust funds may be summarized as follows. Significant changes in these policies will be approved by the Executive Committee of the Board of Regents, and, if necessary, the full Board, and following such approval will be made known to the Office of Management and Budget and the Congress.

-- Annual income budgets are prepared in detail for each of the sources of trust funds and expense budgets for all recipient programs, activities, and organizations. The trust fund budgets are consolidated for review by Smithsonian management and approval by the Board of Regents. This budget is developed in coordination with Federal budget planning and allocations, particularly in those instances where both appropriated and trust funds are used to support an organization unit or program.

-- Separate financial accounts are maintained, reports prepared, and results monitored and projected to assure that trust funds are used for approved purposes and in an effective manner. Plans and budgets for the current and budget years are communicated in a timely and comprehensive way to the Office of Management and Budget and the Congress for their review as part of the Federal appropriations' process. Special attention will be given to any proposed expenditures of trust funds which may result in a significant requirement for future Federal dollars. Any special unanticipated requirement to use major amounts of trust funds for an activity usually supported with Federal appropriations will be discussed with OMB and the appropriation subcommittees.

-- Personnel hiring and employment practices, and the procurement of goods and services financed by trust funds are consonant with sound management policies and procedures, and include where appropriate for administrative consistency and simplicity, the application of guidelines established for the use of Federal funds. As has been customary, trust fund employees are paid at rates commensurate with those of Federal employees. Funding for employment is determined through the budget process and employees are paid from the source(s) of funds available to their parent organization units or programs with the few exceptions specifically approved by the Secretary.

-- Management and administrative services units of the Institution, such as legal counsel, accounting, payroll, personnel, supply, and others, are staffed and otherwise supported in part from

Federal funds, and in part from trust funds, including funds resulting from overhead recovery on grants and contracts and from administrative fees. This procedure produces a ratio of Federal and trust fund administrative support approximately in proportion to the operating program expenditures of the Institution as a whole.

-- The auxiliary activities staff, and other operating expenses, such as those of the Smithsonian Magazine and the Museum Shops, are met from the earned income of these activities. Where losses are budgeted for certain of these activities, they are more than offset by the gains of others. Other activities, such as the Traveling Exhibition Service and Performing Arts, usually included in the "auxiliary" category of the trust funds budget because they also have earned income, receive appropriated funds specifically provided by the Congress.

In the past decade the trust funds of the Institution have ranged between 8% and 25% of its total operating budget. Only in 1975 and 1976 have they exceeded 20%. This has been due in substantial measure to the wide acceptance of Smithsonian Magazine by subscribers and advertisers which has generated sums of unrestricted funds previously unavailable.

USES OF NET UNRESTRICTED TRUST FUND INCOME

With the approval of the Board of Regents, the unrestricted trust fund income remaining after meeting the expenses of the auxiliary activities and a share of general administration shall be allocated to purposes and programs on the basis of carefully

considered needs and opportunities, fund availability, and projections of future economic and other conditions.

A portion of the net income of certain of the auxiliary activities, such as the shops, concessions, and product development programs, is allocated to the museums and galleries in recognition of their participation in the planning, development, and administration of these efforts. Although these are unrestricted funds in the broad sense, their use is limited primarily to purchases for the collections, exhibitions, and publications, and their expenditure is determined in consultation with the individual bureau director and annual budgets for such funds are prepared for the approval of Smithsonian management. Other funds available to the bureaux result from activities such as the operation of the parking facility at the National Zoological Park and the film and planetarium showings at the National Air and Space Museum. These funds are dedicated to particular needs such as parking improvements, replacement films, and educational publications.

The Regents first priority for the allocation of remaining trust funds is the development of the Institution's relatively small unrestricted endowment fund. Income from that fund will be used to strengthen the financial position of the Smithsonian against continuing inflation and unpredictable economic change. The Regents anticipate adding to this endowment each year to produce investment income sufficient to offset increased costs of program operations which are dependent on trust funds.

After provision for endowment growth, funds are made available for projects in the areas of major purchases for the collections, research opportunities, and the extension of popular education activities, including public television, publications, and regional Associate presentations. Such allocations take into account the appropriated funds, if any, available for particular activities or projects. Other trust fund allotments, usually of small amounts, are made to the bureaux and offices for special events associated with exhibit openings and similar public presentations, or other purposes where it is determined that there are special needs or opportunities.

Physical plant improvements are funded with appropriated funds except on infrequent occasions where it is determined that the nature of the property, type of improvement, or the urgency of the need makes it appropriate to use trust funds.

ACCOUNTABILITY

Preservation of the Smithsonian's unique characteristics and its program flexibility derived from having a number of important sources of funds requires that the Institution account fully for the funds available to it and the activities entrusted to it. A report is submitted annually to the Congress on the activities and the condition of the Institution and includes complete financial reports on all funding sources. Federal funds are subject to audit by the General Accounting Office, and the trust funds are audited each year by certified public accountants whose findings

are included in the annual report to Congress. The Defense Contract Audit Agency reviews the Smithsonian's management of and accounting for Federal grants and contracts and approves the allocation of related administrative expenses. In addition to these regular reports and reviews the Board of Regents, as a matter of policy, makes available to the Congress and to officers of appropriate Executive Branch agencies budget documents and materials related to the trust funds of the Institution for review and consideration.

Smithsonian Institution Income 1850-1977 (Est.)
 (in thousands)

APPENDIX V

YEAR	Total*	Federal Sft.	TRUST FUNDS			Federal Agency Gr. & Contracts
			Unrestrict.	Auxiliary Activities Gross Inc.	Expenses	
1850	51	-0-	51	-	-	-0-
1860	43	4	39	-	-	-0-
1870	49	4	45	-	-	-0-
1880	97	55	42	-	-	-0-
1890	341	285	46	-	10	-0-
1900	453	392	53	-	8	-0-
1910	885	779	60	-	46	-0-
1920	814	692	69	-	53	-0-
1930	1,813	1,251	80	-	482	-0-
1940	1,758	1,295	99	-	364	-0-
1950	3,787	3,190	119	34	427	17
1960	14,415	9,005	364	123	766	4,157
1965	30,686	17,516	400	464	464	1,242
1966	35,525	20,974	523	660	660	1,805
1967	44,415	24,989	937	781	781	1,726
1968	42,377	26,784	468	2,175	2,471	1,428
1969	47,430	29,150	790	3,035	3,491	2,929
1970	50,815	32,679	854	4,052	5,093	3,457
1971	55,990	36,895	1,858	4,706	5,240	3,214
1972	66,174	46,301	1,411	6,445	6,586	4,169
1973	76,947	53,233	843	8,483	8,313	5,361
1974	89,520	60,563	1,987	12,735	10,965	4,267
1975	112,602	72,511	2,407	16,802	16,494	6,537
1976 & Trans. Qtr.	168,545	106,654	4,112	34,483	29,946	7,788
1977 (E)	143,956	85,236	2,780	39,440	32,640	5,300
(Note included in total)						

* Includes Auxiliary Activities Cost of Sales.

1/ Includes SSIE; Excludes Foreign Currency, R&R, Construction Appropriations.

2/ Prior to 1968 expenses allocable to Auxiliary Activities cannot be readily identified; breakeven is assumed.

SMITHSONIAN RESPONSE TO GAO STUDY

Mr. YATES. I should say also that the response of the Smithsonian to the General Accounting Office study may be made a part of the record following the insertion of that study.

[The Smithsonian response follows:]

SMITHSONIAN INSTITUTION STATEMENT ON THE REPORT OF THE COMPTROLLER GENERAL

April 18, 1977.

On March 31, 1977, the Comptroller General issued his report entitled "Need to Strengthen Financial Accountability to the Congress—Smithsonian Institution" in response to the request of the Senate Appropriations Subcommittee on the Department of the Interior and Related Agencies. The Institution's comments on an earlier draft of this Report were included as Appendix V to the Report. This statement is intended to summarize and supplement those comments.

As an introduction and background to specific comments on the numerous topics in the Report, an "Outline of the Origin and Development of the Smithsonian Institution" sets forth the statutory history of the Institution as an independent trust establishment which is not part of the three branches of Government but which shares the trust responsibilities with the Congress. The Outline makes it clear that the Report's repeated use of the word "private" to describe the Institution's nongovernmental status and its non-Federal trust funds should not imply any lack of accountability for any of its operations or funds. The Act of 1846 specifically provides that the Institution is entirely accountable to the Congress independent of and in addition to any specific requirements of appropriations. As stated in the Institution's comments on the Report, the Institution is already taking a number of additional steps to expand its reports to give the Congress an even fuller picture of the Institution's operations.

SMITHSONIAN RESEARCH FOUNDATION AND SMITHSONIAN SCIENCE INFORMATION EXCHANGE

This section of the Report raises questions about the administration of several special programs, approved by the Congress and operated by contract with the Smithsonian Research Foundation (SRF) and the Smithsonian Science Information Exchange (SSIE). These are legally competent corporate entities organized to continue the operation by contract of several specialized functions formerly funded by contract with the National Science Foundation and the National Academy of Sciences. The research award, fellowship, and technical information programs, which are distinct from normal curatorial and operational functions, have been administered under this contract system, for 11 years in the case of SRF and for 27 years in the case of SSIE.

Although the Report states that it is not questioning the legal standing of the agreements or the corporations, it nevertheless recommends that both corporations be dissolved. The Report does not indicate how its recommendations would enhance the control or accountability of these special programs, but makes the surprising statement that any effect on economy of operation is "not particularly relevant." In addition to economy, however, one of the major effects of separate administration by contract is to provide unified controls and specific financial accountability for each program.

It is essential to note that the principal questions raised in the Report do not, in fact, concern the existence of the corporations, but the contract method of administration of these programs. On page 17 the Report summarizes with regard to SSIE the same criticisms applied to SRF earlier in the Report:

"Since the Exchange is a private, nonprofit corporation, it does not have to comply with Federal statutes such as fiscal year limitations and civil service and Federal procurement laws, applicable to the use of appropriated funds."

The applicability of fiscal year limitations, and civil service and procurement laws, is not determined by the corporate status, profit or nonprofit, of the contracting organization, but is entirely a function of the contract itself,* which is governed by the Federal statutes, regulations, and rules applicable to the obligation, administration, and expenditure of appropriated funds by contract.

*The references to "contracts" herein are intended to include "grants," which are a form of Federal contracts.

Under these rules, many contracts, such as research contracts, cover the term of the project, which normally extends over more than one fiscal year. The rules do not contemplate that the employees of the contractor will become civil servants, although the employment practices of the Federal contractor are now subject to many other Federal regulations, as are the contractor's procurements. In short, the rules and regulations for Federal contracts are as comprehensive as those for direct expenditures referred to by the Report.

Since the contracts for these special programs are in compliance with the Federal laws governing the use of appropriated funds by contract, the statement in the Report that the Institution uses the corporate contractor as "a device that attempts to avoid restrictions relevant to appropriated funds . . . in a way that it clearly could not if it spent the funds directly" is somewhat misleading. The present method of administering these various funds by contract arrangements does not free their expenditure from proper Federal controls; rather, a different set of Federal regulations governing the use of appropriated funds applies. The Report's unstated premise that direct expenditure is always preferable to expenditure by contract is not supported by Federal law or Government practice, particularly in the administration of specialized research projects, fellowship programs, and technical information functions.

The Institution's research awards program is now administered under the same type of Federal contract as that deemed appropriate by the National Science Foundation when it originally funded these research projects, and the fellowship program contract is similar to that which is used by many agencies to provide for the administration of visiting scientist programs by the National Academy of Sciences. Likewise, the contract with the SSIE is the same in its basic provisions as that used by the National Science Foundation prior to Fiscal Year 1972, when it funded the operations of the SSIE through the Institution. The Institution, in continuing the administration of these special programs by contract, adopted the method which has long been deemed by the Government to be appropriate, legally authorized, and effective.

The Institution's comments on the Report set forth the long history of the separate operation of SSIE by contract, as agreed upon by the user agencies in the Executive Branch and repeatedly reviewed and approved by numerous committees of the Senate and the House of Representatives. The Report does not take note of the continuing interests of the legislative and executive branches in the present operations of the SSIE, nor indeed of the studies by the GAO itself with regard to SSIE. Moreover, the Report does not address the question whether the Board of Regents could unilaterally dismantle the present operation of the SSIE without prior consideration by the appropriate committees of Congress, by the public and private user agencies, and by the President's Committee on Science and Technology.

In House Report No. 94-595 on what was enacted as the "National Science and Technology Policy, Organization, and Priorities Act of 1976" consideration was given by the Committee on Science and Technology (pp. 24-26) to the present operation of SSIE and the possibility of merging it with the Commerce Department's National Technical Information Service and the NSF's Office of Science Information Service. It was recommended that the resulting organization be a "Corporation with a single executive head and a governing Board." This proposal was among the subjects referred for further consideration by the President's Committee on Science and Technology created by Title III of the Act.

With regard to the programs administered by contract with SRF, the Report points out two areas which require correction and improvement. In the course of the audit by GAO, which coincided with a review by the Institution's internal auditor, it became apparent from both sources that there had been some uncertainty among the various program managers as to the appropriate time relationship between the availability of appropriations, the general contract with SRF, and the final commitments to the selected scholars and research projects. The Report is correct that the funds intended for fellowships in the Urgent Anthropology Program should no longer be considered available for specific commitments, and they have been deobligated. The other programs administered by SRF are now current. Contract obligations to SRF and final commitments by SRF are being made within the same fiscal year as the appropriations are available.

In this connection, it should be noted that the Report states: "Our criticism is muted by the fact that there is nothing to suggest that appropriated funds were spent on anything but the programs authorized."

The second area for improvement recommended by the Report does not concern the contracts and administration of SRF, but points to the need for the Institu-

tion to inform the Congress fully about the status of SRF and to report its finances in such a way as to demonstrate its financial accountability. Although no specific effort to inform the Congress was recommended when the Board of Regents authorized the incorporation of SRF in 1966, it is apparent in retrospect that such an effort at the outset might well have prevented this recent criticism. No attempt has been made to conceal the SRF: it has been mentioned in a number of the Institution's Annual Reports to Congress; it is shown on the organization chart submitted to the appropriations committees with the budget estimates; and a brief report is filed annually as a public document with the Corporation Division of the D.C. Office of Recorder of Deeds.

In order to improve this situation, the independent auditor's report of the SRF's Financial Statements and Schedules will be included as an appendix to the Institution's Annual Report to the Congress. Similarly, in addition to the information already furnished to the Congress concerning SSIE, the audited statement of SSIE's financial operations and fund balances will also be set forth in the Annual Report.

INFORMATION ON SMITHSONIAN FINANCES

In connection with the former reprogramming of appropriated operating funds to establish a contingency fund capability of which Congress had been advised, the Report concludes that the Institution requires some administrative flexibility in reallocating funds among its numerous budget categories. It recommends that the Smithsonian work with the appropriation subcommittees to arrive at a mutually agreeable understanding as to the size of reprogramming actions which would require advance approval by the committees. The Institution fully concurs in this conclusion and recommendation and is anxious to continue discussions with the subcommittees to develop guidelines.

The Report also discusses the various categories of trust fund income and expenditures, pointing out that annual financial reports are regularly supplied to the Congress. It recommends, however, that information on the planned use of trust funds should be provided to appropriations committees at the time appropriation requests are submitted and that clear policies should be established governing the use of Federal and trust funds.

The Institution is willing at all times to furnish to the Congress all facts about its operations. Budget projections of the Institution's trust funds for two years in advance can be furnished to the Congress with the concurrence of the Smithsonian for periods ranging from three years in the case of the Conservation the Institution will endeavor to set forth more clearly the policies which affect the budgeting of federally appropriated funds and the limited trust funds available to the Board of Regents, all of which are used for the Institution's statutory trust purposes.

ESTABLISHMENT OF NEW FACILITIES

This portion of the Report briefly describes four centers of Smithsonian activity: Cooper-Hewitt Museum, Chesapeake Bay Center for Environmental Studies, National Zoological Park's Conservation and Research Center, and the Smithsonian Tropical Research Institute. While these have been administered by the Smithsonian Board of Regents, which approves all such budgets. Furthermore, and Research Center to over thirty years in the case of the Tropical Research Institute and thus should not be categorized as newly established, the Institution completely respects the Congressional need to be promptly informed of Smithsonian plans that might involve substantial new Federal expenditures, and will provide comprehensive and timely information to the appropriate Congressional committees.

OTHER MATTERS

Of special importance to the future of the Institution is the proposed Museum Support Center. The Report takes note of the benefits that the Center will provide for the management and preservation of the national collections, and for the training of conservators. With regard to the Institution's research installation, the Smithsonian is pleased that the Report, in reviewing the Chesapeake Bay Center's basic research, states that "none of the projects sponsored and paid for by the Smithsonian seemed to duplicate the projects of the other Federal agencies."

CONCLUSIONS

In summary, the Smithsonian has cooperated in every way possible to provide the information requested in the course of this extensive inquiry, and hopes it will serve as the basis for productive discussions in our continuing efforts to improve administrative and program practices. A number of practical questions raised by the Report's alternative recommendations concerning the programs of SRF and SSIE require further study. With the improvements and corrections already being made, the Institution believes that its current programs and activities are being administered effectively, with full accountability in compliance with all applicable Federal laws; and a continuing effort is pledged to inform Congress of every aspect of the progress of the Institution and to maintain the accountability required by its statutory charter.

Mr. YATES. I don't think there was a response by the Smithsonian to the report of the Audit and Review Committee, was there?

Mr. RIPLEY. No, Mr. Chairman.

HOUSE INVESTIGATIVE STUDY

Mr. YATES. Then the third study was by the investigative staff of the House Committee on Appropriations, and that may be made a part of the record at this point.

[The study follows:]

NOT FOR RELEASE UNTIL AUTHORIZED BY THE COMMITTEE

A REPORT TO
THE COMMITTEE ON APPROPRIATIONS
U.S. HOUSE OF REPRESENTATIVES

on the

SMITHSONIAN INSTITUTION ACCOUNTABILITY
AND MANAGEMENT POLICIES AND PRACTICES

Surveys and Investigations Staff
December 1977

NOT FOR RELEASE UNTIL AUTHORIZED BY THE COMMITTEE

December 20, 1977

MEMORANDUM FOR THE CHAIRMAN

Re: Smithsonian Institution Accountability
And Management Policies and Practices

By directive dated May 18, 1977, the Committee requested an investigation of the Smithsonian Institution to include its statutory authority, accountability to Congress and policies and practices in administering and funding programs of the Institution.

The investigation has been completed, and the results are set out in this report.

Respectfully submitted,

David A. Schmidt
David A. Schmidt, Director
Surveys and Investigations Staff
House Appropriations Committee

C. R. Anderson
C. R. Anderson
Chief of the Surveys and
Investigations Staff
House Appropriations Committee

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SUMMARY, OBSERVATIONS, AND RECOMMENDATIONS

The Investigative Staff was asked to make an investigation of the various aspects of the Smithsonian Institution. The investigation was to include: an assessment of the adequacy of the Institution's accountability to the Congress; a review of the organization's charter and statutory authority, the conditions of the original Smithson bequest, the sources of private funding, the policy on funding programs, the purchasing practices, and the research awards program; an evaluation of ongoing and planned programs; and a determination of the degree, if any, to which the Institution should be following normal operating procedures of a Federal agency. It was requested any other surveys of the Institution be considered in the investigation.

The Investigative Staff conducted in excess of 100 interviews of personnel employed or otherwise associated with Smithsonian Institution activities, ranging from unpaid volunteers to the Secretary of the Institution and the Chairman of the Executive Committee of the Board of Regents. Institution documents and minutes of the Board of Regents meetings for the past 14 years were reviewed. Site visits were made to 57 of the 69 activities and organizations identified in the Institution's table of organization.

The organization and character of the Smithsonian Institution are both unique and ever-changing. The Smithsonian represents the acceptance by the United States of a trust whose purpose is so broad it encompasses any program direction or endeavor an individual or organization might wish to pursue.

The Smithsonian Institution identifies and classifies mosquitoes, organizes and produces concerts of antique musical instruments, measures ultraviolet rays from the sun, grows plants, owns and operates popular museums, engages in retail sales, collects things, restores things, preserves things, supports scholars, exhibits art, recruits personnel for the Peace Corps, operates a zoo and breeding farm, organizes and conducts travel tours, contracts with the National Aeronautics and Space Administration for instrument design and production, produces phonograph records, and performs basic scholarly research in a variety of disciplines. All these activities and many, many more comprise the programs of the Smithsonian.

The Smithsonian Institution is a research organization, an educational organization, a service organization, and a business and fundraising organization.

Funds to support its programs and projects come from many and varied sources: direct Federal appropriations; gifts of money, stocks, real property and personal property, by individuals or organizations; income generated from investments, by Smithsonian Institution revenue-producing activities, and through activities of individual employees; and income from grants and contracts from Federal, State, local, and private organizations.

The Smithsonian Institution is not a Federal Government agency and not wholly private in character, according to Smithsonian officials, but something in between. It is a "quasi," whose mission--"to increase and diffuse knowledge among men"--the faith of the United States is pledged. The Investigative Staff believes the Smithsonian is a unique undefined organization that needs both a definition of identity and increased Congressional review and Board of Regents involvement.

The Smithsonian Institution was established in 1846 by an act of Congress. The history of that legislation clearly establishes the extensive involvement of the U.S. Government in the administration of the trust and the management of the Institution. Over the past 132 years, the character and program substance of the Institution have changed from that of a "private organization" with the direct management guidance and supplemental financial support of the U.S. Government to an organization with assumed independent management and policy direction that is 90 percent supported by Federal appropriations, pursuing its own objectives and administering U.S. Government-initiated programs and activities, some parochial, in terms of U.S. national interests.

The majority of the Smithsonian Institution programs and activities currently undertaken could not be continued without the direct financial support provided by the Congress. The supplemental Federal funds viewed by the Smithsonian as providing "brick and mortar" type expenses for privately funded activities have become the bread-and-butter support of Smithsonian programs to which the private funds have evolved to the supplemental role.

While this evolution of the organization represents the reality of program activity, the management practices and policies have not kept pace and do not reflect the management control and accountability required for an institution as decentralized and dependent on Federal funds as the Smithsonian. The enabling legislation envisioned a Board of Regents intimately involved with the programs and administration of the Institution. This involvement over the years has changed, without specific recognition of the change, to one of broad

policy direction by the Regents, and program initiation and management the responsibility of the Secretary of the Institution.

Board of Regents minutes, however, describe the Secretary's role as the principal administrator of the Institution, charged with the responsibility of carrying out the programs and policies as approved by the Regents and recommending new programs for Regents approval. The Board of Regents is described as responsible for conducting the business of the Institution to include: investments and finances, review of programs and operations, approval or disapproval of future programs and plans, and acceptance of gifts and bequests. The three-member Executive Committee of the Board acts as a major interface between the Secretary and the full Board in the operations of the Institution. There are, however, no formal set of bylaws for the Regents, according to Smithsonian Institution officials. The Investigative Staff found that, without established bylaws or formal procedures for program approval, the initiation process of a Smithsonian Institution activity is inconsistent, resulting in Regents involvement ranging from none to total.

While exceptions to these processes are evident in recent history, the role of the Board of Regents, in the opinion of the Investigative Staff, has not been clear and consistent but is a product of the interaction and personalities of the Secretary of the Institution and particular members of the Board of Regents at any given time.

The composition of the members of the incorporating establishment (Government representatives), the weighting of the balance of the membership of the Board of Regents to Government officials versus citizens, and the terms of the original bequest to the United States provide the basis for the Congressional oversight of Smithsonian Institution operations, both privately and federally funded.

The Investigative Staff believes it is important for the responsibilities of the Secretary and the Board of Regents to be clearly defined and consistent if the Congress is to exercise its accountability under the terms of the Smithson trust through the Board of Regents. Additionally, under the terms of the enabling legislation, the Smithsonian Institution has the responsibility to advise the Congress of its private fund activities so the Congress can assess its own responsibility in administering the Smithson trust. These responsibilities are distinct from those associated with appropriated funds. The accountability of the Smithsonian to the Congress is for the whole of the organization, both privately and federally funded.

It is therefore imperative for necessary Congressional oversight that the Smithsonian present its budget justification, as a whole, to the Regents and the Congress for consideration and understanding. The private funds and the Federal funds should be cast as two parts comprising the whole so the Congress can view the entire Smithsonian effort when considering an appropriation request. The Investigative Staff does not believe the present Annual Report meets this requirement.

In its survey of the Smithsonian Institution, the Investigative Staff determined that many of the policies, practices, and decisions that shape the Smithsonian programs were based on past practice, or tradition, and were not reflective of efficient or conscious management decisions. Personnel management practices did not reflect consistent, continuous, or pervasive abuse of the privileges available to the Institution but do reflect a willingness on the part of management to skillfully use the system to its own ends when so motivated.

The Investigative Staff identified appointments of individuals to private-roll funded positions to avoid annuity reductions to their Federal retirement pay. These cases lacked determinations as to the appropriateness of Federal or private support for the positions. The Staff identified a reversal of this practice in the transfer of an individual from Federal rolls to private rolls and back to Federal rolls to avoid Civil Service Commission restrictions on hiring and promotions. These practices illustrate management's awareness of the convenience of considering the Institution a private organization or a Federal organization at will.

The concern of the Investigative Staff is not necessarily that this flexibility exists; but, rather, it is concerned that the motivation for utilizing this flexibility is not for greater organizational efficiency or equity.

In the opinion of the Investigative Staff, the lack of management control of private funds is reflected in the sheer number of individual private fund accounts maintained by the Smithsonian Institution and its inability to date to provide either the Committee, in response to a budget hearing request, or the Investigative Staff, at its later request, a listing of all private fund sources.

The practice of bureaus seeking only Federal appropriations for support of programs and activities because of a lack of knowledge of what specific private funds and amounts may be available for support reflects a failure in communication to subordinate Smithsonian organizations and a reliance on Federal funding for any aspect of program support, contrary to stated Smithsonian Institution policy.

The Smithsonian's practice of utilizing its "private organization" identity to convert Federal assets to "private revenues" is an example of Smithsonian willingness to actively seek methods of circumventing Federal appropriation restrictions even when those restrictions would not inhibit program activities. This is exemplified by the use of the Smithsonian Research Foundation by Smithsonian management officials to channel other appropriated funds not earmarked for the Research Grants Award program into the Foundation to specifically lose the Federal identity and accountability of the funds.

This example and others cited in the report are not the result of accounting errors or just the establishment of another bank account, as described by the Secretary to the Board of Regents, but are, in the opinion of the Investigative Staff, the effects of a deliberate policy exercised by the Smithsonian to avoid accountability for Federal funds to the Congress. This view is further supported by the expressed policy of the Smithsonian Institution Treasurer of less than full disclosure of financial information to the Congress.

The convenience of the dual (private-Federal) identity utilized by the Smithsonian Institution is also demonstrated by a deliberate policy of land acquisition utilizing only Smithsonian Institution private trust funds to avoid Federal restrictions on disposal of "Government-owned lands."

The Secretary of the Institution advised the Investigative Staff the "private funds only" effort was made because he considers certain properties a liquid asset and disposable if the Institution's program needs change in the future.

The most serious concern of the Investigative Staff, and that which warrants the closest supervision of the Regents and the Congress, is the most recent efforts of the Smithsonian Institution to expand and increase the profitability of its revenue-raising activities. With the establishment of a \$50 million unrestricted endowment fund goal, the Smithsonian has undertaken profit-oriented activities, utilizing the reputation and mystique of the Smithsonian Institution name, that are generating unprecedented revenues for the Smithsonian. As these activities grow, increased management attention is necessary to provide supervision and control, thereby diverting management resources from the research and educational missions of the Smithsonian.

This attitude is reflected in Smithsonian Institution bureau activities where individual bureau and office entrepreneurial efforts at revenue-generating activities are encouraged as a source of bureau or office discretionary

program funding. In its survey, the Investigative Staff learned that discretionary private fund accounts exist throughout the Smithsonian with numerous sources of funding. For example, one bureau has a discretionary account that totaled in excess of \$100,000, while another had an approximate total of \$35,000 emanating from at least 34 different sources. The Cooper-Hewitt Museum had identified 72 private fund accounts and 2 Federal accounts as sources for funding its activities. This multiplicity of accounts inhibits management control and provides the occasion for possible fund misuse.

The Investigative Staff believes the multiplicity of funding sources, the Smithsonian Institution manipulation of Federal appropriations, and the emphasis on revenue-generating activities warrant the inclusion of Smithsonian private funds in General Accounting Office audit and review responsibilities to further assist the Congress in the exercise of its oversight responsibility of all Smithsonian activities.

Other recent surveys of Smithsonian Institution activities by the General Accounting Office and an outside consultant engaged by the Board of Regents recommend increased accountability to the Congress, abolition or transfer of certain Smithsonian Institution organizations, and changes in the Institution's internal management practices to increase management control and planning.

The Investigative Staff and the report initiated by the Board of Regents recommend the establishment of a long-range planning process to establish program direction and priority for the varied and complex programs undertaken by the Smithsonian Institution and serve as a vehicle for Board of Regents review and Congressional oversight. This process does not now exist within the Institution to the depth necessary to accomplish sound management goals.

In the opinion of the Investigative Staff, significant increases in Federal funding will be sought for the several Smithsonian Institution activities identified in chapter XVII of this report. Federal appropriations will replace or supplement the funding of activities now supported with private funds. The Federal funding program commitment presently undefined in Smithsonian Institution policy or practice could result in the creation of a new museum organization and program base through incremental funding requests.

RECOMMENDATIONS

The Investigative Staff believes the Smithsonian Institution should be a unique Federal instrumentality, differing

from a Federal agency in the continuance of a defined characteristic of a private educational organization. This should enable it to solicit and compete for grants and contracts and with the ability to pursue activities, approved by the Board of Regents, supported wholly with private funds, without the specific restrictions imposed by the laws and regulations governing Federal agencies.

However, those activities and this private organizational flexibility should be subject to the same Congressional oversight and accountability required of other Federal agencies.

The Investigative Staff recommends that the Committee consider:

- Legislation or specific appropriations language defining the status of the Smithsonian Institution as a Federal instrumentality with accountability, as a Federal agency, for all funds, both Federal and private, and defining the status of private-roll employees with respect to coverage by Federal employee benefit programs.
- Requiring that the Smithsonian Institution submit future Federal appropriation requests with comparative private fund availability projections on a side-by-side basis for the Committee's consideration in determining Federal funding levels.

As envisioned in the enabling legislation, the Board of Regents involvement in the operation and management of the Institution is as necessary as the Board's definition of general Smithsonian policy.

The growth of the Institution, its complexity of programs, multiplicity of funding sources, opportunities for myriad activities, and the non-Smithsonian demands on its Regents time resources warrant a definitive set of guidelines for Smithsonian Institution management discretion. The guidelines should allow sufficient management flexibility to take advantage of opportune situations and projects without diminishing the ability of the Regents and the Congress to fulfill their responsibilities in the administration of the Smithson trust and those activities assigned to the Institution by the Congress and accepted by the Regents.

To strengthen internal management and Congressional oversight, the Investigative Staff recommends the Committee further consider:

- Having the Board of Regents publish a set of bylaws that contain specific thresholds for management discretion in Smithsonian Institution program and project initiation, reprogramming of private funds from activities specified in the budget, establishment of a definitive program funding source policy and a mechanism for Regents approval of organizational change. The bylaws should also specify the authorities vested in the Executive Committee as differentiated from those of the full Board of Regents.
- Limiting the appointment of members of the Board of Regents to 12 years or two consecutive terms to increase Regent participation and provide additional periodic policy and program stimulation.

Scientific integrity, communication, and stimulation are an integral and necessary part of any institution seeking to expand knowledge. Competition and peer review are, in the tradition of any educational institution, a source of evaluation and stimulation. The Investigative Staff believes that the competition in the grants and contracts marketplace now pursued by the Smithsonian Institution and a more consistent, reliable source of research support are necessary to the continued institutional health of the Smithsonian.

The Investigative Staff also recommends that the Committee consider:

- Authorizing the Smithsonian Institution to continue to compete as a "private" educational activity for grants and contracts from Federal, State, local, and private organizations, and authorizing a research grant award program with specified internal and external peer review to encourage and stimulate the continued research endeavors of the Institution.

The Investigative Staff believes the policy basis for program activities and standards for management, because of the integrity and international reputation of the Smithsonian Institution, should be the highest required for any Federal agency or entity so that criticisms or opportunities for criticism do not exist.

The Investigative Staff believes the Smithsonian Institution requires the consistent and detailed oversight of both the Congress and its full Board of Regents to provide the broadest base of experience and guidance to its programs.

I. INTRODUCTIONA. Directive

By directive dated May 18, 1977, the Committee requested that an investigation be made of the various aspects of the Smithsonian Institution.

The investigation was to assess the adequacy of the Institution's accountability to the Congress; review the Institution's charter, existing statutory authority, and conditions of the original Smithson bequest; and determine the degree to which the Institution is or should be following the normal operating and accounting procedures of a Federal agency.

The review was to include the identification of sources of private funding; the relationship of the Smithsonian Institution to other institutions and foundations; an examination of the Institution's policy on funding of programs, its purchasing practices, and the administration and value to the Institution of the research awards program; the use, if any, of funds or property of the Institution for personal benefit; and an evaluation of ongoing activities that have potential for increased Federal funding.

The Investigative Staff was asked to consider the findings of any other studies of the Smithsonian Institution that were underway or completed.

B. Scope of the Investigation

The information requested by the Committee was developed by the Investigative Staff through interviews with Smithsonian Institution management officials, bureau directors, individual scientists and curators, and officials responsible for individual Smithsonian activities. The Investigative Staff conducted in excess of 100 interviews of personnel employed or otherwise associated with Smithsonian Institution activities, ranging from unpaid volunteers to the Secretary of the Institution and the Chairman of the Executive Committee of the Board of Regents.

Supplementing the interviews, the Investigative Staff reviewed Smithsonian Institution files and documents and the minutes of the meetings of the Board of Regents for the past 14 years.

The Investigative Staff visited each bureau of the Smithsonian Institution under the direction of the Smithsonian's Board of Regents, with the exception of the Smithsonian Tropical Research Institute in Panama. The Woodrow Wilson

International Center for Scholars was not included because it is administered by a separate Board of Trustees. As the John F. Kennedy Center for the Performing Arts and the National Gallery of Art are only nominally within the Smithsonian Institution (no program direction or management is provided by the Smithsonian Institution), the Investigative Staff did not include those activities in the survey. Site visits were made to 57 of the 69 Smithsonian Institution activities and organizations identified in the Institution's table of organization.

Portions of the information contained in this report were developed from Smithsonian Institution documents designated "Administrative Confidential" by the Institution.

II. HISTORY AND BACKGROUND

The origin of the Smithsonian Institution begins in 1826 with the writing of the will of James Smithson, a native of England, and, according to his will, the son of the first Duke of Northumberland and a scientist of some reputation.

James Smithson died in 1828, and knowledge of the content of Smithson's will was communicated to the United States on the death of Smithson's nephew, Henry James Hungerford, in 1835.

In December of 1835, President Andrew Jackson transmitted to both Houses of Congress a report relating to:

"a bequest to the United States, by Mr. James Smithson of London, for the purpose of founding, at Washington, an establishment under the name of the 'Smithsonian Institution for the increase and diffusion of knowledge among men.' The executive having no authority to take any steps for accepting the trust, and obtaining the funds [from England], the papers are communicated with a view to such measures as Congress may deem necessary."

This message was referred to a select committee in each House of Congress. Both reported in favor of the acceptance of the bequest and of the trust.

On July 1, 1836, the President signed a bill, passed without opposition, authorizing the President to appoint an Agent to "assert or prosecute for and in behalf of the United States, in the English Court of the Chancery, the right of the United States to the legacy." The law "pledged the faith of the United States, that all monies or other funds which might be received for, or on account of the said legacy, should be applied, in such a manner as Congress should direct, to the purpose of founding and endowing at Washington, under the name of the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men."

According to papers of John Quincy Adams, the then Chairman of the House Select Committee on the Smithsonian bequest, that 1836 bill was the only and last point of general agreement in the Congress on the Smithsonian bequest.

With the receipt of the total bequest amounting to \$515,169 by the U.S. Treasury in July of 1838, the handling and applica-

tion of the Smithsonian bequest has been a subject of differing views both within the Congress and the Smithsonian Institution before and since the organization's creation.

On July 7, 1838, Congress attached a rider to an Appropriation Act for the Military Academy on the last day of the session, directing the investment of the funds received from the Smithson estate in State Stocks, bearing interest of not less than 5 percent. The stocks, purchased at par value, declined substantially in value over the ensuing years.

The expenses associated with securing the trust monies from England were appropriated in the Act of 1836 and again in 1837 to a total of \$15,000. A question arose, however, whether these costs should be charged against the principal of the trust. The Secretary of the Treasury sought the opinion of the Attorney General regarding payment of the expenses.

The Attorney General found in relation to the Act of 1836:

"From these provisions it appears to me that Congress intended that there should be no diminution of the funds bequeathed for the purpose specified in said will, but that the whole, whatever they might amount to, should be applied to carry into effect the intention of the Testator; and when the object of the bequest is considered, it cannot be supposed that Congress would act in any other than a liberal spirit.

"My opinion therefore is, that the amount of the whole money, and other funds received by the Agent of the United States under the Act of 1st July 1836 without reduction, constitute the Smithsonian fund, for the purposes specified in said Smithson's will; and that the whole expenses of prosecuting said claim, receiving and transporting the same to this country, including any additional expenses which may have been incurred here, ought to be defrayed out of the appropriation made by Congress."

However, in 1838, the Secretary of the Treasury requested additional funds to cover the expenses. In March 1839, the Congress added the following sentence to an unrelated act:

"For carrying into effect the acts relating to the Smithsonian legacy, \$10,000, to be paid out of the fund arising from that legacy." (Emphasis added)

John Quincy Adams, who delivered several lectures on the Smithson Trust, believed the United States had violated its honor and trust in allowing the funds to be invested in State Stocks and used to reimburse the United States for its expenses.

It took 10 years before an act was passed that founded, at Washington, the Smithsonian Institution, an establishment for the increase and diffusion of knowledge among men:

"An act of Congress, dated August 10, 1846, provides 'that the President and Vice-President of the United States, the Secretary of State, the Secretary of the Treasury, the Secretary of War, the Secretary of the Navy, the Postmaster General, the Attorney General, the Chief Justice, and the Commissioner of the Patent Office of the United States, and the Mayor of the City of Washington, during the time for which they shall hold their respective offices, and such other persons as they may elect as honorary members, be and they are hereby constituted an "establishment," by the name of the "Smithsonian Institution," for the increase and diffusion of knowledge among men.'

"The law also provides for a 'Board of Regents,' to be composed of the Vice-President of the United States and the Mayor of the City of Washington, during the time for which they shall hold their respective offices, three members of the Senate and three members of the House of Representatives, together with six other persons, other than members of Congress, two of whom shall be members of the National Institute, in the City of Washington, and resident in the said city; and the other four shall be inhabitants of other States, and no two of them from the same State.

"The Establishment exercises general supervision over the affairs of the Institution.

"The Board of Regents conducts the business of the Institution, and makes annual reports to Congress.

"The Secretary of the Institution is elected by the Board. His duty is to take charge of the building and property, discharge the duty of librarian, keeper of the museum, etc., and has power, by consent of the Regents, to employ assistants.

"All laws for the protection of public property in Washington apply to the lands, buildings, and other property of the Institution.

"The act of Congress directed the formation of a library, a museum, a gallery of art lectures and a building on a liberal scale to accommodate these objects. One clause however gave the Regents the power, after the foregoing objects were provided for, to expend the remainder of the income in any way they might think fit for carrying out the design of the Testator."

The 1846 Act also stipulates the entire amount of the bequest, without deduction for expenses, is on indefinite loan to the Treasury at 6 percent interest from September 1, 1838. The amount of \$242,129, being the interest which would have been paid from September 1838 to July 1846, was appropriated from Federal funds for the erection of suitable buildings and other expenses of the Institution. "A permanent appropriation of the interest accruing after July 1, 1846, is made for the perpetual maintenance and support of the said institution." A portion of the public grounds within the city of Washington, belonging to the United States, was appropriated to the Institution for a site for its buildings.

In 1867, the Secretary of the Treasury was authorized to receive into the Treasury, on the same terms as the original bequest, such funds as the Regents may, from time to time, see fit to deposit, not exceeding, with the original bequest, the sum of \$1 million. "This shall not operate as a limitation on the power of the Smithsonian Institution to receive money or other property by gift bequest or devise, and to hold and dispose of the same in promotion of the purposes thereof." This \$1 million deposit was reached shortly after the turn of the century and remains as the "original Smithson Trust Deposit."

The enabling legislation has remained essentially the same through codification and amendments, with one exception. In 1970, Congress, at the request of the Smithsonian Institution, changed the structure of the Board of Regents to add three additional citizen regents to the Board.

The Investigative Staff believes the composition of members of the Establishment (Government representatives) and the weighting of the balance of the membership of the Board of Regents to Government officials versus citizens, in the original legislation, indicates the amount of official U.S. involvement in the organization and management of the Smith-

sonian Institution and execution of the trust believed necessary in the founding legislation.

The Secretary of the Smithsonian Institution, in a letter to the General Accounting Office dated March 21, 1977, quoted Chief Justice Taft, speaking as Chancellor of the Smithsonian Board of Regents, describing the Smithsonian Institution as "a private institution under the guardianship of the Government." That guardianship envisioned, in the opinion of the Investigative Staff, the close supervision and involvement of the Establishment and the Regents in the management of the Institution, an institution financially independent of the Government, but requiring the Government's protection and guidance. As the House debate preceding the passage of the Act in 1846 notes, "Very considerable latitude of control, as to the means to be used, is given to the board of managers [Regents] and the ends to be aimed at [Smithsonian Institution activities] are described in comprehensive terms. But the most ample guarantee for the wise and faithful use of this discretionary power is obtained in the fact, that the Board will consist of the Vice-President of the United States, the Chief Justice of the Supreme Court, three Senators, three members of the House and six others chosen by joint resolution of both houses, who are required to submit to Congress annual reports of the operations, expenditures, and conditions of the Institution. In addition to all this, there is reserved the power to alter and amend the charter, as the results of experience may render necessary or expedient. All these provisions seem to be wise, and make it almost impossible that any abuse or misapplication of the fund can ever take place." (Emphasis added)

It is evident the enabling legislation visualized heavy Official Government involvement in the management of this "private institution" to the extent of providing U.S. Government "officialdom" a majority on the Board of Regents and requiring annual reports to the Congress on the expenditures and operations of the institution, which was to be operated with the "private" funds' income from the trust fund.

The Investigative Staff believes the tremendous growth of the Smithsonian Institution since 1900 and the work demands of the Congressional and other "U.S. official" Regents and the membership of the "Establishment" have combined with other historical factors to effectively relegate policy and program prerogatives originally considered to be those of the full Board of Regents and the "Official Establishment" to the Secretary of the Institution and the three-member executive committee of the Regents.

In the opinion of the Investigative Staff, the addition of three "citizen" regents in 1970 changed the balance of the membership composition of the Board established in the enabling legislation from one weighted in favor of "Official Government" representation to "private" citizen majority. This change, coupled with an expanded role for the three-member (citizen representatives) Executive Committee of the Board of Regents, resulted in a subtle change in the checks and balance system the Regents membership composition provided the Institution. The Investigative Staff believes this change in balance has diminished the ability of the "United States" to exercise its program involvement and oversight as envisioned in the Smithson trust and the enabling legislation.

The Investigative Staff learned program decisions concerning Smithsonian Institution activities have apparently been made without the full knowledge and previous consent of the full Board of Regents.

III. MANAGEMENT DISCRETION OF SMITHSONIAN INSTITUTION OFFICIALS AND BOARD OF REGENTS INVOLVEMENT

The Investigative Staff believes the discretion exercised at times by the Secretary of the Smithsonian Institution exceeds the spirit of the authorizing legislation and of the U.S. trusteeship of the Smithsonian Institution bequest and assumes the prerogatives and responsibilities of the Board of Regents in the programs, operations, and management of the Smithsonian Institution.

The Investigative Staff reviewed the minutes and attending documents of the Board of Regents meetings of the Smithsonian Institution for the past 14 years and believes the advice and consent of the full Board of Regents was not sought for certain programs and projects prior to their being undertaken by the Smithsonian Institution, contrary to the intent of the enabling legislation and the defined responsibilities of the Secretary.

In 1972, the full Board of Regents approved as part of its minutes an Analysis of the Relationship of the Board of Regents, the Executive Committee (Permanent Committee), and the Secretary and described the functions and responsibilities of each in the following manner:

"RELATIONSHIP OF THE BOARD OF REGENTS, EXECUTIVE COMMITTEE (PERMANENT COMMITTEE) AND THE SECRETARY

"This memorandum sets forth the existing role of the Executive Committee (Permanent Committee) (ECPC), Board of Regents, and the role of the Secretary.

"The existing role of the ECPC is based in part on:

"Statutory authority: The Act of August 10, 1846, provides that the Regents shall elect three of their Members to be an Executive Committee who shall audit the expenses of the Regents in attending meetings of the Board.

"Regents' action: On December 8, 1927, it was resolved that the Permanent Committee (originally created by the Regents in 1894) shall consist of the Executive Committee, the Secretary, and two

additional Regents, a total of six. No duties were expressed.

"Historical evolution: Since 1894, the ECPC has functioned primarily as a financial committee but also, in varying cycles, as an Interim advisory committee to assist the Secretary in policy decisions between meetings of the Regents (now held in January, May and an information meeting in autumn).

"The role of the Board of Regents is described by statute as follows:

"§ 42. Regents. 'The business of the institution shall be conducted at the city of Washington by a Board of Regents, named the Regents of the Smithsonian Institution, . . .'

"Under this authority, the Board of Regents is the policy board of the Institution. As reflected in recent actions, the Board is concerned with:

- investments and finances, both public and private funds;
- review of programs and operations;
- approval or disapproval of future programs and plans;
- legislation affecting the Institution;
- acquisition of buildings and facilities;
- report on principal staff members;
- acceptance of gifts and bequests; and,
- appointments to the Board of Regents.
(Emphasis added)

"The Secretary's statutory duties may be described as follows:

"The Secretary is the principal administrator of the Institution, charged with the responsibility of carrying out the programs and policies as approved by the Regents and in accordance with applicable law. In particular, he is responsible for:

"Programs: To carry out approved programs, such as public exhibitions, collections, conservation, publications, research, public and specialized education, performing arts, and other related programs:

- to review and improve or revise programs;
- to recommend new programs (e.g., the National Portrait Gallery, the National Air and Space Museum, the Woodrow Wilson International Center for Scholars, the Smithsonian Magazine, the Smithsonian Associates) (Emphasis added)

"Finances: To prepare budgetary proposals; submit these for approval to the Regents (non-Federal funds) and to the Regents, the Office of Management and Budget and the Congress (Federal funds); and execute approved financial plans for both expenditure and revenue-producing activities.

"Personnel: To exercise executive direction over some 2,500 Civil Service employees and 900 or more non-Federal employees, including recruitment, classification, wage administration, organizing, training, and all other elements of the administration of personnel.

"Legislation: To propose and seek legislative authority from the Congress in all necessary matters for proper administration of Smithsonian programs.

"Buildings and Facilities: Acquisition and maintenance, alteration, operation, and protection of all buildings and facilities of the Institution."

The above description of the management responsibility of the Secretary of the Smithsonian Institution describes his role as principal administrator of the Institution, carrying out approved programs and recommending new programs for Regents approval.

The Investigative Staff believes the Secretary of the Smithsonian Institution has in the past initiated new Smithsonian Institution programs of a significant nature, or programs with recognized potential significance, without securing prior Regents approval or providing full disclosure to the Regents of the possible impact on both private and Federal funding and on Smithsonian Institution activities.

. The Investigative Staff was unable to learn, from its review of the Regents meeting minutes and discussions with the Secretary and the Chairman of the Regents Executive Committee, of specified procedural processes for Regents review and approval of Smithsonian Institution activities or thresholds that would precipitate a specific motion of approval by the Regents for a program initiative or acceptance of a gift or bequest by the Smithsonian Institution. The Secretary advised the Investigative Staff there were no formal bylaws of the Board of Regents, but they (bylaws) were reflected in the decisions and minutes of the Board. These reflect 132 years of meetings and decisions and are not defined in any specific document.

The Smithsonian Institution activities reviewed by the Investigative Staff for Regents approval and involvement vary widely in the methods of program presentation to the Regents and their method of approval, if any, as shown in the various Regents meeting minutes.

Without established bylaws or formal procedures for program approval, the initiation process of a Smithsonian Institution activity is inconsistent, resulting in Regents involvement ranging from none to total.

At the May 1969 Regents meeting, the Center for the Study of Man was discussed. The Secretary of the Smithsonian Institution, in response to a Regent's question as to whether this was a new center, responded, according to the minutes, "It is a rephrasing of anthropological programs in the institution." The Investigative Staff learned the Center was created to resolve a personality conflict within the Anthropology Department of the Museum of Natural History and create an administrative umbrella for various emerging programs. The Center continues as a "paper organization to provide funding" for various significant Smithsonian Institution program activities that are spun off, newly initiated, or do not fit into the present Smithsonian Institution structure. The Director of the Center for the Study of Man was proposed in the past for a supergrade position by the Smithsonian Institution. The Center has been described as the nucleus of a new Smithsonian Institution museum, The Museum of Man.

The Investigative Staff believes the Secretary's description "a rephrasing of anthropological programs in the institution" did not fully describe the projected growth and impact of this program on future museum activities. In view of the several other Smithsonian Institution efforts that have been initiated under the administrative umbrella of the Center for the Study of Man and the Smithsonian Institution's plans to create a whole new Museum of Man, possibly utilizing the last vacant space on the Mall for such a museum, the Investigative Staff believes a more candid and complete discussion of the creation of the organizational entity should have occurred and been made a part of the Regents meeting record. The Investigative Staff was unable from its review of the Regents meeting minutes to identify any motion or resolution adopting or approving the Center for the Study of Man or a Museum of Man, or Museum of Culture as the concept is currently referred to in Smithsonian Institution documents.

Yet the programs under this umbrella constitute line items in the Smithsonian Institution Budget request, and one program, the Anthropological Film Center, was the subject of intense lobbying for funds. Approximately \$600,000 in Smithsonian Institution funds were expended in FY 1977 for the Center for the Study of Man.

The Center for the Study of Man and its future role and program in the Smithsonian Institution is the basis of internal strife among Smithsonian Institution scientists and managers at the present time.

The Investigative Staff believes the philosophy, future, and programs, and the 5-year budget requirements of these programs, should be the basis of a discussion by the full Board of Regents prior to the creation of a funded organizational entity within the Smithsonian Institution.

At the same 1969 meeting, the initiation of a monthly magazine under the sponsorship of the Smithsonian Institution Associates was discussed. In response to a Congressional Regent's concern over the costs of such an activity and the possible failure of such a magazine, the Secretary of the Smithsonian Institution "assured the Regents that the magazine will not be attempted until he [Secretary] receives the necessary startup funds from outside [non-Smithsonian Institution] sources."

Further extensive discussion at two successive Regents meetings, including a detailed presentation on the magazine format and content, resulted in the Regents approval by specific motion at the January 1970 meeting of such an endeavor. The magazine was first issued in April 1970.

The Investigative Staff learned that at the May 1970 Regents meeting a report was given to the Regents that the magazine initiated by the Smithsonian Institution projected a "loss of \$735,000, of which \$240,000 of this loss results from startup costs that have not been capitalized for write-off." Apparently the necessary startup funds were not on hand when the magazine was initiated, contrary to the Secretary's statement the previous year to the Regents.

The deficits incurred by the Smithsonian Institution's unrestricted private funds in 1970 prompted the Secretary to report to the Regents an effort to reduce the Private Fund loss of the Smithsonian Institution Press by federalizing a portion of the private side and reducing the Private Fund subsidies to the Anacostia Neighborhood Museum and Chesapeake Bay Center as Federal funds became available.

While the Smithsonian magazine became a financial success and remains an important source of unrestricted trust fund revenue to the Smithsonian Institution, the Investigative Staff believes the magazine's initiation had a direct effect on Smithsonian Institution efforts to increase Federal appropriations to other Smithsonian Institution activities.

At the January 1970 Board of Regents meeting, the Secretary of the Smithsonian Institution announced that "the Smithsonian Institution had just received \$6 million for our work in oceanography." The Regents expressed "pleasure at receiving such a gift and applauded the Secretary's restraint in mentioning the matter so composedly." If the minutes reflect accurately the comments concerning the gift, the Investigative Staff believes the Secretary's failure to fully inform the Board of Regents at the November 1969 or January 1970 meetings of the particular conditions of the gift offered in October 1969 is the most serious indication of the Secretary's failure to adequately inform and seek prior advice and consent of the Regents.

This gift required extensive particular commitments on the part of the Smithsonian Institution and, in the opinion of the Investigative Staff, should have generated an extensive analysis by the Regents of the institutional relationships and program activities and risks required to be undertaken by the Smithsonian Institution in accordance with the gift's provisions. The activities undertaken by the Smithsonian Institution under the provisions of this gift resulted in the accidental death of two individuals and a separate current lawsuit initiated by the Smithsonian Institution to clarify the provisions of the original gift because of differences that have arisen between the donor and the Smithsonian Institution over the proper use of the trust funds.

Inconsistency in Smithsonian Institution policy regarding Regents involvement in various Smithsonian Institution bureau and outside organization relationships is also apparent in other activities brought to the Regents attention, as reflected in the Regents minutes.

A November 1968 memorandum to the Regents from the Secretary outlining a proposal to acquire 1,500 additional acres of land for the Chesapeake Bay Center mentions reporting to the Regents in February 1966 the establishment of a consortium of academic institutions for the development of a program of research and graduate education at the Chesapeake Bay Center for Field Biology. The consortium consisted of Johns Hopkins University, the University of Maryland, and the Smithsonian Institution. The minutes of the Regents meetings of 1966 do not reflect any discussion or motion of approval for Smithsonian Institution inclusion or membership in such a consortium.

Conversely, at the January 1972 Regents meeting, the minutes reflect a proposal and Regents approval by motion of Smithsonian Institution participation in the Chesapeake Research Consortium, Inc., which was formed as a nonprofit corporation by the Johns Hopkins University, the University of Maryland, and the Virginia Institute of Marine Science to receive funding from the National Science Foundation. The minutes reflect the statement to the Regents, "It is not anticipated that there will be any direct financial contribution by the Smithsonian Institution." Yet \$20,000 in FY 1978 funds has been obligated in the form of a contract with the Chesapeake Research Consortium, Inc., to pay a "fee" to the consortium. An official of the Smithsonian Institution identified this fee as dues necessary to provide financial stability to the organization and furnished several examples of dues or fees paid by the Smithsonian for membership in other similar organizations.

Smithsonian Institution participation in the two similar consortia by the same Bureau was treated differently by Smithsonian Institution management in terms of Regents participation.

Similarly, the minutes of the Regents meetings do not reflect any motion or approval of the creation of the Center for Astrophysics, a consortium of Harvard University and the Smithsonian Institution, although the Regents were advised the appointment of a new director for the Smithsonian Astrophysical Laboratory in 1973 would coincide with the appointment of the same man as the director of the Harvard College Observatory.

The Investigative Staff believes that other overly optimistic or omitted funding impact statements by Smithsonian Institution management to the Regents permitted the Board of Regents to make Smithsonian Institution program decisions based on inaccurate or incomplete data.

In 1969 the Regents approved, by motion, the acquisition of a previously privately funded large archival resource, the "Archives of American Art." In the discussions reflected in the Regents meeting minutes, the impact on Smithsonian Institution funding requirements was described:

"Funds appropriated [Federal] to existing bureaus and library and archival activities should be adequate to maintain the Archives and its staff."

* * * *

"* * * the Smithsonian Institution contemplates that a major increase in expenses will not be necessitated by the acquisition of the Archives."

The FY 1978 Smithsonian Institution budget request for the Archives of American Art reflects a Federal appropriations request for 17 positions and \$419,000. The Private Fund's budget raised through efforts of the Archives itself is projected at \$269,000, including support of 16 employees. The Archives joined the Smithsonian Institution in May of 1970 with five employees. A line item in the Federal budget was initially sought for FY 1972 in the amount of \$175,000.

The Investigative Staff was unable to locate in its review of the Regents meeting minutes any reference or discussion concerning the creation in 1966/67 of the Anacostia Neighborhood Museum.

The Museum was begun on the Secretary's initiative, according to Smithsonian Institution officials, and funded with grants from private outside foundations until Federal appropriations were sought in 1969.

In May of 1966 the Regents approved the creation, at the Secretary's request, of the Smithsonian Research Foundation. When Congressional Regents questioned the propriety of such a creation to avoid restrictions on Federal funds, the Secretary responded that the foundation was, in effect, only a bank account and therefore should be considered as such.

These and other instances indicate to the Investigative Staff that the Board of Regents cannot adequately perform its responsibility to "conduct the business of the Smithsonian Institution" if it is unaware of the full implications and impact on funding sources and programs of all actions taken by the Smithsonian Institution.

The Congressional Regents as elected representatives of the United States share an additional burden to insure the execution of James Smithson's bequest and the intent of the 1846 enabling legislation are carried out by the trustee, the United States. This cannot be done, in the opinion of the Investigative Staff, if the Regents are only aware of the information that Smithsonian Institution management officials choose to impart to them, and that information is either not accurate or incomplete.

The Secretary of the Smithsonian Institution advised the Investigative Staff that many of the activities of the Smithsonian Institution are the result of ideas generated several or many years prior to formal program initiation. The Investigative Staff agrees and believes that, in view of this, the emphasis and alternatives, discussion, and review of a Smithsonian Institution activity are most important in the earliest stages to prevent the formal approval and support of an activity because of tradition or historical precedence without complete knowledge and review by those entrusted with the administration of the U.S. trust.

Smithsonian Institution officials have indicated to the Investigative Staff that numerous contacts between the Smithsonian Institution management and the Regents occur in many and varied forms that are not reflected in the minutes of the formal Regents meetings. These contacts take the form of letters and other documents sent to the Regents, telephone calls, monthly Executive Committee meetings, a Regents newsletter, and contacts at Smithsonian Institution related and unrelated social gatherings.

The Investigative Staff believes that no matter how extensive or frequent these informal contacts may be, the full Board of Regents meetings should reflect formal endorsement or approval for all projects or program efforts above a threshold established formally in bylaws or procedures of the Regents to avoid undue criticism and insure that Smithsonian Institution activities are undertaken with the full knowledge and consent of the full Board of Regents.

IV. HOW SMITHSONIAN INSTITUTION DETERMINES
PROGRAM FUNDING--FEDERAL OR PRIVATE

The Investigative Staff learned the Smithsonian Institution exercises no consistent method of determining the source of funds for a program or project to be undertaken by the Institution. The Smithsonian looks at the source of its program funding after the fact, not before, according to Institution officials. The Smithsonian Institution is currently attempting to formulate a funding policy and has submitted two drafts of the policy to the Board of Regents for review. In the opinion of the Investigative Staff, both drafts do not formulate specific guidelines but recount history as policy and are intentionally vague so all funding options are open as sources of support.

The Investigative Staff believes the Smithsonian Institution should establish specific definitive guidelines for determining the source of funding of any Smithsonian Institution activity prior to program or project inception. That source should be identified to both the Board of Regents and the Congress in the budget justification document. If specific programs are determined to require funding from more than one source, the percentage of support distribution should be determined at inception and maintained throughout the life of the activity, unless the program is specifically reevaluated and identified to the Board of Regents and the Congress as requiring support changes.

In seeking the Smithsonian Institution policy for fund source determination, the Investigative Staff learned the Board of Regents minutes in January 1977 referenced a statement at the Board of Regents meeting of 1927 that noted "the fact that the original concept of the Institution had been that private funds could be utilized for innovation and research and public funds for support of the buildings and the public uses, through public education of the Institution."

The Secretary of the Smithsonian Institution, at the FY 1976 budget hearings, in response to the question "How do you determine which activity should be funded privately or by public funds?" testified:

"Innovative programs requiring research initiatives which we deem to be outside the bricks and mortar for maintenance-like activities and the administration which supports those activities are funded with our private budget. We try quite strictly, within our own accountability to the Regents and our auditing procedures, to maintain

this rule of thumb year by year. Particular research initiatives of the Smithsonian are accomplished through private funds while for the maintenance and subsistence of the Institution as a whole, we seek funds from Congress. Congress, of course, is our parent because the District of Columbia had no State government. In the same way, the great museums in New York, such as the Metropolitan and Natural History Museum, receive bricks and mortar funds from the city. We are not in that sense unique for our position in Washington. But large institutions of comparable nature, are largely dependent on State funds, for maintenance of the collections and the buildings." (Emphasis added)

This demarkation policy for private and Federal funding as given to the Committee in testimony by the Secretary is not, however, evidenced in practice even as a "rule of thumb."

At the May 1975 Regents meeting, a report on "Smithsonian Priorities" was presented as a part of an annual executive review of institutional programs initiated by the Secretary.

The objectives quoted below were distributed to various Smithsonian Institution organizations in consonance with the review process. These objectives do not draw the distinction of research and innovation supported by private funds and museum service and public education supported by Federal appropriations as the Regents in 1927 did or as the first Smithsonian Institution Secretary, James Henry, and the present Secretary did.

The objectives could, however, be considered as support for the recommendation in the study of the Smithsonian Institution prepared by Mr. Hughes at the request of the Board of Regents that the Smithsonian Institution consider itself a Federal entity.

Of the eight objectives outlined, only two are identified as candidates for exclusive private fund support, and those two Smithsonian Institution activities deal with museum support and general public education activities, considered federally supported functions historically in Smithsonian Institution tradition and practice.

" - To be pursued primarily through Federal appropriations.

- 1) Improvement of support functions. For the future, significant emphasis will continue to be placed on protection, conservation, and facilities management. Computer services are now being studied to obtain a better definition of needs.
- 2) Improvement of collections management, including the development of new construction such as the National Museum of History and Technology library addition and the Museum Support Facility. Registration, documentation and improved accessibility to collections will be emphasized.

" - To be pursued primarily through Federal appropriations and Federal grants and contracts.

- 3) Development of new emphases and directions in research, including interbureau activities. The Secretary has requested consideration of the endangered species theme as potentially productive of research support.

" - To be pursued primarily through Federal appropriations and private gifts, endowments and revenues.

- 4) Acquisitions for the museum collections in history, art and science.
- 5) Continuation and redevelopment of exhibition programs throughout the museums of the Institution, to include traveling exhibitions. Interdisciplinary exhibits looking toward the future will receive Institutional emphasis.

- 6) Expansion of fellowship and internship availability in all bureaux.

" - To be pursued primarily through private gifts, endowments and revenues.

- 7) Extension of educational resources of the Smithsonian to the local and national public.
- 8) Opening and operation of the Cooper-Hewitt Museum."

As the funding source objectives reflect, there is little distinction practiced by the Smithsonian Institution in determining what Smithsonian Institution activities should be federally funded and what should be privately funded.

In the daily operations and management of the Smithsonian Institution, the stated policy of the Smithsonian Institution and its practices conflict.

For example: The Anthropological Film Center could certainly be termed an innovative program requiring research initiatives which, as defined by the Secretary, would be a privately funded activity. Yet, Smithsonian Institution documents indicate a request from the Film Center for \$562,000 in FY 1978 Federal appropriations was sought to replace and supplement the private funds that have partially supported the activity. Other documents indicate the "Smithsonian has, from the very beginning, intended to develop this as a Federal Program."

The Chesapeake Bay Center supports innovative research, but in FY 1977, 58 percent of its activities were funded by Federal appropriations, another 35 percent were funded by Federal grants and contracts, and only 7 percent were funded by private funds. Yet the "brick and mortar" expenses, i.e., land acquisition and building construction, were funded by private funds. The Anacostia Neighborhood Museum, an innovative program, was begun with private funds, in keeping with the Secretary's definition. Yet, in FY 1976, 86 percent of its funding was from Federal funds, according to the Smithsonian Institution Annual Report. The Belmont Conference Center is not an innovative program in the Investigative Staff's opinion, but all of its activities are supported with private funds.

In the opinion of the Investigative Staff, the Smithsonian Institution policy for funding sources of Smithsonian Institution activities as evidenced by Smithsonian practice can be described as: "Any Smithsonian activity or program is a candidate for Federal funding unless the activity's purpose is clearly identifiable as revenue generating, then private funds will be used. Private funds will be used for unsuccessful Federal funding requests or on those occasions when the Federal budget process lead time is unacceptable."

The following tables, prepared by a Smithsonian official, present one perspective on Federal funding sought and received by the Smithsonian Institution for the science bureaus. The bureaus underlined are Smithsonian activities primarily dedicated to research not involving national collections.

Increase requested from Congress for each science bureau over the last 5 years:

<u>Bureau</u>	<u>Amount Requested</u>	<u>Percent of Each Bureau's Budget (of Current Base)</u>
<u>Chesapeake Bay Center-----</u>	\$ 414,000	<u>105</u>
<u>National Air and Space-----</u>		
Museum-----	3,531,000	99
<u>Smithsonian Astrophysical Observatory-----</u>	1,321,000	<u>33</u>
<u>Smithsonian Tropical Research Institute-----</u>	363,000	27
<u>National Zoological Park-----</u>	1,461,000	23
<u>Radiation Biology Laboratory-----</u>	161,000	<u>9</u>
<u>National Museum of Natural History-----</u>	823,000	8

New funds provided by Congress for each science bureau in the last 4 years:

<u>Bureau</u>	<u>Receipts for 4 Fiscal Years</u>	<u>Percent of Growth</u>
<u>National Air and Space Museum (New Building 1976)-----</u>	\$3,208,000	89.82
<u>Chesapeake Bay Center-----</u>	298,000	<u>75.63</u>
<u>Smithsonian Tropical Research Institute-----</u>	225,000	<u>16.72</u>
<u>Smithsonian Astrophysical Observatory-----</u>	506,000	12.56
<u>National Zoological Park-----</u>	492,000	<u>7.72</u>
<u>Radiation Biology Laboratory-----</u>	115,000	<u>6.42</u>
<u>National Museum of Natural History-----</u>	387,000	3.75

In the opinion of the Investigative Staff, a clear, definitive policy on funding sources for Smithsonian programs is a necessary part of determining organizational goals, long-range planning, and efficient program management.

V. PERSONNEL, MANAGEMENT AND FUNDING

Of the approximate 4,600 Smithsonian employees, about 75 percent were on the Federal payroll as of June 30, 1977. These employees are subject to the same Civil Service and other laws, rules, and regulations applicable to the Federal work force generally. Of the remaining employees, some 5 percent were employed directly under grants and contracts, and 20 percent were paid from private trust fund accounts. It is Smithsonian policy to pay these employees at rates commensurate with Federal employment and to make available other benefits generally comparable, but actions taken with respect to the non-Federal work force are not subject to review by the Civil Service Commission or by any other oversight organization.

The dual Smithsonian personnel system, coupled with the nebulous status of the organization as a quasi-Federal establishment, provides the Institution with a freedom and flexibility in dealing with personnel management matters unique among Federal agencies. In practice, this has resulted, over the years, in the Smithsonian's deriving many of the benefits of legislation applicable to Federal employment without being subjected to any of the attendant restraints. It has also resulted in employment funding practices and a work force mix which defy logical explanation.

The Hughes report on Smithsonian activities initiated by the Regents addressed this problem by recommending that the Institution develop a written statement covering general policies for use of its trust funds. Among other objectives, the statement was to identify categories of positions to be paid from trust funds. The Investigative Staff has reviewed the draft statement (prepared by the Smithsonian) attached to the report and finds it considerably lacking in specificity. The Investigative Staff believes that much more remains to be done in the area of clarifying how positions are to be funded.

A. Use of Dual Personnel System
for Self-Serving Purposes

Records provided by the Smithsonian disclosed the following numbers of employees who were converted from civil service status to the private payroll, or vice versa, over the past several years:

<u>Fiscal Year</u>	<u>Federal to Private</u>	<u>Private to Federal</u>
1974 -----	40	90
1975 -----	23	63
1976 -----	52	43
1977 (16 pay periods) -----	37	20

The actions reported covered both the reassignment of employees from one position to another as well as the conversion of positions (with the incumbent employee), without any change in duties, from one source of funding to another. Actions were not confined to any particular grade levels and covered graded as well as some blue-collar employees.

As a practicable matter, it was not possible for the Investigative Staff to review more than a handful of cases to establish why some of these actions were taken. While the reasons for the conversions were seldom documented, review of the cases provided the following insights with respect to Smithsonian personnel practices:

(1) The system can and has been used to upgrade positions and promote employees at the discretion of management without such actions being subject to postaudit by the Civil Service Commission. In several of the cases reviewed, the conversion of positions from the Federal to the private payroll resulted in the upgrading of positions (without any change in duties) and promotions for the employees concerned.

(2) The Smithsonian General Counsel position is an outstanding example of how the system can be worked to achieve otherwise questionably attainable objectives. The authorization of Executive Level positions is a Congressional prerogative. Notwithstanding, in FY 1974, the position of General Counsel was upgraded from GS-15 (paid from appropriated funds) to Executive Level 5 (paid from trust funds), skipping over all of the intervening supergrades. As best the Investigative Staff could ascertain, the Congress was not informed about this action, prior to its accomplishment, nor was the Board of Regents, which is normally kept abreast of higher level personnel changes. The Investigative Staff believes that nowhere but at the Smithsonian could recognition for an important position have been accorded so quickly.

(3) Funding for particular positions has been determined in some instances on the bases of the personal interests and choice of the incumbent. Illustratively, a former director of the National Museum of History and Technology was paid from private funds even though the position was Federal by tradition

since establishment of the museum and is now recognized as such by law (title 5, United States Code). Similarly, the position of Assistant Secretary for History and Art is authorized in title 5, United States Code, at Executive Level 4, but the employee currently filling the position is on the private Smithsonian payroll. The Investigative Staff was unable to establish conclusively why the former employee (no longer with the Smithsonian) opted for the private payroll. In the case of the latter employee, the switch dovetailed with the employee's desire to be covered under the Teacher's Insurance and Annuity Association (TIAA) retirement system, a plan under which he had had earlier coverage while working in the educational field. Most Smithsonian private payroll employees are covered under the TIAA plan.

Conversely, another case was reviewed involving an employee who was changed from the private payroll to the Federal payroll, without change of duties but at a higher grade level, under circumstances that clearly suggest the employee wanted to reestablish civil service retirement coverage. In filling newly established Federal positions of this kind, competitive procedures are observed on paper, but, in practice, the appointment is so heavily tilted in favor of the incumbent as to constitute preselection.

(4) Another case reviewed by the Investigative Staff illustrates how the private roll can be used to avoid having to comply with corrective actions directed by the Civil Service Commission. In this instance, the Commission found that a Federal employee had been improperly promoted and directed that he be put back in the lower grade position. Instead of demoting the employee, the Smithsonian switched him to the private payroll at the same grade and without any change in duties and reported to the Commission that no action was necessary as the employee had been separated. After serving a year as a private payroll employee, the employee was switched back to the Federal payroll but, this time, at still a higher grade.

The ease with which the Smithsonian was able to circumvent Civil Service structures in this case highlights the range of its personnel management options and how such flexibility can be used to frustrate merit system objectives.

B. The Dual Image of the Smithsonian and Employee Benefits

To be eligible for coverage under the retirement, life, and health insurance programs administered by the Civil Service Commission and under the Federal unemployment compensation and workmen's compensation programs administered by the Department

of Labor, an employee must be an employee of the United States. Because of the nebulous character of the Smithsonian as a quasi-public establishment, the question has often come up as to whether Smithsonian employees paid from trust funds are Federal employees and, hence, eligible to participate in these programs. The issue has never been satisfactorily resolved. The result has been that for some purposes these employees have been considered Federal, while for others they have not. Invariably, benefits have accrued when the Institution chose to seek the Federal designation, but the attendant restraints were averted by the Institution's putting back on its private establishment hat.

1. The Civil Service Position
on Trust Fund Employment

Early in 1947, the then Secretary of the Smithsonian requested the Civil Service Commission to place 35 of its trust fund employees under the Civil Service retirement system. The Commission approved the request, based on a finding that trust fund employees were employees of the United States and, as such, would be subject to all Civil Service and other laws applicable to Federal employees generally. This proved to be an erroneous assumption, however. The Smithsonian did not consider any of the other Civil Service laws applicable and never so applied them.

Following the retirement ruling, the Smithsonian later extended coverage under the Federal health and insurance laws to these same employees.

While the original 35 positions approved for retirement coverage were largely restricted to Freer Gallery employees, the Smithsonian, acting on its own authority, subsequently brought other positions under the plan. However, the total number never greatly exceeded the number initially approved because, in the words of a knowledgeable official, the opportunity to elect Civil Service fringe benefits coverage "was limited to a few favored and higher salaried officials."

The present Secretary was one accorded this opportunity. In addition to Civil Service retirement coverage, the Smithsonian also provides a special retirement coverage under TIAA for its Secretary. In total, Smithsonian direct contributions (all from private funds) toward benefits for the Secretary exceed 40 percent of his salary.

In 1970, after a prolonged and unsuccessful Civil Service Commission effort to "Federalize" the Smithsonian trust fund work force, the Commission reversed its position and ruled that employees paid from trust funds are not employees

of the United States for the purposes of any Civil Service laws. The Smithsonian, on its part, agreed that it would discontinue according Civil Service retirement, life, and health insurance coverage to new employees, but employees who already had such benefits were left undisturbed. As of September of this year, the Investigative Staff was advised that there are still 10 such employees, including the Secretary, on Smithsonian rolls. These employees have the unique distinction of being the only members of the Civil Service retirement plan who are specifically acknowledged by the Civil Service Commission not to be Federal employees.

2. The Department of Labor Rulings
in Trust Fund Employees

In 1960, the Department of Labor ruled that a Smithsonian trust fund employee who applied for benefits under the District of Columbia's unemployment insurance law was eligible on the basis that such employment constituted "Federal service" as defined in the governing legislation (title XV of the Social Security Act). The ruling relied in major part on the earlier Civil Service Commission decision that Smithsonian employees paid from trust funds met the test of Federal employment and were, accordingly, subject to Civil Service laws. The fact that the Civil Service laws were never actually applied to such employees (except for the exceptions discussed above) was not a factor in the ruling.

More recently, in 1974, the Department of Labor again ruled that Smithsonian trust fund employment constituted Federal employment, this time for the purposes of the Federal Employees Compensation Act (FECA). The cases at issue involved two former Smithsonian employees paid from the income of Endowment Fund #3 (Fort Pierce bureau) who were drowned while on duty in a submersible vessel carrying out marine research. While the employees were covered under the State workmen's compensation program, the Department of Labor was asked for an opinion on FECA coverage because the Institution was concerned about being sued by the families of the deceased employees. In accepting FECA benefits, the recipient waives all further actions against the Government.

In support of this ruling, the Department cited a number of precedent Employees' Compensation Appeals Board decisions and, also, the precedent departmental ruling on unemployment compensation benefits. In the meanwhile, the Civil Service Commission had reversed its position on Smithsonian trust fund employment, but word of the change either did not get to the Department of Labor or the changed ruling was ignored.

In any event, the Smithsonian Institution apparently considered its agreement in 1970 with the Civil Service

Commission to discontinue offering Civil Service retirement and life and health insurance coverage to employees not to cover situations possible under FECA.

The Investigative Staff believes the need is clearly indicated for legislation to clarify the employment status of trust fund employees. If determined to be Federal employees, they should be so considered under all laws applicable to the Federal work force generally and be subject to the restrictions of such employment as well as being entitled to its benefits.

C. Trust Fund Versus Public Funding
of Employment

The funding of employment for Smithsonian activities follows no coherent pattern. Some of the anomalies are illustrated below:

-- The Fort Pierce bureau of the Smithsonian was established in 1971 with private funds. Appropriated funds have never been requested to support the activity since its establishment, and the Smithsonian has represented it to be an exclusively non-Federal entity. The Investigative Staff found that the two key positions in the bureau (total staffing in the bureau never exceeded 15 and is now down to about half of that) have been filled by civil service employees. One of the positions was that of the bureau director. The employee who was in the job has since been reassigned, and the position is now vacant. However, prior to being reassigned, he had served for over 4 years as bureau director and was paid from the appropriation allocable to the Assistant Secretary for Science. The principal research scientist at Fort Pierce, since the establishment of the bureau, has also been a civil service employee on what amounts to permanent detail from the National Museum of Natural History.

The Investigative Staff is unable to see the logic for staffing key-level positions at Fort Pierce with civil service employees and concludes that Smithsonian reports on the funding of Fort Pierce bureau activities have been misleading to the Regents and the Congress.

-- The Smithsonian 1978 budget justification states, in effect, that the use of appropriated funds to support the Cooper-Hewitt Museum of Decorative Art and Design shall be limited "insofar as possible, to the protection and preservation of the collections and property." In the hearings, this was expanded to mean "security, janitorial, and maintenance services for the collections." Of the 18 Federal positions authorized and shown at Cooper-Hewitt, 4 (the administrator, an exhibits specialist, a clerk-typist, and

a secretary) are not directly involved in the protection and care of the collections or the property and therefore should be supported with trust fund monies, by the Smithsonian's own criteria. These 18 Federal positions are in addition to 13 building guards and 2 librarians funded from other appropriations but supporting Cooper-Hewitt.

-- The Freer Gallery of Art, with a staff of some 48 employees, evenly divided between civil service and non-Federal workers, is similarly flexible in determining how to fund positions. The Freer gift was made on the condition that the Federal Government would provide heat and light plus the care and upkeep of the collection. In terms of funding employment, the attitude as to what positions come under the umbrella of these functions has changed in recent years because of the pressures of inflation and the relatively level income provided by the endowment. Thus, five positions formerly paid from the endowment have been federalized over just the past 3 years, and there no longer appears to be any meaningful guidelines for determining categories of positions to be paid from Federal or trust funds. The Investigative Staff believes additional federally supported positions or changes from private to Federal funding will be sought in the immediate future.

-- The Archives of American Art, with some 30 positions, equally divided between civil service and trust fund employees, has its own way for determining funding support for employment. Almost all of the higher level positions in the organization are supported with appropriated money, while lower level and support positions are on the private payroll. The explanation given for this breakdown was that with the uncertainty of private income, it was preferable to restrict tenure and other Civil Service protections to the managerial staff. Lower salaried employees would, perhaps, have difficulty accepting the logic of this explanation.

-- Staffing of revenue earning activities toward which Federal support is also provided is particularly perplexing. The Smithsonian Press, which is supported overwhelmingly with Federal funds, was at one time staffed almost exclusively with employees paid from trust funds. All but 2 of the 31 positions in the organization have since been federalized. Of the two remaining positions paid from private funds, one is filled by an employee who, for unknown personal reasons, did not want to be converted to civil service, and the other is filled by a Foreign Service retirement system annuitant.

-- The Division of Performing Arts, also largely supported by Federal funds, is staffed with both Federal and trust fund positions established in accordance with no appar-

ent criteria or plan. Thus the director and his secretary are civil service, while the assistant director and his secretary are both paid from trust funds. Similarly, program heads are paid from one source of funds, while their program assistants may be paid from the same source or from another. The Division of Performing Arts has in the past performed an admixture of staff and program functions. Future emphasis, it was stated, will be on the program function of producing and distributing new recordings, by which means the Division hopes to overcome its past operating deficits and earn some \$60,000 in FY 1978. The head of the Jazz and American Culture Program, under whose direction the records will be produced, is a civil service employee. The heavy involvement of a civil service employee and the use of Federal funds to support, in part, this revenue raising enterprise appear to be of questionable propriety, and the Investigative Staff finds it inconsistent with the stated Smithsonian policy of budgeting for business programs exclusively with trust fund monies.

An internal audit report of the Smithsonian Astrophysical Laboratory (SAO) in 1972 found that the then-existing method of allocating indirect expenses between SAO's Federal fund and private funded (grant and contract) activities resulted in an imbalanced situation favoring the federally supported activities.

As a result of further analysis, it was determined that \$500,000 of Federal Salaries and Expenses funds and 25 new Federal billets would establish a properly balanced situation. The Smithsonian Institution requested Federal authorizations for 25 positions and \$552,000 spread over 4 fiscal years, using this imbalance as justification for the requested increase.

According to Smithsonian Institution officials, the imbalance was caused by the policy of a former bureau director that reserved Federal positions for senior scientists, as tenure for a professor in a university. This resulted in a majority of the Federal authorizations supporting scientists and the technicians and clerical staff supported by overhead costs charged to the grants and contracts.

When the imbalance was discovered, the Smithsonian sought additional Federal positions to rectify the situation rather than reallocating the already authorized positions on an attrition basis or using unrestricted private funds to support positions.

The draft Smithsonian policy statement covering general policies for the use of trust funds does not address the problem of identifying the kinds of positions to be paid from Federal or trust funds. In fact, the Investigative Staff finds

the currently proposed policy to be even more obscure on the issue than an earlier draft of the same statement. The proposed statement makes no effort to go beyond the already established but commonly ignored guideline that funding for employment is determined by the source of funding for the activity.

It seems to the Investigative Staff that while source of funds may at one time have been an appropriate basis for determining the status of an employee, it is no longer adequate. The Smithsonian is so heavily supported by Federal appropriations and has so many "Federal" functions that it is, in fact, for all intents and purposes, a Federal institution. One of its functions is to continue the activities begun as a result of the Smithsonian gift, but this is completely intermingled with congressionally assigned functions. The funds are all intermingled so that no longer is a trust fund employee performing exclusively trust fund duties or one paid from appropriated funds carrying out activities directly related to the appropriation. Under these circumstances, the Investigative Staff considers source of funds, in itself, to be an improper basis for determining the status of an employee, and it is believed that much more specific guidelines need to be developed.

D. Authority for Establishment of Executive Level Positions

The authorization of Executive Level positions (current pay \$47,500 - \$66,000) is a Congressional prerogative. In 1966, Congress authorized for the Smithsonian the Executive Level 5 position of Director, U.S. National Museum. The position was a line job responsible for directing activities of the Museum of Natural History, the Museum of History and Technology, the Office of Exhibits, and the Conservation Research Laboratory.

The director of the U.S. National Museum has long since retired, and the duties of the position have been realigned so that it no longer exists as the position authorized by Congress. However, the Smithsonian has retained the Executive Level 5 billet on its rolls and structured a new position to which it has assigned the grade. The new position--Assistant Secretary for Museum Programs--is a staff job responsible for residual conservation and exhibits functions and a miscellany of other museum activities.

Without in any way minimizing the importance of the job of the Assistant Secretary for Museum Programs, the Investigative Staff would suggest that authorization of the position at the Executive Level 5 grade was the responsibility of Congress, and the Smithsonian should not have created such a position without action by Congress.

VI. PRIVATE FUNDS INVENTORY

The Committee requested in the directive for this study that the Investigative Staff identify all private funds and the sources of private funding and gifts.

The accounting and administrative practices of the Smithsonian Institution rendered it impossible for the Investigative Staff to determine accurately all private funds of the Smithsonian Institution and the source of all private funding and gifts to the Smithsonian Institution.

The Committee on Appropriations, requested similar information from the Smithsonian during the FY 1978 hearings.

A statement to the hearings record in response to that request was provided by the Smithsonian Institution as follows:

"The Institution is currently developing the information requested. The Smithsonian has in excess of 1000 funds. To list each one, explain its use, and note the responsible individual will require additional time so that computerized data can be translated into a suitable and readily understandable format. The information will be forwarded to the Committee when completed."

In July 1977, the Investigative Staff requested a copy of the fund listing for its use and was advised the listing was still being prepared and no completion date was available. As of the date of this report, such a listing still had not been received by the Investigative Staff.

According to Smithsonian Institution officials, such a listing had never been prepared in the past, and the information was extremely difficult to coordinate because of divided responsibilities within the Smithsonian Institution on fund and gift management. One manually prepared fund listing for one organization obtained by the Investigative Staff listed 72 private fund accounts and 2 Federal fund accounts for the Cooper-Hewitt Museum alone.

The Smithsonian Institution establishes separate accounts for funds at the request of individual organizations. Each account might have one source of funding, such as a bequest, or be dedicated for a specific purpose. Another account could have numerous sources of funding that comprise the total. One

such account for FY 1977 had 35 separate sources of funds comprising the approximately \$35,000 account total.

The Investigative Staff, in its review of Smithsonian Institution activities, did not learn of any current, significant misuse of Federal or private funds or property of the Institution for personal benefit. The Investigative Staff believes this observation is more reflective of the integrity of Smithsonian Institution employees than the effectiveness of the Smithsonian financial and management controls.

VII. AVAILABILITY AND AMOUNT OF PRIVATE FUNDS UNKNOWN TO SMITHSONIAN INSTITUTION BUREAU DIRECTORS, CURATORS, AND RESEARCHERS

According to Smithsonian Institution program officials, Smithsonian Institution management officials do not communicate complete information on opportunities for private funding of Smithsonian Institution activities to supervisors or interested employees. The Smithsonian Institution places private funding available to support activities into several categories:

- (a) Unrestricted Trust Funds: These funds are from varied sources and are available for use wherever and for whatever purposes the Institution deems appropriate.
- (b) Restricted Trust Funds: These funds are available to the Institution with some restriction on their investment and/or expenditure. Restricted funds are further divided into:
 - (1) Dedicated - Restricted Trust Funds: These funds carry a definitive discrete purpose for their expenditure; i.e., purchase of live animals for the National Zoological Park (NZP), for use by the Department of Botany, etc.
 - (2) Discretionary - Restricted Trust Funds: These funds carry a less definitive purpose for the expenditure of funds; i.e., investigations in biology, furtherance of knowledge in exact science.
- (c) Special Purpose Funds: These funds are usually unrestricted trust funds generated by revenue-producing activities that are earmarked by Smithsonian management for a particular purpose; i.e., revenues from NZP parking fees which are escrowed for additional parking facility construction.

The Investigative Staff learned that museum and bureau directors charged with the responsibility of program planning and budgeting were not aware of all the numerous private gifts and trust funds available for research support, collection maintenance, and acquisition.

Bureau directors advised the Investigative Staff that information on trust funds available for support came from the "castle" (Secretary's and Treasurer's Offices), and information was not routinely provided. The Investigative Staff was advised the Institution does not provide any complete listing of trust

funds and gifts with any attendant restrictions to Smithsonian activities, so availability of trust funds, as a means of budget support for bureau activities, is unknown.

One bureau relied on a copy of a 1959 Smithsonian Institution Annual Report that contained a descriptive listing of restricted trust funds as a guide for possible research fund support within the Institution. Another bureau official pointed out July 1977 was the first time a restricted trust fund budget was sought from the bureaus by Smithsonian management.

The Investigative Staff found that bureaus routinely sought Federal appropriations for project support without considering possible private fund sources because of this lack of information and their understanding that private funds were just not available.

The Investigative Staff believes this failure to communicate available funding sources results in a disproportionate demand for Federal appropriations and contributes to a lack of management control of private fund expenditures.

VIII. MULTIPLICITY OF FUNDING DISTORTS
SMITHSONIAN INSTITUTION BUDGET PRESENTATIONS

The Investigative Staff believes the multiplicity of funding available to Smithsonian Institution programs and the Institution's method of presenting budget data to the Appropriations Committee distort the depth of Smithsonian Institution research programs by failing to show, in a comparative manner, the extent of program activity supported by grants, contracts, and private funds in the budget justifications submitted to the Committee.

A review of the FY 1978 budget justifications submitted to the Appropriations Committee and the trust fund budget data given to the Investigative Staff reveal the following funding support data for selected Smithsonian Institution activities.

<u>Activity</u>	<u>Federal Appropriation Request</u> (\$000)	<u>Federal Grants Contract</u>	<u>Trust Fund</u>
Office of Assistant Secretary for Science -----	\$ 297	\$ 495	\$ 98
Museum of Natural History -----	11,652	1,255	278
Astrophysical Laboratory -----	4,487	7,942	84
Radiation Biology Laboratory -	1,926	131	17
Chesapeake Bay Center -----	607	720	60
Center for Study of Man -----	567	212	116
Other Science -----	450	245	15
Archives of American Art -----	419	-	291
Division of Performing Arts --	350	165	52
Traveling Exhibition Service -	206	298	-

The activities supported by Federal grants and contracts exceed the Federal appropriation in 4 of the 10 activities listed. In four others, the combination of Federal grants and contracts and Smithsonian Institution trust funds is equal to more than one-half of the Federal appropriations.

This data shows that a significant portion of Smithsonian Institution program effort for its activities is not readily apparent in the Federal appropriation budget requests.

The omission of this private funding information from the Federal budget process distorts the Institution's program effort in various areas. The Smithsonian Institution, in the

last budget hearings, provided the Appropriations Committee this type of data when specifically requested. The Investigative Staff believes the practice of providing this data in the Smithsonian Institution Annual Report is not sufficient, and complete projected funding data should be incorporated into budget justification documents to provide comparative data for the Committee's consideration.

IX. PRIVATE FUND LAND ACQUISITION POLICY

The Surveys and Investigations Staff learned the Smithsonian Institution has followed a deliberate policy of land acquisition utilizing only Smithsonian Institution trust funds to avoid Federal restrictions on disposal of "Government-owned lands."

In 1963, the Smithsonian Institution was offered, and the Board of Regents accepted, a gift of 368 acres of land in Maryland known as the Java Farm. A related gift of stock valued at more than \$1.7 million was also received. These gifts became the nucleus of the Chesapeake Bay Center for Environmental Studies (CBCES).

Since 1963, according to Smithsonian Institution documents, 11 additional parcels of land were acquired by the Smithsonian Institution, further expanding the CBCES. Nine of a total of 12 parcels were purchased by the Smithsonian Institution using either trust funds or securing purchase money mortgages. The 12 parcels comprise 1,796 acres of the approximately 2,600 acres described as the CBCES. The remaining acreage represents land whose use is controlled by the Smithsonian Institution through agreements or restrictive covenants negotiated between the Institution and the landowners.

An effort has been made by the Smithsonian Institution to avoid use of Federal funds for land acquisition at the Center to the extent of securing purchase mortgage funds which incur interest debt to the Smithsonian Institution trust funds.

Institution officials could not or would not provide a reason for this policy of "private funds only use" for land acquisition when questioned by the Investigative Staff other than "Tradition, the Center has always been funded in this manner." The Secretary of the Smithsonian Institution, however, stated the "private funds only" effort was made because he considers the property a liquid asset of the Institution. "If, in the year 2000, the Smithsonian Institution needs change, the property can be sold and the proceeds added to the Institution's endowment." The Secretary also confirmed he considers the Belmont Conference Center and its adjoining lands to be similar liquid assets.

The Investigative Staff learned the Smithsonian Institution plans to award a \$200,000 contract from trust funds in the immediate future to construct a new laboratory facility at the Center, to supplement the present renovated building utilized for offices and laboratories. The CBCES facility also includes a building recently completed with \$175,000 of trust funds that houses an auditorium and a dormitory.

Although the land and buildings are being acquired and constructed with private funds, approximately 50 percent of the CBCES funding is provided directly by Federal appropriations, another 46 percent is supported by Federal grants and contracts, with less than 4 percent of the program effort being supported by "private" funds.

The Investigative Staff believes this selective private support of the CBCES is undertaken to insure that any land or building at CBCES cannot be termed "Federal" in character or title and that the land remains free to be sold or traded without reference to GSA regulations or Congressional oversight. The Smithsonian Institution's decision to allocate its "extremely tight," private funds to mortgage interest and permanent building construction on a research facility rather than seeking Federal appropriations reflects, in the Investigative Staff's opinion, the importance the Smithsonian Institution places on its ability to term itself a "private institution," with such an organization's latitude in asset disposal and acquisition.

In 1969 the Board of Regents was presented with a proposed land acquisition plan for CBCES which it approved. The minutes of that meeting do not, however, reflect any discussion or intent to consider the property "disposable."

The Investigative Staff believes, and the Smithsonian Institution Counsel and Secretary have confirmed, the Smithsonian Institution could dispose of all CBCES property tomorrow without Congressional approval and has, in at least one case in the recent past, done so.

The Investigative Staff is concerned that the Congress could be impeded in the exercise of its responsibility to oversee the Smithsonian Institution trust because of a lack of defined procedures for the Board of Regents. The disposal of the CBCES property would warrant Smithsonian Institution management to seek the approval of the Board of Regents and notify the Congress. However, the Investigative Staff believes, as there is no apparent requirement to do so, such an action rests on the Secretary's initiative. The Investigative Staff's concern stems from its review of the Board of Regents meeting minutes. The review did not reflect full Board of Regents approval or prior knowledge of the following actions and others previously mentioned in the report.

- (a) Construction of a \$175,000 dormitory and auditorium at CBCES.
- (b) Purchase of 17 acres for \$95,000 at CBCES.
- (c) Sale of 10 acres and house at CBCES.

As noted previously, Smithsonian Institution officials have indicated to the Investigative Staff that numerous contacts between the Smithsonian Institution management and the Regents occur in many and varied forms that are not reflected in the minutes of the formal Regents meetings. These contacts take the form of letters and other documents sent to the Regents, telephone calls, monthly Executive Committee meetings, a Regents newsletter, and contacts at Smithsonian Institution related and unrelated social gatherings.

The Investigative Staff believes that no matter how extensive or frequent these informal contacts may be, the full Board of Regents meetings should reflect formal endorsement or approval for all projects or program efforts above a threshold established formally in bylaws or procedures of the Regents to avoid undue criticism and insure that Smithsonian Institution activities are undertaken with the full knowledge and consent of the full Board of Regents.

X. CONVERSION OF FEDERAL ASSETS TO PRIVATE FUNDS

The failure of the Smithsonian Institution to differentiate between "Federal" functions or activities congressionally assigned or Smithsonian Institution initiated and non-Federal or trust fund activities allows the Smithsonian Institution to generate revenue, using Federal assets, federally paid personnel, and federally constructed and supported facilities without providing Federal identity to that revenue and returning that revenue to the Treasury as miscellaneous receipts.

The Investigative Staff learned the Secretary of the Smithsonian Institution signed an agreement with George Washington University (GW) under which civil service employees of the Museums of Natural History and History and Technology provide instruction to GW students on Government time, utilizing federally supported and constructed museum space. The courses are part of the GW curriculum. Tuition from these students is split 50-50 between GW and the Smithsonian Institution. The Smithsonian receives the funds through its Office of Academic Studies and treats the funds as private contributions to the Institution. The funds are allocated to the various bureaus of the Smithsonian into "discretionary" accounts on a formula based on the number of students taught. For one semester in FY 1976, GW transferred approximately \$4,300 to the Smithsonian Institution under this program. The University of Maryland also paid the Smithsonian for courses administered to graduate students by the American Studies program of the Smithsonian. The American Studies program is an activity devoted solely to the instruction of graduate level students by a federally paid Smithsonian Institution employee.

Another method employed by the Smithsonian Institution to increase its trust fund income at the expense of Federal appropriations is its practice of providing rent-free space for revenue-producing, trust-fund-supported activities in federally constructed or supported buildings, while Smithsonian Institution activities wholly supported by Federal appropriations are forced to lease commercial office space. This practice, in effect, eliminates the liability of rental costs and utilities from the revenue-producing activity balance sheet. This has a twofold effect. First, because it decreases the cost of doing business, the activity produces more profit, which is "private" income. Second, the improved profitability of an activity presents a distorted picture to the Congress and the Regents of the actual amount of effort or percentage of private support received by the Smithsonian Institution. The actual cost of the revenue-producing activity to the Smithsonian is not shown, and the private fund input into Smithsonian operations

is overstated, giving a false impression of the Federal versus private funds' balance for the support of the Institution.

Approximately \$450,000 was charged to Federal appropriations for approximately 50,000 square feet of space from private rental sources in L'Enfant Plaza. The organizations housed in L'Enfant Plaza represent Smithsonian Institution administrative and program activities and employees funded from both Federal and private funds, yet only Federal appropriations are used to pay rental charges. At the same time, Smithsonian Institution revenue-raising activities--the Smithsonian magazine administrative and editorial offices, and the museum shops' administrative offices (museum shops' warehouse space is provided in other federally leased space)--are provided rent-free space in the Arts and Industries Building, which was constructed and is maintained with Federal monies.

Similarly, some activities supported by grants and contracts are also provided space rent free even though such a charge is allowable and usual and would, if used, reflect either a return to the Treasury or freeing up of needed space within the Smithsonian Institution facilities for federally funded activities.

Another example of this methodology is a Conference on Environmental Law, held under the sponsorship of the Smithsonian and the Joint Committee on Continuing Legal Education of the American Law Institute and the American Bar Association.

These conferences, held in the Museum of Natural History, have been, in the words of a Smithsonian official, "successful financially." The agreement specifying equal division of the profits of the conference between the American Law Institute and the Smithsonian Institution resulted in the Smithsonian Institution's receiving a check in February 1974 for \$15,362.32 from the American Law Institute.

The proceeds of the 1974 conference were divided as follows: \$5,000. to Smithsonian Institution Unrestricted Private Funds, and the balance, \$10,362.23, to the Office of the General Counsel's Discretionary Account. In October 1974, \$6,095.16 was received and deposited to the General Counsel's Discretionary Account for a similar conference. In 1975 and 1976, the seminar was titled "Legal Problems of Museum Administration," and checks forwarded to the Treasurer for deposit to the General Counsel's Discretionary Account were \$2,886.32 in 1975 and \$2,656.51 in 1976. In addition to holding the seminar in Federal buildings (with the exception of one year), a federally salaried professional staff member of the Smithsonian Institution Office of General Counsel, according to

Smithsonian Institution documents, "devotes time to the planning of the program, assistance with administrative details, and arrangements for the appearance of speakers."

In a report to the Congress by the Comptroller General dated July 1, 1970, the issue that revenues produced from activities supported by appropriated funds should be for deposit to the U.S. Treasury under miscellaneous receipts under Revised Statute 3617, 31 USC 484, was raised in respect to Smithsonian Institution activities at the zoo. After almost 2 years of discussions between the Smithsonian Institution and GAO, the Comptroller General, reversing an earlier opinion, agreed that provision of the Revised Statute 3617 would not apply to zoo operations, but that the Smithsonian would maintain its books "in such detail as to reflect clearly the gross amount of receipts realized from zoo activities supported by appropriated funds and that full disclosure will be made to the Congress of amounts received from zoo operations."

The Investigative Staff learned that in 1974, 1975, and 1976, the Smithsonian Institution auditor revealed zoo concessions earned a total of \$1.1 million, none of which was reported to the Congress. The audit report indicated evidence of conflict between the Office of Audits, which is in favor of full disclosure, and the Treasurer, who stated a policy of more limited reporting to the Congress on private fund matters.

The Investigative Staff believes this Comptroller General decision, when linked with the above-cited examples of the Smithsonian Institution's ability to circumvent the appropriation process and prerogatives of the Congress and its ability to select benefits and reject limitations of the Civil Service laws and regulations as described in chapter V of this report, suggests clarifying legislation or appropriation language is necessary to provide Congressional oversight and control over Federal appropriations to the Smithsonian Institution. The Investigative Staff suggests the Committee may wish to request the Comptroller General consider reviewing his decision on miscellaneous receipts in light of these Smithsonian Institution activities. The Investigative Staff believes, with the stated Smithsonian Institution goal of a \$50 million unrestricted fund endowment, increased emphasis could be placed on accomplishing similar activities to the detriment of other Smithsonian Institution activities and an increase in Federal appropriations.

XI. RESEARCH AWARDS PROGRAM

The Research Awards Program began in FY 1966 when the Smithsonian Institution requested and received research funds from the Congress to replace funds previously received from the National Science Foundation (NSF) in the form of Research Grants to individual Smithsonian Institution employees.

The NSF was, by the Independent Appropriations Act of 1966, prohibited from transferring funds to any other agency of the Government for research and grants without, in each individual case, specific permission of the then Bureau of the Budget.

The Smithsonian Institution requested \$350,000, a sum which represented an average of the amount received by Smithsonian Institution scientists from the NSF.

The Smithsonian Institution proposed to "allocate this money in exactly the same way as when the NSF gave it to us. We will have to set up research panels to advise and judge the requests for grants."

The Smithsonian Institution, with the approval of its Board of Regents in 1966, established a separate corporate entity, the Smithsonian Research Foundation, to disburse and administer the grants. The rationale expressed by Smithsonian Institution management to the Executive Committee of the Regents stated:

"In order to achieve the same degree of flexibility in administering these special funds independent of fiscal year limitations or civil service requirements, it is proposed to establish a research foundation to receive, disburse, and account for the funds granted to projects which have been competitively selected for a research award. The foundation will have a corporate structure composed entirely of Smithsonian personnel."

The Smithsonian Research Foundation (SRF) has awarded and administered:

- (a) Grants and fellowships to Smithsonian employees for research and studies and charged to the Federal appropriation for the Research Awards Program.
- (b) Grants to Smithsonian employees for research in foreign countries and charged to the United States excess foreign currencies appropriated to the Smithsonian Institution for its Foreign Currency Program.
- (c) Grants, stipends, and fellowships awarded to individuals by the Woodrow Wilson Center for Scholars.
- (d) Grants and fellowships to individuals (predoctoral and postdoctoral students) for studies and research charged to the Smithsonian Institution's Salary and Expenses appropriation for the Office of Academic Studies.

Each of these programs, although differing in title and procedures, employed some form of competition, management review, and peer or advisory committee review.

The procedures of the Research Awards Program required submission of a written proposal and budget through Smithsonian Institution management channels to the Director of SRF. Each echelon exercises veto authority for the proposal.

Proposals, numbering usually 40-80, were then submitted to the Assistant Secretary for Science for his review and then submitted to a discipline-oriented outside (non-Smithsonian) review panel. Proposals were awarded points on a series of evaluation criteria and ranked according to points awarded. All proposals reviewed were returned to the Director of SRF, and awards were then made according to ranking until all funds were obligated.

All Smithsonian Institution management officials, curators, department chairmen, and individual scientists were very supportive of the program to the Investigative Staff, expressing the belief that the competition and internal and external peer review stimulated quality research and studies.

Smithsonian Institution officials believe, and the Investigative Staff concurs, that an opportunity for a competitive research award program is vital to the intellectual growth and scientific integrity of the Smithsonian Institution.

However, the Investigative Staff agrees with the conclusion in the GAO report of March 31, 1977, that the use of the

SRF to accomplish this stimulation is not necessarily the best method of achieving this end.

The GAO report correctly concluded the SRF was a device used by the Smithsonian Institution to avoid restrictions on the use of appropriated funds. The Smithsonian Institution contended in a response to the GAO report that the SRF is a legally constituted entity, established with the knowledge and consent of the Board of Regents and, by virtue of six members of Congress being members of its Board of Regents, Congressional approval. The Smithsonian Institution maintains the efficiency and value of the SRF in administering its grants and the purity of its intent by outlining its review procedures and the review panel's insulation from Smithsonian Institution management influence, stating: "The Foundation's Board and staff have, for eleven years, sought to assure that the operations of the Foundation would be in accordance with the highest professional and accounting standards, and consonant with the Trust purposes of the Institution itself."

What the Smithsonian Institution failed to point out, and the GAO report did not speak to, is that this same Foundation was used by the Smithsonian Institution to funnel other Federal appropriations not directly associated with research proposals through the Foundation to change the character of the funds from Federal to private. For example, the Smithsonian Institution channeled \$633,800 in Federal appropriations for one activity over the past 6 years into the SRF, thus converting the monies from their Federal identity to private funds, which then the SRF granted to the Smithsonian Astrophysical Observatory (SAO) for "support of management and engineering services" necessary for the development of a Multi-Mirror Telescope Facility. The SAO treated these funds coming from the SRF as private funds.

The Investigative Staff did not attempt to trace the source of the Federal appropriations to determine if they were funds appropriated for construction of the multimirror telescope (which Congress has done in past years) or were unexpended balances from other Federal Salaries and Expenses accounts.

The procedure used by the Smithsonian Institution effectively removed all Federal appropriation restrictions on the monies and created a no-year pool of monies which was used to support SAO activities. This procedure would also serve to distort both the private fund effort input into SAO operations by claiming, as private funds, monies originating as a Federal appropriation, and the need for the amount of Federal funding required for SAO operations as requested in the Federal budget.

The SRF also utilized this mechanism of converting Federal appropriations to private funds to award research grants to foreign nationals, a practice prohibited with Federal appropriations.

The Smithsonian Institution utilized the money identity converting ability of the SRF to establish continuous funds to pay for travel and honorarium expenses for seminars, for interviews of predoctoral and postdoctoral award candidates, and for the travel and conference expenses of the Smithsonian Council, an Advisory Board of outside consultants utilized by the Secretary of the Smithsonian. All of these latter activities could be handled within the Smithsonian Institution organization, utilizing Federal appropriations, without violating any Federal regulation or law or impeding management efficiency.

The Investigative Staff notes the SRF acted at the direction and with the knowledge and supervision of its Board of Directors, who were Smithsonian Institution management officials. The SRF handled 40 miscellaneous accounts such as these.

The Investigative Staff believes there was some merit in the original concept of the Research Awards Program and its administration by the SRF; however, this merit was negated by the misuse of the SRF by Smithsonian Institution Management officials, which, in the opinion of the Investigative Staff, raises questions as to the willingness of Smithsonian Institution officials to responsibly administer the awards program in the absence of specific legislative guidelines.

The Investigative Staff recommends the Committee might wish to consider approving a Smithsonian Institution Research Awards program, with mandatory internal and external peer review of proposals and administrative procedures approved by the Smithsonian Institution Board of Regents and the Committee.

XII. INTERNATIONAL ENVIRONMENTAL SCIENCE PROGRAM

The International Environmental Science Program of the Smithsonian Institution is an example of the Smithsonian Institution's ability to alter its organizational structure continuously and at will, with resulting obfuscation of program objectives, methods, and funding.

The predecessor of the International Environmental Science Program was created in FY 1971 as the Office of Environmental Science to undertake or coordinate research on the environment.

The budget justification documents for the last 3 fiscal years identifies the following funding and employment data:

<u>Year</u>	<u>Title</u>	<u>Permanent Positions</u>	<u>Funds (000)</u>
FY 1975	Office of Environmental Science	35	\$800
FY 1976	Environmental Science Program	2	193
FY 1977	International Environmental Science Program	2	376

The FY 1975 Hearings identify the Office of Environmental Science program as "Several research projects dealing with selected aspects of ecosystems * * * supported by Federal Agency Contracts." Several areas in Southeast Asia, South India, Ghana, Indonesia, Yugoslavia, and Tunisia are identified as research sites. The Center for Short-Lived Phenomenon and Oceanographic Sorting Centers in Washington and Tunis are included in the program.

In FYS 1976 and 1977 respectively, the Committee questioned Smithsonian Institution officials concerning the apparent overlap in responsibility within the Institution for environmental programs and the "apparently indecisive administrative reorganization and shifting" in the environmental programs.

The Investigative Staff learned the administrative reorganization of the programs over the past 3 years has resulted in a pool of Federal appropriations available to the Assistant Secretary for Science, which he dispenses, through awards, allotments, contracts, or grants, for various research activities. Funds are awarded or allotted to Smithsonian Institution employees for research projects submitted to the Assistant Secretary for Science. According to Smithsonian Institution officials, project proposals

are reviewed and approved by the Assistant Secretary for Science without advisory committee or peer review of the proposal, even though the same office is responsible for securing advisory committee or peer review for other projects submitted under the Research Grants Award Program specifically funded by the Congress and discussed in chapter XI of this report.

The Assistant Secretary performs the project review based on the proposals submitted by individual scientists.

The Investigative Staff review of project folders chosen by Smithsonian Institution officials revealed incomplete, inconsistent, and nonexistent project proposal documents. One folder contained only incomplete handwritten notes, another a single paragraph describing a project, another contained only a single-page handwritten proposed budget. These documents were used, according to the official, by the Assistant Secretary for Science to determine the merit of the project for funding.

This federally funded program provides support in various forms and amounts to 47 full-time and 17 term or part-time Smithsonian Institution employees. Smithsonian Institution documents identify these employees allocating from 2 percent to 100 percent of their time on these projects. Two full-time positions are identified in the budget documents submitted to Congress as support for this program. These two positions are used to support a GS-3 level employee and a GS-5 level employee at the Smithsonian Tropical Research Institute (STRI). Program direction and coordination of the program are provided by the Assistant Secretary for Science, according to Smithsonian Institution officials.

The Investigative Staff learned the majority of the projects funded under this program are located at the STRI and the Chesapeake Bay Center for Environmental Studies (CBCES) and are so closely tied with other ongoing projects it was difficult for the Investigative Staff to distinguish between Environmental Science Program funded projects and projects of the CBCES and STRI programs funded by Federal appropriations and grants and contracts.

The titles and amounts of Environmental Science appropriations for FY 1977 for 6 of the 22 projects are listed below:

<u>Title</u>	<u>FY 1977 Amount</u>
Nepal Tiger Project-----	\$35,700
Venezuela Ecology Project-----	41,000
Data Processing and Analysis, Panama-----	28,800
Spectral Quality of Solar Radiation-----	18,400
Chemistry Project-----	20,200
Role of birds in coevolved seed dispersal in a montane forest region of Papua New Guinea-----	20,500

The Investigative Staff believes the Smithsonian Institution should identify to the Committee in future budget requests the International Environmental Science Program as a competitive research grant program and take action to initiate formal written procedures for grant application and review including internal and external peer review. The Investigative Staff suggests the Committee consider elimination of the two positions authorized for the program as those positions are not utilized to provide direction to the program, and the functions performed by the employees currently carried against this employment ceiling cannot be differentiated from other positions in the Environmental Science Program supported by other authorizing and funding mechanisms.

The Investigative Staff believes the current structure and implementation by the Smithsonian Institution of this program distort the cost of the efforts undertaken at both the STRI and CBCES by providing additional means of funding the program without clearly disclosing this information to the Congress.

XIII. LACK OF ADEQUATE LONG-RANGE PLANNING

While it is extremely difficult to evaluate the effectiveness of the Smithsonian Institution programs because of a lack of any comparative data, in the opinion of the Investigative Staff an effort at long-range planning and aggressive management of programs would yield a greater cost/benefit return for monies expended by the Smithsonian Institution.

For example, the Smithsonian Institution has, over the past several years, developed the Chesapeake Bay Center for Environmental Studies (CBCES), largely with trust funds, on 2,600 acres of land near Annapolis, Md. The Center conducts studies on tributary data to the Chesapeake Bay, pollution, and sediment. The Smithsonian Institution owns 1,700 acres of land and controls the use of the remaining acreage through covenants and agreements. The area is rural and devoted to farming and woodlands.

The history and funding of the Center are described elsewhere in this report. The Master Plan for the CBCES describes several phases of construction to add laboratory space for ongoing and planned projects.

Simultaneously, the Smithsonian Institution, through Federal appropriations, supports another Smithsonian Institution bureau, the Radiation Biology Laboratory (RBL), in Rockville, Md. This bureau's major areas of research are: (a) Regulatory Biology, (b) Environmental Biology, and (c) Carbon Dating. The laboratory has an extensive program to monitor solar radiation and maintains three data monitoring sites, Pt. Barrow, Alaska, Panama, and Rockville, Md., as well as its extensive programs in plant growth and development conducted at its Rockville facility.

The laboratory moved to a 50,000-square-foot warehouse in Rockville in 1970, which it leases under a 20-year agreement through GSA. Federally appropriated funds amounting to \$254,000 were allocated to rental for this property in FY 1977. The RBL has spent a considerable amount in previous years' funding in modifying the building to suit its needs, including erection of a 100-foot telescoping tower for its sunlight monitoring instruments to monitor direct sunlight blocked by an adjacent 18-story building. The RBL has had a one-half million dollar construction appropriation in escrow at GSA for a number of years to build a glass greenhouse on the parking lot of the Rockville facility for the plants used in the laboratory's research. The building contains extensive environmentally controlled cabinets for plant growth and a large amount of

specialized laboratory space constructed by the Smithsonian Institution.

The Investigative Staff believes the missions or research objectives of the CBCES and the RBL to be very compatible and present obvious advantages to colocation of the bureaus. Co-location, however, was never considered, according to Smithsonian Institution officials.

The Investigative Staff believes responsible long-range planning could have suggested the colocation of RBL and CBCES activities at CBCES and resulted in savings to Federal appropriations in terms of rental and renovation costs and savings to trust funds in terms of better utilization of construction accomplished and planned at CBCES. The Investigative Staff recognizes the necessary construction and relocation costs associated with colocation of RBL at CBCES but believes the costs would have been amortized over a very short period.

The Investigative Staff believes the establishment of a forward planning process by the Smithsonian Institution that identifies objectives, goals, and Master Plan targets for all Smithsonian Institution activities will help to identify areas that can produce direct savings to the Smithsonian Institution and should be required. The Investigative Staff notes the Hughes report, a review of the Smithsonian Institution, performed at the Regents request, also recommended the establishment of a 5-year forward planning program.

XIV. PURCHASING AND PROCUREMENT

The Investigative Staff found the Smithsonian Institution generally in compliance with Federal and Smithsonian Institution regulations in its purchasing practices and procedures. With minor lapses, the Institution exercised reasonable competitive practices in its purchasing whenever required. Many of the Smithsonian purchases are with private funds or are for less than \$10,000, and competition is sought informally without the documentation required for contracts negotiated above that monetary threshold.

The Investigative Staff suggests the Smithsonian consider adopting the recommendations made in a Study of Procurement and Supply performed by an independent consultant in 1975 under the direction of the Smithsonian Office of Audits. Presently, purchasing and procurement activities of the Smithsonian Institution are divided between several organizationally distinct offices.

The study recommended the redefinition and consolidation of the several offices with procurement authority for greater efficiency and organizational clarity.

The Contracts Office and the Office of Supply Services are organizationally located in the Office of Support Activities. The Contracts Office is understood to be the office responsible for private fund contracting and procurement, while Supply Services is viewed traditionally as concerned with Federal funding. In reality and current practice, this is not the case. The Office of Supply Services has spent more private money than the Contracts Office.

The Office of Supply Services, in addition to procurement of all supplies, has a mission to prepare contracts with other Federal agencies covering scientific and other work (grants and contracts) to be performed by or through the Smithsonian Institution. The Contracts Office, conversely, devotes 70 percent of its effort to the preparation and execution of incoming contracts and grants. In this capacity the Contracts Office acts principally as an advisor, as incoming contracts and grants usually originate through efforts of individual scientists in the Institution who seek sponsorship for projects. Quite often the terms and conditions are already worked out with the sponsoring agency before the Contracts Office becomes involved. The Contracts Office executes the formal contract and assumes contractual responsibility for performance by the Institution.

Responsibility for execution of each project is that of the Principal Investigator, usually the initiating scientist, who conducts the project within the framework of his or her regular organization. The administration of these grants and contracts is the responsibility of the Grants and Insurance Administration Division, organizationally located in the Treasurer's Office.

Contractual authority for revenue-producing activities (museum shops, Smithsonian magazine, performing arts) has been redelegated to the various activities.

The Office of Supply Services, in purchasing supplies and services for the Smithsonian Institution, utilizes both Federal and private funds. For example, over-the-counter purchases, utilizing the same Standard Form 44, are made with both private and Federal funds and handled through the Office of Supply Services.

Some contracts executed by the Smithsonian have been negotiated directly by the Secretary of the Institution without the involvement of either the Contracts Office or the Office of Supply Services.

The Investigative Staff concurs with the audit report recommendation of the redefinition of the role of the Contracts Office and its transfer to the Office of Membership and Development, which is responsible for soliciting private funds for the Institution.

The report also recommends redefining the role of the Office of Supply Services to include responsibility for contracting and procurement of goods and services, whether federally or privately funded. These organizational changes would have positive effects on the management of procurement activities.

XV. THE SMITHSONIAN INSTITUTION--
A BIG BUSINESS ENTERPRISE

The Investigative Staff is concerned the present goals and objectives of the Smithsonian Institution revenue-producing programs will have a detrimental effect on the programs of the Smithsonian Institution by diverting management attention to the problems of running "a for profit enterprise" from its mission, "the increase and diffusion of knowledge."

The Board of Regents, at its January 1977 meeting, established a 10-year goal of \$50 million endowment for unrestricted trust funds of the Smithsonian Institution.

The resultant growth and revenue produced by the Smithsonian Institution "business enterprises" have been phenomenal. The Smithsonian Council, an advisory body on broad institutional program interests, composed of 25 of "the nation's leaders in art, science, history, and museology provides guidance to the institution on long-range matters affecting the progress of science and learning within the institution." In a report to the Council and the Regents, the Smithsonian Institution predicted that unrestricted funds will be providing a substantial source of Institution funding by 1980. In 1975, predicted net earnings from two Smithsonian Institution activities were to be approximately \$4.0 million by 1980. The Smithsonian magazine would produce a net of \$2.5 million. The merchandising program (museum shops, product development, and mail orders) was projected to produce \$1.5 million. Those projections did not anticipate the return from the "popular book" effort, "The Smithsonian Experience." The gain projected from other business activities, such as the associates program, the foreign study tours, photo services, and television programs, would be offset by losses of other activities.

The Investigative Staff learned Smithsonian Institution management encourages entrepreneurial revenue-producing activities by individual bureaus and other organizational entities as a means of generating unrestricted income for their discretionary use.

For example, the National Air and Space Museum sells 1st day covers (stamped envelopes) and suitably framed 1-inch-square pieces of aeroplane fabric taken from restored artifacts; the Freer Gallery sells prints and reproductions of items in the collection as well as books and pamphlets. The Office of the Assistant Secretary organizes and conducts travel tours guided by a Smithsonian Institution employee that return both a commission and a required donation of \$200 to the Smithsonian. Other bureaus conduct graduate classes and training programs

and split the tuition with the sponsoring university. Some offices give lectures or run conferences, such as the Law Conference described in chapter X of this report.

The result is numerous, unrestricted private fund incomes that are not adequately managed or controlled. The Smithsonian Institution has established a method of receiving these funds that provides a satisfactory accounting for their receipt; however, management control and reporting of their expenditure are inadequate, thereby setting the stage for abuse and criticism of the Smithsonian Institution. For example, the Freer Gallery has a small sales desk not connected with the central museum shops of the Smithsonian Institution. That one desk "netted," for FY 1977, approximately \$75,000 on a gross of \$150,000. At the time of the Investigative Staff's visit, the activity had never prepared a balance statement of its books. The Investigative Staff believes the failure of the Smithsonian Institution management to require such a fundamental accounting and management practice of the activity reflects a lack of management control on the part of the Smithsonian Institution.

Decentralization of authority, multiplicity of funding sources, schizophrenia of identity (private organization, Federal organization), and a long tradition of unaccountability have created a chameleon institution that avoids capture and definition by changing on the spot.

The following table illustrates how private support from revenue-earning activities (associates program and magazine, concessions, museum shops and mail order activity, product development royalties, etc.) has increased in recent years and now accounts for almost half of the non-Federal support for Smithsonian operating programs:

SOURCES OF NON-FEDERAL FUNDS

	<u>Gifts and Endowment Income</u> (Percent)	<u>Revenue-Earning Activities</u> (Percent)
1968-----	90	10
1969-----	88	12
1970-----	89	11
1971-----	90	10
1972-----	88	12
1973-----	80	20
1974-----	72	28
1975-----	66	34
1976-----	54	46

The proliferation of revenue-raising activities in recent years raises some question about whether the Smithsonian is not getting away from its essential purpose; namely, the increase and diffusion of knowledge. At best, it is no longer the establishment envisioned by Smithson and its early Congressional sponsors, to whom the idea of the Institution operated as a commercial enterprise would probably have been abhorrent.

As successful as the Smithsonian has been with its revenue-generating activities, the performance of its endowment fund investments has been consistently less than the standard investment indexes. The Institution has consolidated its trust fund accounts for the purpose of investment, retaining individual account identity through a concept similar to a mutual fund. Income from the endowments are drawn under a "total return" policy.

This policy, approved by the Regents in May 1972, and in practice for several years, allows the Institution to draw a fixed investment income that is based on a 4 1/2 percent return of a sliding 5-year average of the fund's market values. The policy allows income to be defined as dividend, interest, and appreciation. The problem experienced by the Smithsonian is the endowment fund income from dividends and interest only has never reached the 4 1/2 percent level, necessitating a drawing on the principal appreciation. The overall performance of the investment funds has been generally poorer than the Dow Jones and Standard and Poor's average. This investment performance and the lack of communication to the bureaus on the status and availability of trust funds, discussed in chapter VII of this report, have prompted an informal review of investment performance by a committee of the Senate of

Scientists, an advisory group of Museum of Natural History employees.

The Investigative Staff found both Smithsonian Institution management and the Board of Regents aware and concerned about the problem and actively seeking solutions or changes that would improve investment performance.

XVI. THE SMITHSONIAN INSTITUTION--
A FEDERAL ESTABLISHMENT

In the opinion of the Investigative Staff, the Smithsonian Institution is a Federal entity with unique and necessary private institution characteristics and should be defined as such through legislation or appropriation language. Weighing heavily in this conclusion are funding considerations and the overwhelming share of support for Institution programs and activities provided by appropriations and other Federal money.

A. The Changed Character of the Smithsonian

Much has been said and written about the character and functions of the Smithsonian, but there seems to be little agreement about the nature of the establishment and its relationship to the Federal Government. Two contemporary and conflicting views are summarized below:

(1) In the words of an earlier Chancellor of the Board of Regents, the Smithsonian views itself as "a private institution under the guardianship of the Government." In giving his property to the United States, Smithson created a charitable trust to be administered for the "increase and diffusion of knowledge among men," and, in accepting the gift, Congress pledged "the faith of the United States" to carry out the trust. Implicit in this pledge and in subsequent legislation defining the mission of the Smithsonian was the commitment of Congress to supplement trust fund resources with Federal money and property and to maintain the Institution's independence and freedom from many of the strictures applicable to other Federal agencies.

(2) A dissenting view was expressed by the consultant who recently studied the Smithsonian's relationship with Congress at the request of the Board of Regents. In his opinion, and the Investigative Staff concurs (chapter II), Smithson, in making his gift to the United States, wanted Government involvement (he could more easily have created a private institution); the Congress, acting in behalf of the Government, accepted that involvement; and increasing Government appropriations over the years have served to emphasize the extent of that involvement and reinforce the image of the Smithsonian as a Federal agency. Thus, the study concludes that the Smithsonian "is practically and operationally a Federal instrumentality, agency, or 'establishment.'"

Having made this point, the Investigative Staff believes the Hughes report is unclear about what changes, if any, should or will be brought about as a result of recognition

of the Smithsonian as a Federal entity. This point assumes greater significance in the light of a Smithsonian Institution official's correcting the Investigative Staff's use of the term Federal agency to Federal establishment in discussing the recommendations of the Hughes report.

In the judgment of the Investigative Staff, neither of these arguments is lacking in technical validity, and the question of whether the Smithsonian Institution is a Federal agency is a very close one, about which lawyers could well disagree. The Investigative Staff feels it essential to keep in mind, however, that the question is not being decided in a court of law, where the fine points of trust law and other legalities would perhaps be controlling. Accordingly, these arguments should be more of academic than practical interest.

This leaves funding support as the overriding element in looking for a way to characterize the Smithsonian, and, in this area, evidence of the Federal presence is overwhelming. The Smithsonian chooses to look on Federal support as a "supplement" to trust fund resources. The Hughes report more realistically recognizes the pervasive impact of growing Federal appropriations over the years. The Investigative Staff comes down on the issue fully in agreement with the conclusions of the Hughes report.

Whatever may have been the original intention of Smithson in making his gift or the Congress in accepting it, the Smithsonian now has so many "Federal" functions and relies so heavily on Federal appropriations that it is no longer "a private institution under the guardianship of Government." With an average of more than 90 percent of its net operating expenses financed by Federal appropriations, grants, and contracts over the past quarter century, it has become, in fact, a Federal entity. The Investigative Staff believes it follows that the Institution should be accountable to the Congress with respect to all funds available to it, both private and Federal, on the same basis as other Federal agencies and all its operations should be subject to the same oversight.

B. Public Versus Private Funding

In testimony before the House Appropriations Committees (April 28, 1977) on the history of the Smithsonian funding, the Secretary of the Institution contended that Federal support for Smithsonian activities, as compared with trust fund support, has not changed significantly over the years. Specifically, he made the following points:

-- By 1883, approximately 80 percent of the Smithsonian's annual budget was coming from Federal support and some 20 percent from the income of the trust.

-- Ever since then, the ratio has been substantially the same.

-- Therefore, the character of the Institution today as a "quasi-Federal" institution is not very different from the Smithsonian in 1883, when it was getting relatively the same Federal support as a "private" institution.

With all due respect for the Secretary's conclusion, the Investigative Staff is of the opinion that the funding and character of Smithsonian programs and activities have changed over the years. From 1883 through 1923, trust fund support averaged only about 14 percent of annual Smithsonian budgets and never exceeded 20 percent in any year. With the influx of income from the Freer trust in 1923, the private support level (viewing it as a whole, although the substantial Freer fund is available only for the Freer Gallery) for Smithsonian activities increased significantly and, for the next 27 years (through 1950), seldom fell below 20 percent, with the average over the period at about 23 percent. Since 1950, however, funding data shows the Smithsonian has become increasingly dependent on Federal funds to carry out its mission. In the mid-1960's the private share of the budget dropped as low as 4 percent of net operating expenses in one year, and for the overall period (FY 1951 through FY 1976) averaged only 8.5 percent of total funding required to support Smithsonian activities. Net operating expenditures for selected years in the latter period are shown below:

(In Millions)

	<u>Trust Funds</u>	<u>Federal Appropriation*</u>		<u>Grants and Contracts</u>		<u>Total</u>	
		(\$)	(%)	(\$)	(%)		
1951 --	12.0	.5	3.6	87.0	-	1.0	4.1
1955 --	15.0	.7	3.7	79.0	0.3	6.0	4.7
1960 --	7.1	1.0	8.9	63.1	4.2	29.8	14.1
1965 --	5.9	1.8	17.3	52.3	11.1	36.8	30.2
1966 --	6.9	2.5	21.9	60.5	11.8	32.6	36.2
1967 --	5.7	2.6	27.1	59.4	15.9	34.9	-
1968 --	4.3	1.8	29.1	68.6	11.5	27.1	42.4
1969 --	6.9	3.2	31.5	62.6	11.5	24.9	46.2
1970 --	6.9	3.3	35.1	72.8	9.8	20.3	48.2
1971 --	6.9	3.6	39.4	75.3	9.3	17.8	52.3
1972 --	7.4	4.6	49.8	80.1	7.8	12.5	62.2
1973 --	8.9	6.4	56.7	78.6	9.0	12.5	72.1
1974 --	9.3	7.7	65.1	78.6	10.0	12.1	82.8
1975 --	11.1	10.8	74.5	76.3	12.3	12.6	97.6
1976 --	11.7	16.4	107.2	77.1	15.5	11.2	139.1
1977 --	12.8	15.2	92.0	77.5	11.5	9.7	118.7

*Includes SSIE and Foreign Currency Operations; excludes construction.

These data on net operating expenses refute, in part, the idea that the character of the Smithsonian today as a quasi-Federal organization "is not very different" from its character in 1883 as a private establishment. With only 8.5 percent of its funds coming from private sources over the past quarter-century, the Institution has become dependent on Federal support to a far greater degree than in the recent or long-distant past. Further, this is a long-range trend unlikely to be reversed unless the Smithsonian further expands its revenue-raising activities, a development which in itself would represent a significant change in the character of the organization and which the Investigative Staff believes the Smithsonian is in the process of doing.

As discussed in chapter XV of this report, the revenue-earning activities of the Smithsonian now account for almost 50 percent of the non-Federal support for Smithsonian operating programs, up from 10 percent in 1968.

The development of a partial dependence on grants and contracts for its operating income has also had its impact on Smithsonian character in recent years. This activity reached its peak in the 1960's, with such support averaging 32 percent

of the Smithsonian budget over this decade. Since 1969, however, while support from grants and contracts has decreased appreciably (average of 11 percent over the past 7 years), it still represented a larger share of Smithsonian operating funds than corresponding trust fund support over the same period.

In accepting work and funds from another Government agency, the Smithsonian is treated like a non-Federal entity, and the money made available to the Smithsonian is not subject to the restrictions that normally apply to an interagency transfer of funds. It is nonetheless Federal money, and without this source of funds a number of Smithsonian programs (notably the Astrophysical Observatory) would have to be cut back substantially. The Smithsonian, in the past, has sought Federal appropriations to replace dwindling contracts and grant funds to maintain its level of effort even though those activities may not have been of the highest Smithsonian Institution priority.

In the opinion of the Investigative Staff, it follows that in developing a dependence on grants and contracts to support its programs, the Smithsonian has reinforced its Federal image and provided further reason for Congress to exercise its oversight rights and responsibilities with respect to the Institution.

XVII. INCREASED FEDERAL FUNDING

In the opinion of the Investigative Staff, the following Smithsonian Institution activities will require significant increases in Federal funding in the foreseeable future.

(a) Anthropological Film Center

Nominally a part of the Center for the Study of Man, the Film Center is itself making an effort to attain separate organizational identity within the Smithsonian Institution.

The film program has grown into a substantial Smithsonian Institution undertaking and has plans of becoming even larger. The program began as a series of child behavior studies financed by a National Institutes of Health (NIH) grant of \$100,000. The director of the program brought the NIH grant with him to the Smithsonian Institution as the funding foundation of the Film Center. As the director of the program has visited 80 countries in pursuit of this program, developing the necessary contacts and entrees, the Investigative Staff believes substantial Federal appropriations will be sought to finance this program. Institution officials advised the Investigative Staff the director of the program has sought funds directly from the Congress, utilizing interested outside personnel and organizations, to support his activities, bypassing Smithsonian Institution and Office of Management and Budget channels, with the concurrence of the Secretary of the Smithsonian Institution.

The director of the Film Center prepared a budget request for \$569,000 in Federal appropriations for FY 1978 and anticipates a need for an additional \$1 million over the next 3 years. Smithsonian Institution documents state the Smithsonian Institution's intention that this program be federally funded.

(b) Center for the Study of Man

This organization is at present a loose association of Smithsonian Institution programs that, according to Smithsonian officials, need a "place to belong," an administrative holding company that can be an organizational funding mechanism.

The Center organizationally contains:

(1) The Anthropological Film Center

This organization described above is in the Center on paper only as the directors of the two activities are in conflict and no supervision is supplied.

(2) The Handbook of North American Indians

This is a spinoff activity resulting, the Investigative Staff was advised, from a personality conflict in the Museum of Natural History. The project is an endeavor to write a comprehensive 20-volume encyclopedia from the perspectives of anthropology, history, and linguistics. The project involves hundreds of authors and was scheduled to be completed in 1976 as a bicentennial project. A recent Smithsonian Institution audit review of the project described the effort as a shambles and so far behind schedule that even with immediate management help it will take 5 more years to compete.

(3) The Research Institute on Immigration and Ethnic Studies

This institute was founded in 1973 with a mission of research, dissemination, stimulation, and facilitation of interdisciplinary study, and consultative services on the broad range of knowledge of U. S. immigration, stressing the new immigrants to the United States since 1965.

In FY 1977, the program employed three full-time Federal employees and two employees paid from Bicentennial project funds. Federal appropriations amounting to \$47,000 were allocated to the program, supplemented by \$37,000 in reprogrammed funds from other Center for the Study of Man programs. FY 1978 projects a Federal budget of \$137,000 and five federally supported positions.

(4) Urgent Anthropology Program

This is a small, \$5,000-per-year award program used as a means of providing support for projects of an immediate nature. For example, a construction crew might expose an Indian burial ground, or an ancient tribal ceremony might be held unexpectedly, and an effort to record the event on short notice is necessary. Proposals for funding are submitted to the director of the Center and reviewed by Smithsonian and non-Smithsonian personnel.

(5) Cross-Cultural Research Program

This activity is a project aimed at an exchange of information by anthropologists and other Human Scientists. The program, now dormant according to Smithsonian Institution officials, supported several meetings or conferences..

The Center for the Study of Man is presently being considered within the Smithsonian Institution as the nucleus of a new museum, The Museum of Man, or A Museum of Culture. Some consideration has been given to adding the Museum of African Art, if it is acquired by the Smithsonian Institution, to The Museum of Man. The Investigative Staff learned efforts are under way to effect the coalescence of these programs into a base from which the new museum could grow. Consideration is being given to utilizing the last vacant space on the Mall, which has been reserved for future Smithsonian Institution use, for such a museum.

The Investigative Staff believes the gradual growth of these programs through incremental Federal funding will become a Museum of Man organizational base, already in existence without Congressional input, for which additional Federal appropriations will be sought.

(c) The Anacostia Neighborhood Museum

This museum was begun in 1967 with funds from private foundations. The museum conducts a research program that supports exhibits design and production and provides an opportunity for a continuing museum experience for a community. In FY 1977, the Anacostia Neighborhood Museum received \$524,000 in Federal appropriations and \$195,000 in private funds (including grants and contracts), \$29,000 of which was from unrestricted funds. The FY 1978 Federal budget request was for \$608,000. The museum has developed a training program in exhibits design and production supported by a private foundation grant, utilizing the museum's newly constructed exhibits design and production building. The museum is exploring ways of expanding into a museum of the city of Washington and is seeking authority to acquire and collect artifacts, an authority it does not now possess. If either of these plans bears fruit, Federal appropriations will be sought to support the program. The Smithsonian Institution has evidenced, in the opinion of the Investigative Staff, considerably less interbureau support for Anacostia Neighborhood Museum activities than it could.

(d) Museum of African Art

The Museum of African Art, located in Washington,

D.C., was first proposed to the Board of Regents for acquisition by the Smithsonian Institution by its director in 1974. The Board of Regents, through an ad hoc committee, has been considering the proposal. Some of the problems involved in the acquisition revolve around the independence or separate identity of the Museum of African Art, the costs of staff, the costs of necessary extensive building reconstruction, and the appropriateness of the Smithsonian Institution's acquiring a museum that would not be a "National Collection Museum." Smithsonian Institution officials advised the Investigative Staff the Institution would seek authorizing legislation and Federal appropriations for support of this activity. The Investigative Staff believes this museum, if acquired by the Smithsonian Institution with a separate entity and not as a collection of art, will engender substantial requirements for Federal appropriations and possibly set a precedent for Smithsonian Institution support of financially troubled museums or duplicate the Smithsonian Institution experience with the Cooper-Hewitt Museum.

(e) Other Programs

Several other Smithsonian Institution programs dependent on significant private fund and grant and contract resources face a problem currently being experienced. Those resources diminish as competition for available private funds increases and as the inflation of operating costs increases faster than endowment fund income. The Smithsonian Institution has, in the past, sought to replace those funds with Federal appropriations.

The Investigative Staff believes this replacement process will continue on an ever-increasing scale. Activities in this category are:

- (1) Smithsonian Astrophysical Laboratory
- (2) Chesapeake Bay Center for Environmental Studies
- (3) Freer Gallery of Art
- (4) Archives of American Art

In the opinion of the Investigative Staff, the Smithsonian Institution enjoys an international reputation for scientific integrity and veracity that is tangible and the lifeblood of the Institution. Smithsonian scientists advised the Investigative Staff of instances of geographic areas in the world closed to study and scientific exploration but opened for Smithsonian-associated scientists.

The success of the Institution is a result of this reputation and the value and appeal of the programs it supports.

Its reputation is not fragile but can be tarnished and, once tarnished, cannot be restored.

The Investigative Staff, therefore, believes the Smithsonian Institution requires the consistent and detailed oversight of both the Congress and its full Board of Regents to provide the broadest base of experience and guidance to its programs.

* * * * *

SMITHSONIAN RESPONSE TO HOUSE STUDY

Mr. YATES. The response of the Smithsonian to that report may go into the record at this point.

[The Response Report follows:]

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SUMMARY AND OBSERVATIONS

The interest, encouragement and support of the Congress have been absolutely essential to the success of the Smithsonian Institution throughout its history. It was the Congress that decided to accept James Smithson's bequest to the United States, and it was the Congress that designed and created the Institution. Through subsequent legislation, through continuing oversight and guidance and through generous appropriations of funds, the Congress has played an indispensable role in the Institution's development. If the Institution is to continue to flourish, there must be fruitful cooperation with the Congress.

It was in this spirit that the Smithsonian cooperated to the fullest possible extent with the Surveys and Investigations Staff of the House Appropriations Committee. Our reactions to the resulting Report can most accurately be described as mixed. Given the thoroughness of the Investigative Staff's investigation, and the fact that it had free access to every record and every person in the Institution, we took some satisfaction from the Report's grudging acknowledgment that: "The Investigative Staff, in its review of Smithsonian Institution activities, did not learn of any current significant misuses of federal or private funds of property of the Institution for personal benefit." In fact, we find in the Report no instances of any abuses of funds for personal gain, significant or insignificant, past or present.

In addition, there were other favorable conclusions:

- We felt the Report could have been more positive when, after examining the Institution's dual personnel system, the Staff found that "personnel management practices did not reflect consistent, continuous, or pervasive abuse of the privileges available to the Institution...." In fact, the Report found comparatively few instances in which it questioned personnel practices and its conclusions could have been more precise.
- The Smithsonian was pleased to find in the report no criticisms whatsoever of the substantive programs of the Smithsonian: no suggestion that the work of its scientists and scholars is deficient, that its exhibitions and publications fail in their purpose of communicating and enlightening, that its collections are inferior or its museums badly run.

-- We also noted the Report's finding that, "The Investigative Staff found the Smithsonian Institution generally in compliance with federal and Smithsonian Institution regulations in its purchasing practices and procedures."

Despite these conclusions, the thrust of the Report is clearly critical of the Smithsonian, both in general and in detail. We have attempted in the following pages to comment on every criticism and recommendation contained in the Report. In some instances we admit the justice of the criticisms and undertake to correct them. In other instances we point out that corrective measures recommended in the Report have already been undertaken by the Institution, often several years ago. In still other instances we accept the Investigators' findings, but disagree with their interpretations, particularly regarding the motivations of Smithsonian management. And, finally we believe that in many instances the Investigators are incorrect and their criticisms unwarranted. Since our views on these particulars will be spelled out in what follows, it is our purpose here simply to state a few general Smithsonian reactions to the Report as dispassionately and unargumentatively as possible.

In the first place, we noted that the Investigative Staff's work was to include "an evaluation of ongoing and planned programs". The Report contains no such evaluation and, as a result, many steps initiated by the Institution which are directly related to criticisms in the Report have gone unnoticed.

In addition, we believe that some crucial sections of the Report suffer from a lack of historical perspective. This is true of those portions which deal with such questions as the character and the definition of the Institution as well as those concerning the relations between the Board of Regents and the Secretary, and with relations between the Smithsonian and the Congress.

In concluding that the Smithsonian's "organization and character... are both unique and ever-changing", the Report overlooks what we believe is the remarkably constant character of the Institution when viewed over a 132-year period. The Institution has grown, but its fundamental character has remained the same as a place dedicated to "the increase and diffusion of knowledge", as envisioned by James Smithson and the Congress. While this mandate is unquestionably broad, it indeed has limits and the Institution has, at all times, examined every proposed program and activity to ensure that it fits within those limits.

As to its definition, we believe it is clear that from its inception the Smithsonian has been a federal trust establishment, created by and accountable to the Congress, with the authority to accept and spend monies

from a variety of sources to accomplish its mission. This definition was reaffirmed as recently as last year by the Board of Regents when it adopted the findings and conclusions of its Audit and Review Committee Report.

In examining the internal structure of the Institution, the Report does not acknowledge that substantial steps have been taken in the past five years to strengthen the role of the Board of Regents concerning matters of policy, planning and programs. Nor does the Report mention that much has been done, and is still being done, to increase and to clarify the information available to the Congress -- and to all interested parties -- about Smithsonian finances. These are positive steps, and they reflect an awareness by the Institution that its growth and increased complexity have required improved management and fiscal policies. This is not an attempt to explain away any past errors, but it is our belief that, far from being unresponsive, the Smithsonian has acted to strengthen its operations -- a fact which is virtually ignored by the Report.

With regard to relationships between the Board of Regents and the Secretary, we have discussed below each instance adduced in the Report as evidence of insufficient knowledge or involvement on the part of the Board. This discussion demonstrates, in our opinion, that in each instance the Regents were adequately informed of and agreed to proposed actions. More generally, the Report states that the role of the Board of Regents "is a product of the interaction and personalities of the Secretary of the Institution and particular members of the Board of Regents at any given time". This statement is accurate not only for the 132-year history of the Smithsonian, but also for the relations of any board with its chief executive officer. No matter how formally or informally this relationship may be defined in a particular instance, and no matter how narrow or broad the area of discretion of the chief executive, the ultimate responsibility remains with the Board, which must judge the performance of the executive who serves at its pleasure.

The Smithsonian agrees that, given the increased size and complexity of its activities, some further formulation of relationships in terms of thresholds and guidelines is appropriate. Indeed, steps in this direction have already been taken.

It was encouraging to note that the Report essentially endorsed the Smithsonian's personnel practices. But the Report's finding that management was willing "to skillfully use the system to its own ends when so motivated", was puzzling. We reject any notion that management's ends are not consistent with those of the Institution and, therefore, we believe it is our responsibility to use the personnel system to the best interests of the Institution so long as those interests are proper and consistent with legal requirements, sound management and the public welfare. If mistakes in judgment or practice were made, then these must not recur.

The Report gives the impression that there has been widespread and self-serving abuse of the Institution's discretion in personnel matters. In fact, the Institution's discretion is limited to only 20 percent of its workforce and even there, is controlled by internal policies and sound management principles. The occasions when this discretion has been exercised to transfer employees from one type of payroll to another are few and were made according to the best interests of the Institution and the persons concerned.

With respect to questions concerning certain civil service benefits for trust fund employees, the Institution received approval for its actions at different times from the Civil Service Commission and the Department of Justice. These issues have been clarified and the Smithsonian's personnel system today conforms with the letter and the spirit of the law, and to good management practices consistent with its responsibilities.

We noted, also, that the Report was concerned that some Smithsonian bureaus have sought federal funds for projects without a full awareness of whether trust funds were available. We have been unable to find any evidence that this has occurred and the Institution's bureau directors confirmed, in a recent meeting, that they were informed of trust funds which were available to them. The issue raised here, however, is internal communications. We have taken steps in recent years to improve communications between the central administration and the bureaus. In a diverse and decentralized organization such as the Smithsonian, internal communications are of paramount importance. It is an obligation that we feel strongly.

Our principal concern, however, is with the pervasive question in the Report about the "public" and "private" or the "federal" and "trust" nature of the Institution.

The Smithsonian has for more than a century received financial support from a wide variety of sources -- private individuals, foundations, corporations, revenue-producing activities, government agencies, and the Congress. Some of these funds have come with no restriction other than that they be used for the general purposes of the Institution; others, including direct Congressional appropriations, have come with very precise specifications as to their specific use.

For all of these funds, the Smithsonian executives are fully accountable to the Board of Regents and to the Congress. We are required by law to make annual reports to the Congress. Beyond that, we are committed to a policy of prior consultation with the Office of Management and Budget and the Congress on proposed expenditures of trust funds for activities which could lead to requests for federal funds in the future. Further, the Institution's budget justification now contains full information on the

sources and applications of all operating funds -- of whatever type -- for the current and budget years. In addition, even with these prior consultations, neither the Office of Management and Budget nor the Congress is obligated to approve federal funding unless they are, during the appropriations process, convinced that this should be done. If the Office of Management and Budget or the Congress decides not to fund such activities, the Smithsonian should maintain the ability to stop or reduce such activities or operate them only with trust funds.

Another concern is the perception which seems to exist -- based in part on the conclusions of the staff investigators and in part on past practices of the Institution -- that there is a vast irreconcilable difference between appropriated and non-appropriated funds, that they should never be spent for the same purposes. This conclusion in our opinion overlooks an essential fact: that all Smithsonian funds, while accounted for separately and never comingled, are dedicated to a single purpose -- the fulfillment of the Smithson trust as accepted by the Congress in 1836. It is, we believe, proper and desirable for funds from both sources to be expended in cases where this is the best way to achieve common goals.

Equally important, however, is the fact recognized throughout the Report that access to non-appropriated funds has given the Institution a degree of freedom and flexibility that it would not otherwise have possessed to move effectively to meet opportunities and goals. More specifically, these funds have made it possible for the Institution to act speedily to meet emergencies and grasp opportunities; and they have made it possible for the Institution to undertake experimental activities which strengthened its programs and which private benefactors were willing to support. In short, these non-appropriated funds have contributed importantly to the Institution's record of accomplishment. These funds derive from private gifts, private fund trusts, and revenue-producing activities which add to the education and interest of Smithsonian visitors and researchers. Their importance has grown in recent years as the success of Smithsonian magazine and other revenue-producing activities has generated substantial sums. We noted with interest that the "most serious" concern of the Investigative Staff was the Institution's revenue-producing efforts and the possible danger that these activities could divert management attention from research and educational programs. Certainly the Smithsonian is keenly aware of the need for close supervision of these activities; it has consistently and fully reported to the Board of Regents and is accountable to the Congress. In our opinion, there is no diversion of management resources from research and educational programs. We are closely monitoring our revenue-producing activities to ensure that this does not occur. It is, however, important to keep in mind that the magazine and our museum shops do more than produce income: they are integral parts of the Smithsonian's education mission and they produce many kinds of information for millions of citizens to study and enjoy.

Our other responsibility concerns the need to properly manage and account for the funds which these activities bring in. Where once the Institution received only a few hundred thousand dollars each year in unrestricted non-appropriated income, it netted some \$9 million in 1977. Where once procedures governing non-appropriated expenditures were comparatively simple, it became necessary to revise and expand the administrative efforts to provide effective management and control. We believe these efforts have produced a modern and effective operation. Today, in addition to their use to cover proportional administrative costs, the Institution has many research and educational programs and other activities which are supported in part by trust funds and in part by appropriated funds. In this pattern they provide a major contribution to Smithsonian strengths. By applying trust funds to such activities we can provide superior public service at minimum expense to the taxpayer.

At the same time, the establishment of a \$50 million endowment goal, at the direction of the Regents, is a prudent undertaking to ensure that the Smithsonian will always have sufficient trust fund income to meet its research and educational commitments. Through the endowment, the Institution seeks to assure the Congress and the public that it will, given the fluctuations of business and the economy, be able to maintain funding for programs which have been supported, in whole or in part, with trust funds.

We tend to agree, however, with the Report's finding that it would be appropriate for the Institution to pay with trust funds a portion of the rental space which houses certain activities funded jointly by federal and trust funds. Consideration will be given to using trust fund income to pay a share of the space currently leased with federal funds at L'Enfant Plaza and at the Smithsonian's Service Center on North Capitol Street.

For the future we see a broad range of programs which can be undertaken with trust funds for the public good. The Smithsonian has long been called the "magnet on the Mall", drawing people from across the nation to its museums and programs. We are at a new threshold where the technology and the funds are becoming available to take the Smithsonian to large numbers of citizens through television, books, films, and other communications media. In addition, these funds will assist us in our continuing efforts to strengthen the research and scholarship which are the backbone of the Smithsonian and to acquire major new items for the National Collections. In this way the Institution can obtain maximum public advantage from application of its unrestricted funds in creative and imaginative programs.

We recognize that with this opportunity comes a special responsibility. The use of our non-appropriated funds must be a totally open book to the Congress or anyone else who examines the Institution. In recent years, a good deal of confusion has grown up over the policies which govern the ways

the Institution spends its unrestricted trust funds. That confusion is understandable, and it is incumbent upon us to resolve it. We are and have always been committed to the wise and proper use of these funds in the public interest. They may not be used to thwart the intent of the Congress or its authorization and appropriation processes. Nor may they be employed to circumvent existing legal or regulatory requirements.

A case in point is the acquisition of land for the Chesapeake Bay Center for Environmental Studies. The Report concluded that the Institution was using its non-appropriated funds to circumvent federal regulations governing disposal of real estate. There was never any such intent on the part of the Smithsonian. The CBCES site was acquired with non-appropriated funds because the original parcel of land was an unrestricted contribution to the Institution and because we believed, correctly, that foundation support for the project could be obtained. Foundation support has been provided. Owners of adjacent property have been repeatedly assured that this project is a serious environmental study effort and is not an attempt by the Smithsonian to engage in land speculation.

If there have been occasions on which this freedom and flexibility have been abused by the Institution -- and allegations of this sort are discussed below -- these were clearly improper and must not be repeated. But if, as we deeply believe, the existence of this freedom and flexibility are responsible in no small degree for the Smithsonian's accomplishments, we must work with the Congress to assure their preservation.

This is really the heart of the matter: to protect those aspects of the Smithsonian that are essential to its independence to pursue programs of research, education and collecting, while at the same time satisfying the absolutely legitimate concern of the Congress that its inescapable oversight responsibilities are being fulfilled.

This is not an easy problem to solve, particularly at a time when the Institution has become larger and more active than ever. We have no magic formula to suggest, but we deeply believe that in the search for solutions our relation to the Congress is not, and must not become, an adversary one. The fact that the Congress has shown such admirable sensitivity and self-restraint in supporting without interference the sciences, the arts and the humanities in institutions throughout the country that are not its wards, encourages us to feel that both the independence of the Institution and the proper oversight responsibilities of the Congress can be achieved.

We stand ready to provide to appropriate committees of the Congress all information of any kind regarding Smithsonian finances. Similarly, we stand ready to supply to the Congress full information about the substance and management of all Smithsonian programs and activities. And finally, we pledge to provide the Congress at the earliest reasonable point in our

planning cycle full information about opportunities that may be expected to have major new programmatic or financial implications. The Staff Report's principal recommendations and conclusions and our responses are summarized below. Detailed information concerning specific points is within the body of the Institution's response.

1. Recommendation: The Smithsonian's budget justification should contain federal and trust fund information. Response: The Institution strongly concurs in this. The budget justification currently before the House and Senate appropriations Committees contains detailed information on both federal and trust funds proposals.

2. Conclusion: The numerous individual trust funds accounts at the Institution reflect a "lack of management control of private funds". Response: Numerous trust funds accounts exist because they are required by law, sound fiscal management, or both. Without these practices, employed by virtually all universities and other organizations which administer trusts, the Smithsonian would be subject to severe criticism. Gifts and bequests to the Institution earmarked for specific purposes must, under trust law, be administered through separate accounts. To equate the practices with bad management is absurd.

3. Conclusion: The Smithsonian has actively sought to circumvent federal appropriation restrictions. Response: Every case cited by the Report is one in which the Institution was attempting to do its work more effectively. In the specific case of the Smithsonian Research Foundation, mentioned as an example in the Report, it is no longer being used and alternative procedures have been established.

4. Conclusion: "Many of the policies, practices, and decisions that shape the Smithsonian programs were based on past practice, or tradition, and were not reflective of efficient or conscious management decisions." Response: The Smithsonian cannot accept this sharp distinction between "past practice, or tradition" and "efficient or conscious management decisions". Often conscious decisions have led to a continuation of past practices that have served the Institution well. Apart from particular instances discussed below, the Smithsonian respectfully suggests that the efficiency of its management decisions can best be judged by examining the accomplishments of the Institution.

5. Conclusion: The Smithsonian has exercised a deliberate policy to avoid accountability for federal funds to the Congress. Response: this is incorrect. The Institution has never questioned its accountability to the Congress. Indeed, in recent years it has strengthened its accountability, both for federal and trust funds.

6. Conclusion: The Smithsonian's pursuit of revenue-producing activities could jeopardize its research and educational missions.

Response: The Institution's revenue-producing activities, such as Smithsonian magazine and the museum shops, are integral parts of the Smithsonian's educational programs. However, these activities will be closely monitored to ensure that management resources are not diverted from other aspects of the Institution's mission, and the Board of Regents and the Congress will be kept fully apprised of developments. The Regents have initiated a full review of these activities.

7. Recommendation: The General Accounting Office should audit Smithsonian trust funds as well as its federal funds. Response: As we demonstrated in the recent review of the Institution by the General Accounting Office, the Smithsonian would cooperate fully with audits by the GAO as a further means of accountability, in addition to audits conducted by independent public accountants and the Defense Contract Auditing Agency.

8. Recommendation: A long-range planning process should be established. Response: A long-range planning process was established at the direction of the Board of Regents last year. Plans for each function of the Institution are now being consolidated for preparation of the final document which will be submitted to Congress by mid-1978.

9. Recommendation: Legislation should be prepared defining the Institution as a federal instrumentality accountable for all funds. Response: With recent additional undertakings to supply full information, existing statutes would appear adequate to define properly the Institution's status and assure its full accountability to Congress.

10. Recommendation: That the Board of Regents establish bylaws. Response: This recommendation has been discussed by the Executive Committee and will be considered by the Board at its meeting in May.

11. Recommendation: That terms of the Regents be limited to 12 years or two consecutive six-year terms. Response: This recommendation has been discussed by the Executive Committee and will be considered by the Board at its meeting in May.

12. Recommendation: That the Institution be authorized to compete for grants and contracts from federal, state, local and private organizations and that a competitive research award program be authorized. Response: Except for limitations established by the Appropriations Committees, the Institution has authority to compete for many grants and contracts. However, the Smithsonian strongly concurs with the recommendation for a competitive research awards program as a means of strengthening the Institution's programs and ensuring that work performed is of the highest quality.

13. Conclusion: The Smithsonian requires consistent and detailed oversight by the Congress and the Board of Regents. Response: The Institution is in full accord with this recommendation.

As has been often said, the Smithsonian is a unique organization. It was designed to possess great flexibility, creativity and imagination, drawing upon the best of the public and the private sectors of the nation. Part of this design was that it be fully responsive to the Board of Regents, to the Congress which accepted the Trust, and to the needs of the citizens of the United States and the world. The Institution has attempted for 132 years to serve these objectives. Basic to its policies and programs is the presentation, display and use for research of its priceless collections. Recent criticisms do not reflect the imaginative and competent way these collections have been increased and utilized.

We are proud of our accomplishments and hope that the Congress shares this pride. There is much talk in the Report and in the body of our response about financial Trusts. But there is another form of trust as well: the trust that responsible and committed people have in one another. It is up to all of us -- Congress, Regents, Secretary and Staff of the Smithsonian -- to do whatever is necessary to maintain that trust in our relations with each other. We pledge our maximum effort toward this end.

II. "History and Background"

From the history of the Smithsonian it is clear that the Institution is both "private" and "federal". It is "private" in the sense that it originated in the charitable bequest of a private citizen and the fundamental principles of the common law of trust rather than any specific function of the government required by the Constitution. The Institution is also "federal" since the United States is the trustee and the Congress has undertaken to represent the United States in accepting and supporting the trust. Nevertheless, the obligations of the trust to all mankind are distinct from those of the government itself, as was recognized in the Senate Report on the Act of 1836, which accepted the trust:

"The fund given to the United States by Mr. Smithson's will is nowise and never can become part of their revenue. They can not claim or take it for their own benefit. They can only take it as trustees, to apply to the charitable purpose for which it was intended by the donor."*

It never has been suggested that in entrusting the large and priceless national collections in the Smithsonian and the provision of federal funds to support the Institution the purpose was to subordinate the objectives of the trust to those of the government. Substantial and essential as appropriated funds have been for the last hundred years, they should be considered along with the significance of the contributions to the Institution from the private sector. Private individuals have for generations reaffirmed their confidence in the integrity and continuity of the Smithson trust by gifts of money, real property, services, and, most importantly, by entrusting to the Institution many priceless collections of great scientific, historical, and artistic value. These have been added to the national collections entrusted to the Smithsonian by many of the governmental departments.

As to the relative weight of the membership of the Board of Regents as between the ex officio and Congressional members and the citizen members, the addition of three citizen Regents in 1970 was with the explicit stated intention of having more Regents become involved more closely in the business of the Institution. Legislation adding these Regents was approved by the Congress. It should be noted that in no case of recent memory have the Regents acted on the basis of a division between public and private members of the Board. The various changes which the Congress has made in the membership of the Board have not and could not affect the obligation of accountability for trust administration under principles of law which are as old as civilization itself.** Similarly, the broad

* Rhee, "The Smithsonian Institution, Documents Relative to its Origin and History" (1901), Vol. I, pp. 128-129.

** See 136 U.S. 1 at p. 51.

discretion which Congress delegated to the Board and to the Secretary, and which has been exercised throughout the history of the Institution, in no way diminishes this accountability, and Congress has recognized that this discretion and this accountability are for the wise and faithful administration of the trust.

In summary, neither the great contributions from the private sector, nor the increases in appropriations support, nor the changes in the Board of Regents has affected the status of the Institution as a federal trust establishment which is fully responsible and fully accountable for the affirmative implementation of the trust purposes.

III. "Management Discretion of Smithsonian Institution Officials and Board of Regents Involvement"

The Report states that, "The Investigative Staff believes the discretion exercised at times by the Secretary of the Smithsonian Institution exceeds the spirit of the authorizing legislation and of the U.S. trusteeship of the Smithsonian Institution bequest and assumes the prerogatives and responsibilities of the Board of Regents in the programs, operations, and management of the Smithsonian Institution." This has never been the intention of the Secretary, the Board of Regents, or its Executive Committee.

The Investigative Staff reached its conclusions after reviewing the minutes of meetings of the Board of Regents. Some actions taken by the Secretary in years past were based on informal discussions with the Board and are not reflected in the minutes. This practice has been changed in the more recent past and Board minutes now reflect specific actions taken on major programs and policies.

The management role of the Board of Regents and its Executive Committee has been reviewed on many occasions when membership changes occurred. Throughout the Institution's history, the Executive Committee has acted as the representative of the Board to the Secretary in all urgent matters arising between full Board meetings, on specific matters as designated by the full Board, and on other matters considered appropriate.

Attention also has been given to strengthening the Board of Regents, a concern which led to the increase in the number of citizen Regents from six to nine (P.L. 91-551, December 15, 1970). In recent years the Board has played a larger role in the formulation of policy and in program and budget approvals by holding more frequent meetings of the Executive Committee and the full Board. Since 1969 the full Board has met three times a year as opposed to the two annual meetings before that. These meetings have enabled the Board of Regents to consider more thoroughly, together with the Secretary, the needs, policies, and programs of the Institution. Frequent informal discussions and correspondence between the Secretary and individual Regents and committees occur as a means of keeping members informed. But approval of plans, projects, and budgets now is formalized at the regular Board meetings.

In matters of program management and day-to-day administration, the Secretary has been charged with the responsibility and has been given authority for the principal direction of the affairs of the Institution.

The Report presents a memorandum of 1972 titled "Relationship of the Board of Regents, Executive Committee (Permanent Committee) and the Secretary". The excellent relations developed among the Secretary, the Board of Regents, and the Executive Committee are the result of a reasonable interpretation of the functions and responsibilities as outlined in that memorandum of 1972.

When the General Accounting Office Report of March 1977 included specific criticism concerning administrative actions of the Institution, the Chancellor appointed an Audit and Review Committee of the Board of Regents. Its members are: Senator Henry M. Jackson, Representative Elford A. Cederberg, and Citizen Regents J. Paul Austin and Murray Gell-Mann. This committee appointed Mr. Phillip S. Hughes, former Assistant Comptroller General and former Deputy Director of the Bureau of the Budget, as a consultant to review the actions criticized and the fundamental relationships between the Institution and the federal government and to recommend whatever changes were needed to clarify those relationships, to strengthen the Smithsonian's administrative processes, and to improve its performance in reporting to the Congress. The goal was to identify opportunities for improvement while, at the same time, preserving the unique qualities that have made the Smithsonian such a source of national pride and achievement.

The Hughes Report was approved by the Audit and Review Committee and by the Board of Regents. The specific recommendations contained in the report are being carried out, and the critical issues are being resolved. Many of these are the same as those included in the House Investigations Report. The Report has been furnished to those Committees of Congress having a direct interest in the Institution. The Board of Regents, with special attention by the Audit and Review and the Executive Committees, and the Secretary and his staff, also have been reexamining practices and policies in light of present day conditions, especially the essential need to keep the Committees of Congress fully informed on policies, programs, projects, and finances of the Institution.

The detailed responses to specific subjects covered in this Chapter follow.

-- Center for the Study of Man.

The Center for the Study of Man was established in July 1968 by the Secretary as a result of a reorganization plan to increase the effectiveness and efficiency of the units involved. This program, formerly administered by the Office of Anthropology, was given a broader mission which was to coordinate and carry out programs involving research, education, and service to facilitate the study of man on a world-wide scale.

Internal regroupings or reorganizations of activities and functions frequently have been undertaken administratively by the Secretary and decisions on these matters are certainly within the responsibility of the Secretary to conduct the day-to-day affairs of the Institution.

This matter, however, was brought to the attention of the Board of Regents through the Regents Newsletters for their information.

With regard to a possible future Museum of Man, this topic was discussed at the Board of Regents meeting on November 5, 1969, with reference to legislation that was subsequently introduced and approved to reserve the last site on the Mall for the Institution's use (P.L. 94-74, August 8, 1975).

There has been no formal development plan nor is it presently intended to develop such a museum at this point. Any future proposed establishment of such a museum would be presented first to the Board of Regents for its consideration and then to the Office of Management and Budget and Congress for their approval. It is premature to conclude that the informal internal discussions of this subject constitute "plans" to build a new museum on the Mall.

-- Smithsonian Magazine.

The Regents were informed about the funding of the startup costs for the magazine. One Regent pledged to contribute a substantial sum to help meet these costs if needed. The costs, the less-than-expected contributions, and the very favorable results of the test mailing were all set before the Regents at their January 1970 meeting and were fully discussed prior to their approval of going forward with the magazine. The projections indicated that the initial cash requirements of the magazine, including startup costs, would be met from prepaid subscription revenue by June 1970.

In fact, cash receipts did reach this level by the end of June 1970. A \$100,000 cash deficit existed briefly at the end of 1970 but the magazine has had a positive cash position ever since. The "loss" referred to in the Report is a matter of cost accounting on the accrual basis, rather than a cash deficit, and has had no "direct effect on Smithsonian Institution efforts to increase federal appropriations".

The efforts of the Institution to reduce the trust fund subsidies for the Press and the dependence of the Anacostia Neighborhood Museum and the Chesapeake Bay Center on outside grants by seeking additional appropriations began in 1967-68, well before the magazine began. Requests for additional appropriations support in these areas have been set forth in the budget justifications each year since that time. The requests for fiscal year 1971 were not based on the short-term cash needs of the magazine, which were met in fiscal year 1970.

-- Fort Pierce Bureau.

It is customary for Smithsonian staff to seek ways and means to pursue outside support to increase their effectiveness and to increase their research. In the case of the Fort Pierce Bureau the Secretary learned in October 1966, through the then Director of the Office of Oceanography, of the interest of a possible donor who might contribute to "Smithsonian's interesting work in oceanography". This interest was encouraged and it became evident that there was a great possibility to further this research.

Small contributions were received initially for specific research support, with subsequent transfer of larger sums to pursue projects involving underwater research.

It was not until September 1969 and throughout 1970 that the substantial gifts were received and the outlines of an ongoing program were defined. The purposes, briefly stated, were (a) the completion of a specific submersible research vessel, and (b) underwater and other oceanographic research. This matter was brought to the attention of the Board of Regents and approved in January 1970. At that time there were no specific Smithsonian activities at Fort Pierce to report.

The development of the facilities, vessels, personnel, and research projects at Fort Pierce were discussed at the Regents meetings in May 1971, January 1972, May 1972, November 1972, January 1973, May 1973, and September 1973. In January 1974 the Regents met at Fort Pierce and inspected the facility. Further discussion took place at the Regents meeting in September 1974, and in January 1975 the Regents appointed a committee which visited the facility and reported to the Board at its May 1975 meeting.

During 1976 differences developed among the organizations at Fort Pierce concerning priorities for the use of Smithsonian funds there. In February 1977 it was decided, with the approval of the Regents Executive Committee, to clarify the matter by petitioning for court instructions as to the proper interpretation of the language of the original gift. The Regents have been continuously informed of Fort Pierce activities, and the suggestion of the Investigative Staff that some further action by the Regents might have prevented the submersible accident or the court proceeding is purely conjecture and totally without merit.

-- Chesapeake Bay Center.

At the May 13, 1964 meeting of the Board of Regents, there was considerable discussion concerning the property known as Java Farm and the possibility of forming a joint scientific group to do ecological studies in the area. Interest had been shown by Johns Hopkins University, the Smithsonian, and others. Additional parcels of land were subsequently acquired as reported to the Regents to complete a naturally defensible land and shoreline area as a base for long-range studies in understanding environmental processes.

In 1966, shortly after the Chesapeake Bay Center for Environmental Studies was started, the Institution had discussions again with Johns Hopkins University and with Maryland University about sharing the facilities with the appropriate departments at these two Universities for the mutual benefit of all three institutions. Although there was an exchange of letters between the Secretary and the Presidents of the two Universities involved, the agreement for the proposed consortium was never

implemented, which may explain why the matter was not discussed at the formal meeting of the Regents in 1966, but which was reported in the February 1966 Regents Newsletter.

With respect to the 1972 approval of the Institution's membership in the Cheapeake Research Consortium, Inc. (CRC), it was anticipated at the time that there would be no direct financial obligation of the Smithsonian Institution to the CRC, Inc. Since then, however, the National Science Foundation, which had been the principal source of contract and grant support to the CRC, phased out its support and has been replaced by the Environmental Protection Agency. The latter agency provides partial funding for administrative costs and to maintain the central administrative office of the Consortium, it became necessary for each of the four members to pledge up to \$20,000 each for fiscal year 1978. However, it is anticipated that the full amount will not be needed and to date only \$5,000 has been withdrawn from the total pledge of each member. The long run benefits to the CRC, Inc., of a stable administrative core more than offset the pledged amounts of the members.

-- Center for Astrophysics.

The Smithsonian Astrophysical Observatory and the Harvard College Observatory have pursued astronomical research in close collaboration since 1955, when the SAO moved from Washington, D.C. to Cambridge, Massachusetts. The appointment of a joint director for both activities to become effective in July 1973 was considered at the Board of Regents meeting in November 1972. At that time the Regents were advised that the unified scientific programs which the two observatories would pursue would afford extraordinary opportunities in astronomical research. Under the organization of the Center for Astrophysics, both the Harvard College and Smithsonian Observatories have remained distinct entities, with separate budgets and administrative staffs, responsible to their parent institutions.

-- Archives of American Art.

Acquisition of the Archives of American Art was discussed in advance by the Board of Regents in May 1968, January 1969, and May 1969. At the January 1969 meeting, the Regents were correctly informed that the agreement for acquisition of the Archives "will not include a Smithsonian guarantee of any specific future level of funding"; instead, the Institution pledged its "best efforts" to provide continued funding for the programs of the Archives.

As the Report indicates, at their May 1969 meeting the Regents were told that "funds appropriated to existing bureaus for library and archival activities should be adequate to maintain the Archives and its staff". This was the case in fiscal year 1970 and fiscal year 1971, when funds appropriated to existing bureaus for purposes identical to those of the

Archives of American Art were used to support it; the amounts were \$36,850 in fiscal year 1970 and \$166,000 in fiscal year 1971.

This practice might have been continued, but in view of the growing financial needs of the Smithsonian's art museums, and in view of the increasing importance and potential of the Archives as part of the Smithsonian, it was decided that the fiscal year 1972 budget of the Institution should include a specific, separate request for funds for the Archives of American Art. The budget submitted to the Congress explained precisely how the Archives had been funded in the past, and requested an appropriation of \$175,000.

As to the statement, quoted in the Report, that acquisition of the Archives would not necessitate a major increase in expenses, it should be noted that the annual appropriation for the Archives has grown by \$244,000 over a period of six years. Allowing for inflation and legislated pay raises, the real growth in the Archives' appropriation over the six-year period is more on the order of \$140,000. These appropriations reflect not a "necessity" resulting from the acquisition of the Archives, but rather an opportunity recognized both by the Institution in preparing its budget request and by the Congress in making appropriations.

Finally, it should be noted that costs to the Smithsonian and to the federal budget have been substantially reduced each year as a result of funds raised by literally hundreds of private individuals who believe deeply in the importance of the Archives and its work.

-- Anacostia Neighborhood Museum.

In October 1966 the Secretary advised the Board of Regents through the Regents Newsletter that a Smithsonian staff committee was to investigate the establishment of an experimental model of a store-front museum in a suitable neighborhood in Washington, D.C.

In May 1967, in his report to the Regents, the Secretary advised that a \$25,000 grant had been received to experiment with a branch museum in a blighted area of Washington, and he gave a description of the proposed exhibitions, the location of the museum and what it would contain. The idea was heartily endorsed by the Regents because of the program's probable assistance to many other communities.

Subsequently, through additional foundation grants and individual contributions, the Anacostia Neighborhood Museum demonstrated its importance after a period of less than a year. A status report on the Museum was provided to the Board of Regents at its May 1968 meeting.

Now in its 10th year, the Museum is in the process of broadening its scope to include the history and art of the Afro-American subjects whose

concerns and interests are shared with residents of other communities around the country and the world.

-- Smithsonian Research Foundation.

In May 1966, the Board of Regents approved the establishment of a Foundation for Education and Research in the Smithsonian. This Foundation would receive, disburse, and account for funds appropriated for education and research. It was intended to proceed in the same manner in which the National Science Foundation grants were administered as a part of the trust funds of the Institution. Included was the procedure of creating panels of experts for judging the merits for grant proposals.

Pursuant to the recommendations in the General Accounting Office Report 77-43 and the language in the fiscal year 1978 appropriation bill, any further use of the Smithsonian Research Foundation was terminated in 1978. Programs previously administered by the Foundation are now administered directly, following all appropriate federal personnel and procurement practices and procedures (see the Institution's response to Chapter XI of the Report).

* * * * *

The Board of Regents and the Secretary remain dedicated to maintaining the high ideals and purposes of the Institution. The success of the Institution's programs in recent years is attested to by the record of 22 million visitors last year, the outstanding response to its educational and exhibition programs, both in Washington and throughout the nation, and the results of its research in its fields of endeavor. These bring scientists and students to its programs from all over the world. The dissemination of information in scholarly and scientific publications has substantially increased. The Smithsonian Magazine and other projects sponsored for the Smithsonian Associates have received enthusiastic and widespread acceptance.

Particular note is being taken of those issues raised by the House Investigative Staff, such as the need for bylaws and further procedures for the approval of activities. In this connection, the staff investigators stated (page vii): "the guidelines should allow sufficient management flexibility to take advantage of opportune situations and projects without diminishing the ability of the Regents and the Congress to fulfill their responsibilities in the administration of the Smithson trust...." Prompt consideration will be given to those matters by the Board of Regents and the Secretary.

IV. "How Smithsonian Institution determines program funding - Federal or private"

This chapter begins with the assertion that "the Smithsonian Institution exercises no consistent method of determining the source of funds for a program or project to be undertaken by the Institution", and goes on to recommend that "the Smithsonian Institution should establish specific definitive guidelines for determining the source of funding of any Smithsonian Institution activity prior to program or project inception". At the risk of seeming to quibble over small semantic points, the Institution would suggest that there is a considerable difference between a "consistent method" and "specific definitive guidelines". It is further maintained that the former does in fact exist at the Smithsonian, and that the latter would be damaging rather than helpful to the Institution.

What is the method by which the Smithsonian determines the sources of funding for a program or project? Quite simply, it consists of considering all available options and attempting to choose the one (or more) that best fits the particular circumstances. In making these choices, it is necessary to take into account a number of factors: thus, some kinds of funding (e.g., endowments) are more secure and predictable than others (e.g., annual private contributions); some kinds of funding (e.g., private contributions) may be more rapidly available than others (e.g., federal appropriations); some kinds of funding (e.g., earned revenues) may be suggested by the nature of the activity itself (e.g., the operation of sales shops); and, for a variety of historical and psychological reasons, some kinds of funding have been traditionally available for some purposes (e.g., federal appropriations for building maintenance, and private contributions for special exhibitions), while some may be virtually impossible to secure for other purposes (e.g., federal appropriations for exhibition openings, and private contributions for utility costs).

When a project or program is initiated, the management of the Institution attempts to weigh all these considerations in arriving at a sensible decision about where funds are to be sought. Since no two projects or programs are exactly alike, and since attitudes and realities both inside and outside the Institution are constantly changing, the results of this method of weighing options tend to be quite different from case to case.

On the other hand, because there are indeed certain constants in this complex equation, certain fairly consistent patterns have emerged over the years. These are described in the statement on "Smithsonian Institution Policies and Procedures Governing the Use of Appropriated Funds; Contracts and Grants; and Trust Funds" which is appended to this response. The Institution's buildings have generally, but not always, been constructed and maintained with federal funds. Why not always?

In the case of the Freer Gallery, because the donor was willing to pay for the building; in the case of the Cooper-Hewitt Museum, because a foundation was willing to give a splendid building and the Institution believed (correctly) that it could raise private funds to remodel it as a museum.

The bulk of the Smithsonian's museums' exhibitions and public presentations, but not all of them, have traditionally been supported by appropriated funds. Why not all of them? Because on numerous occasions it has been possible to solicit and receive support from individuals, foundations, corporations and government agencies that happened to have a special interest in or sympathy for the subjects of particular exhibitions, such as the Hall of News Reporting in the Museum of History and Technology, the inaugural exhibition of the Cooper-Hewitt Museum, and the spectacular film "To Fly" in the National Air and Space Museum. Again, the intention and the effect has been to produce more exhibitions and presentations at less expense to the taxpayer.

The national collections have been acquired largely, but not completely, through the generosity of private donors. Why not completely? Sometimes because, in the Institution's judgment, it has been important to seek appropriated funds to purchase particular objects that have been required to fill gaps in the collections that might never have been filled otherwise, a view in which the Congress has concurred; and sometimes because objects of very great importance, ranging from space capsules to paintings, have been available by transfer from government agencies.

In a very real sense, then, the Investigative Staff is correct in its opinion that prior Smithsonian statements on the question of funding sources "recount history as policy and are intentionally vague so all funding options are open as sources of support" (vagueness, however, has not simply been intended to confuse or delude). The Investigative Staff is also correct in suggesting that there are few if any absolute rules that would prohibit the funding of particular kinds of activities with particular sorts of money. For example, the Institution has been unable to think of any activity that has not been supported to some extent with trust funds; and nearly all activities receive some direct or indirect support from appropriated funds.

In describing the method by which sources of funds are determined, and in stressing the point that the results of this method necessarily differ from case to case, there is no claim that the Smithsonian's judgment has been infallible. There have been instances in which the Institution has seriously overestimated its ability to raise funds in the private sector for particular activities; in these instances the Smithsonian either had to curtail the activities, or abandon them, or request appropriated funds to support them. There have also, of course, been occasions when the Office of Management and Budget and the Congress have reduced or denied appropriations for particular projects or programs;

in these cases again, the options have been to continue at a lower level than had been hoped, to abandon the program, or to seek funds elsewhere.

In spite of its imperfections, it is believed that the accomplishments of the Smithsonian speak well for the method that has been followed. In the spirit of federal-private partnership, and in the American pattern of self-help, the Institution has imaginatively, diligently, and successfully avoided the easy course of turning to the Congress to meet all its needs. Given this record, it does not seem either appropriate or useful at this point to insist that the Smithsonian adopt "specific definitive guidelines for determining the source of funding of any...activity...."

This is especially true because it is believed that new procedures to which the Institution is already committed will meet the legitimate concerns of the Investigative Staff and the Congress in this area. The Smithsonian will henceforth submit to the Congress each year a five-year plan for each of its activities, which will clearly estimate proposed funding levels from each funding source. In our view this will provide the necessary information in an appropriate fashion rather than imposing some Procrustean pattern upon the entire Institution.

Finally, the Smithsonian suspects that some of the dismay expressed in this and other sections of the Report reflects the Investigative Staff's view that the Smithsonian is, or wishes to be, less accountable to the Congress for its trust funds than its appropriated funds. This is simply not the case. The accountability for all funds is absolute.

V. "Personnel, Management and Funding"

The 1846 charter of the Institution provides that the Secretary shall be appointed by the Board of Regents and that the Secretary may employ assistants. The Secretary and a number of administrative assistants have always been paid from trust fund income. These funds have supported some of the leadership positions of the Institution but could not support the growth of the Institution since private contributions have been largely of the irreplaceable objects and specimens which constitute the national collections.

In 1857, in consideration of these private contributions and the benefit to the general public, Congress began to support the trust activities with annual appropriations. All of the achievements of the Institution have benefitted directly or indirectly from this support and most of the major bureaus which have been created are dependent on appropriations for operating funds. The growth of the trust funds has been very modest compared to Congressional appropriations which would now require an endowment of \$1 1/2 to \$2 billion to sustain independently.

In 1883 Congress established the civil service system, and in 1896 the Institution's employees paid from appropriations were covered into the system. All such employees have received the benefits and been subject to the restrictions of civil service status ever since. Other employees, few in number until recent years, have quite separate and varied employment terms dependent on the source and purposes of the trust funds from which they are paid, although the civil service pay scales, benefits, and procedures are used as a general standard for reasons of equity and effective management.

The first increase in trust fund employment resulted from the Freer endowment in 1919. During the last twenty years, however, the Institution has succeeded in adding to the trust funds (and trust employment) for public benefit from three main sources: (1) substantially increased contributions from private individuals and charitable foundations, (2) research grants and contracts from federal agencies, and (3) revenues from a number of educational and public service activities.

In order to clarify the limited areas in which the Institution retains some discretion between civil service or trust fund employment, the total personnel of about 4,500 may be divided into several major groups. The museums, research centers, and scholarly programs which are almost entirely dependent on appropriations for their core support have roughly 2,000 civil service employees. The buildings maintenance and protection functions, similarly supported, require about 1,000 civil service employees. Grants and contracts for specific purposes provide an average of 300 trust employees. Activities which are intended to be supported by their revenues, such as the museum shops, the Associates and magazine, are staffed with approximately 400 trust employees. Thus, for approximately 80 percent of the Institution's personnel the employment requirements of law, contract, or policy are clear and consistent, and discretion between civil service or trust employment is not a factor.

The Institution has secured major outside support for a number of valuable activities whose programs the Congress has also deemed worthy of appropriations. Among these are the Anacostia Neighborhood Museum, the Archives of American Art, the Cooper-Hewitt Museum, the Division of Performing Arts, the Freer Gallery of Art, the Smithsonian Astrophysical Observatory, and the Traveling Exhibition Service. Less than half of the 400 employees in these units are civil servants paid from appropriations. In each case the employment status is necessarily a function of the source of funds.

The principal area in which some discretion in employment decisions exists is that of central administration which has always been supported in part by trust funds. It is the policy of the Institution that the overall staffing of these functions should be approximately in proportion to the operating program expenditures of the Institution as a whole, and of the 400 employees so engaged the ratio is now about 60 percent civil service employees to 40 percent trust employees. In practice, given the vested rights of the employee in either the civil service or trust employment system, changes (from one to the other) are relatively infrequent.

Even in these comparatively few instances it is the policy of the Institution to classify and to fill trust positions in substantially the same manner as civil service positions with regard to merit and equal opportunity considerations. Furthermore, civil service employees may compete for trust positions, as may trust employees for civil service positions. In the exercise of this limited discretion the primary consideration is the benefit to the Institution; the interests and motivation of individual employees are properly given consideration whenever consistent with the needs of the Institution.

A. "Use of Dual Personnel System for Self-Serving Purposes"

The Report does not analyze the individual personnel actions summarized in its table on page 24, but these cases of changed employment status are consistent with the merit promotion policies and other requirements outlined above. For example, of the 43 former trust employees who became civil service employees in fiscal year 1976, 35 were appointed competitively from civil service exams or registers, one was a competitive reinstatement, one was a WAE expert, and six were part of the Congressionally approved transfers at the Smithsonian Astrophysical Observatory noted on page 30 of the Report. Of the 48* former civil service employees who became trust employees in fiscal year 1976, 33 were term or temporary civil service employees and 11 were career civil servants all of whom competed for trust positions, two were reemployed annuitants, and two were appointments to

* The earlier estimate of 52 given to the Investigative Staff has been corrected to 48.

noncompetitive administrative positions. In total, there were 30 selections resulting in higher grades, and 61 at the same or lower grades. The Report's characterization of these personnel actions as "self-serving" is unexplained and unjustified.

(1) In keeping with the foregoing, it is believed that the very limited discretion of management to upgrade positions and promote employees through the legitimate use of trust employment is exercised as responsibly as the discretion provided for civil service personnel actions.

(2) The position of General Counsel was first established in fiscal year 1965 and has become one of the more important jobs in the Institution, since it involves final responsibility for advice on all legal matters to sixty or more organizational units, to the Secretary, and to the Board of Regents. The General Counsel is also, like the Treasurer and the Assistant Secretaries, a member of the Executive Committee, which has the primary responsibility for administrative, policy, and planning functions in Institution management.

As the trust fund activities of the Institution increased during the nineteen-sixties it became apparent that this position, with its Institution-wide responsibilities like those of the Treasurer, could properly be made a trust position in furtherance of the Institution's objective of staffing administrative functions in proportion to overall program expenditures. The grade Level V, comparable to that of other members of the Executive Committee, was discussed and approved at the Regents meeting in May 1971. In 1973, when it was deemed that adequate funds were available, the position was established on the trust fund rolls at an increase in compensation of \$1,029. The position of General Counsel as a trust fund employee has been shown on lists of positions provided to the Appropriations Subcommittees.

(3) As noted above, the Institution does, in making appointments, consider the interests of those being appointed. In the two instances cited in this paragraph, as the Report indicates, trust fund appointments were made at levels and salaries identical with those the individuals would have received as civil servants. In the first instance, that of the Director of the National Museum of History and Technology, the individual in question came to the Smithsonian from a long and distinguished university career, and it was felt both by him and the Institution that trust fund employment would provide the maximum opportunity for him to continue his scholarly work and publications with the fewest complexities. In the second instance, that of the Assistant Secretary for History and Art, the individual in question had served in this position at Executive Level IV for several years as a civil servant. His transfer to trust fund employment was motivated partly, as the Report indicates, by his desire to be covered under the TIAA retirement system in which he had previously participated for many years. On the Institution's part, this transfer was deemed appropriate and desirable because the death of the Under Secretary, who had been a trust fund employee,

altered a desirable balance between civil service and trust fund employees on the Institution's Executive Committee. Thus, in both instances decisions were made in the belief that they served the best interests of the Institution and of the individuals in question.

With regard to the second paragraph on page 25, all civil service positions are filled in accordance with procedures established by the Civil Service Commission. Occasionally, an individual Smithsonian employee by reason of experience and proven ability will be in a better position to compete for a position than one from outside the Institution, but this is not "preselection." Any error in the application of the procedures is the proper subject of audit by the Commission.

(4) The actions referred to in this paragraph of the Report were taken with due regard for the rights of the employee involved. The specific concerns of the Civil Service Commission evidenced in its directive were satisfied through the Institution's acceptance of its responsibility to the employee involved. The employee eventually returned to civil service status on his own initiative through the competitive civil service process.

B. "The Dual Image of the Smithsonian and Employee Benefits"

The eligibility of Smithsonian employees for retirement, life, and health insurance programs administered by the Civil Service Commission and for unemployment and workmen's compensation coverage administered by the Department of Labor is not a matter that "has never been satisfactorily resolved." Nor is it a matter of Institution choice, but rather a function of the statutory provisions involved. The Institution's civil service employees have always participated in these programs, and the rights of trust employees to these benefits have been determined with reference to the language of each statute.

(1) "The Civil Service Position on Trust Fund Employment"

In 1946 the Board of Regents received a lengthy opinion from the Department of Justice which concluded that the broad language of the Retirement Act would properly allow the Institution's trust employees who were not under the civil service system to participate in the civil service retirement program. Concurrent discussions indicated that the then members of the Civil Service Commission agreed with this conclusion. Thirty trust employees of the Institution and six of the National Gallery were initially covered, and the employer's contributions to the retirement program were paid from trust funds. In the 1950's the Commission changed its position and stated that this coverage (and the insurance coverage which followed) was proper only because these employees were civil servants. In the 1960's the Commission reexamined the question and noted that, although the coverage may have been proper at the outset, the language on which the Justice Department opinion had been based was substantially changed in the codification of Title 5 in 1965. Since the statutory language was no longer clear, and since the Institution had developed its own retirement and insurance plans

for trust employees, the matter was appropriately resolved by the Regents' decision in 1970, approved by the Commission, that this coverage would be terminated without compromising the vested rights of the trust employees then participating in the civil service retirement and insurance programs.

(2) "The Department of Labor Rulings in Trust Fund Employees"

Federal unemployment benefits are available by statute to anyone "in the employ of the United States or any instrumentality thereof which is wholly owned by the United States". 5 U.S.C. §8501. In 1960 the Department of Labor ruled that a trust employee was eligible on two quite separate grounds: (1) because of the Civil Service Commission view (later reversed) that he was an employee of the United States; and, alternatively, (2) that he was an employee of an instrumentality wholly owned by the United States since "the United States is trustee of the Smithson Trust and as trustee holds title to the trust res." On the basis of this latter ground, the Institution accepted this determination and has implemented it ever since.

In 1974, the Department of Justice, in assisting the Institution in determining the rights of its employees and the liabilities of its insurers involved in the Fort Pierce accident, advised that these trust employees were entitled to the benefits of the Federal Employees' Compensation Act, 5 U.S.C. §8101. The Department of Labor, which has final jurisdiction, agreed since the Act covers the "employee of an instrumentality wholly owned by the United States". Pursuant to the statutory provisions for reimbursement, expenses incurred by the Labor Department for claims of trust employees are reimbursed from trust funds.

From the foregoing it is clear that the employment status of trust employees is in accord with all pertinent Congressional enactments and the conclusions of the Report in this regard are unwarranted.

C. "Trust Fund Versus Public Funding of Employment"

The units discussed in this section of the Report are all, with the exception of the Smithsonian Press, among those program activities for which the managers and staff of the Institution have carried out their affirmative obligations to the trust by securing substantial outside support. However, few, if any, of these activities could succeed in their achievements without some degree of appropriations support. The program funding is approved annually by the Congress and the positions authorized to be paid for with appropriations are required, as a matter of law, to be civil service positions.

The concept, expressed on page 31 of the Report, that the Institution may be divided into "federal functions" and "exclusively trust fund duties" does not reflect either the facts or the law. All Smithsonian activities must, by the terms of the Smithson trust itself, be trust functions whether

supported by public or private property and funds. The source of funds is the only proper and legal basis for determining the employment status of the individual employees.

--Fort Pierce Bureau

In November 1973, an employee was assigned on detail from the Smithsonian Oceanographic Sorting Center to the Fort Pierce Bureau as director. This detail assignment was made to take advantage of his experience in administering marine research programs. His detail duties there were consistent with his federal job description and he was sent there primarily because of his expertise in developing programs. Since the Fort Pierce Bureau was a new Smithsonian research activity, it was felt that an experienced Smithsonian scientific administrator should be sent rather than hiring a new outside scientist with trust funds. As a temporary assignment, this employee was unwilling to resign from the federal service for the period of his work there.

Prior to this appointment he had been Director of the Smithsonian Oceanographic Sorting Center (SOSC) for approximately ten years. When the SOSC was transferred to the National Museum of Natural History (NMNH), his detail continued at Fort Pierce, but he was then assigned to the Office of Assistant Secretary for Science. This employee returned to the SOSC in April 1977 to resume his research activities.

The other employee mentioned in the Report is a marine scientist from the Museum of Natural History on detail at the Fort Pierce facility for research purposes. However, she still spends 20 percent of her time at NMNH curating the invertebrate research collections. She has no administrative duties at Fort Pierce, and she is there solely because it is an ideal location to study sipunculids, her specialty. Besides this researcher, three or four other Museum-based scientists have used, and still are using, Fort Pierce facilities for their research for varying lengths of time.

--Cooper-Hewitt Museum

As the Report states, the Smithsonian Institution maintains the position that appropriated funds supporting the Cooper-Hewitt Museum of Decorative Arts and Design should be limited "insofar as possible, to the protection and preservation of the collection and property". The Smithsonian does not agree that the four civil service positions (out of 31) singled out by the Report are exceptions to this stated position. The staff of the Cooper-Hewitt is small and virtually every employee necessarily works on a variety of jobs. In the cases cited, as in other cases, individuals are engaged in both "the protection and preservation of the collection and property" and other Museum programs.

Among the administrator's primary responsibilities are supervision of the operation and maintenance of the physical plant, the security of both the collections and the building, and the oversight of the civil service security, janitorial, and maintenance employees. The clerk-typist is assigned to the administrator and her work mirrors his. Since there is only one such position in the Museum and one person to fill it, the work is divided between the two categories. The same situation applies to the Museum's only secretary.

As to the exhibits specialist, who was already a civil service employee when placed at Cooper-Hewitt, the Report is correct in stating that her work is more involved with museum programs than with preservation of the collections. Even here, though, the distinction is not absolute, and again the functions necessarily overlap the two stated areas of activity.

Within the limits of practicality in a museum of this size, the Institution has been diligent in applying its stated policy governing shared funding and staffing.

--Freer Gallery of Art

The Freer Gallery of Art houses one of the world's most distinguished collections of Near and Far Eastern art objects and pursues programs of acquisition, study, exhibition, and publication as keys to understanding the civilizations which produced them. The Gallery's original collection was given in trust to the Institution by Charles Lang Freer in a formal Deed of Gift executed in 1906. Freer also donated \$1,000,000 to construct the museum, which opened to the public in 1923, and bequeathed additional sums for the study and further development of the collections.

The Report states that the Freer's endowment income has not kept pace with inflationary costs and that in recent years a growing share of the personnel expenses at the Freer has been met by federal funds. In so stating, the Report simply paraphrases what the Institution itself stated to its Appropriations Subcommittees six years ago in its budget request for fiscal year 1973. At that time it was made clear that although the Freer's endowment income had long been sufficient to permit the Gallery to maintain its service to the public and to the scholarly world, "This situation has drastically changed over the past few years and the Freer's private funds are no longer able to sustain the gallery's programs even at their current level...It is urgent to begin a phased program of additional federal fund support and thus meet the Institution's obligation that it assumed in 1906." It was further noted that a substantial portion of these new appropriated funds were required "as a result of pay comparability with Federal salary scales," and that the six new positions sought for fiscal year 1973 were "all conversions of current private roll employees."

The Congress concurred in this judgment and agreed to offset the effects of inflation by assuming an increasing share of the Freer Gallery's

expenditures through the annual appropriations process. Modest increase in that support, including further transfers of non-curatorial positions to the civil service rolls, has been requested and granted in the years since.

--Archives of American Art

The Report states that almost all the higher level positions in the Archives of American Art (AAA) are supported with appropriated funds, while lower level and support positions are financed from trust funds. This is essentially correct. The decision to divide funding for Archives personnel in this matter was not made to confer an improper benefit on those in civil service positions or to disadvantage those in trust positions. Rather, the decision was made in order to assure the continuity of the basic operations of the Archives in the face of uncertain private income, which is raised annually by devoted friends and supporters of the AAA throughout the country.

--Smithsonian Institution Press

Despite the fact that most of the publications of the Press are federally funded (e.g. in fiscal year 1977 the Press produced 181 individual publications--books, monographs, etc.--and of those only nine were paid for out of trust funds), it was only recently that most of the trust positions which existed in the Press for many years were transferred to civil service positions. The reason for this shift was to redress the imbalance which existed between federally funded and trust publications and the civil service and trust staff working on these publications.

It should be noted further that the relatively few publications produced by the Press with trust funds are scholarly, noncommercial products which fall directly under the trust mandate of the Institution to contribute to the increase and diffusion of knowledge among men.

--Division of Performing Arts

As stated in the current, and earlier, budget justifications, to the Congress, "The central administration and direction of these activities and some program development is financed with federal funds. Most of the Division's activities are produced with funds from other sources." All of the nine civil service positions in the Division are assigned to the central administration and direction of its programs. Among these is the position of the assistant director, referred to in the Report. When the civil service employee who filled this position resigned in June 1977, his duties were temporarily assigned to an existing trust employee and will be further assigned in March of this year.

With regard to the record program, the recordings issued on the Smithsonian Collection label are a form of scholarly publications for educational purposes. Various Smithsonian professional staff have contributed data and subject knowledge to these recordings, but the development, production and distribution of actual records is handled entirely by the Division's educational services staff, all of whom are trust employees. None of the recordings issued by the Division of Performing Arts are sold to commercial retail outlets, and all distribution is conducted through educational channels. All revenues are used to defray the costs of the Division's programs. The Institution's response to Chapter X of the Report speaks further to the relationships that exist among staff and programs with regard to the overall accomplishment of the Smithsonian's work.

--Smithsonian Astrophysical Observatory

By the early 1970's grant and contract support had changed from 80% to 60% of SAO's total resources, resulting in an insufficient number of technical and administrative personnel for support of its research funded from appropriations. Rather than decrease the number of scientists in civil service positions and thereby impair the research programs, additional civil service positions were requested. These requests were clearly set forth in the Institution's budget justification for fiscal year 1975 and fiscal year 1976, which included the explanation that these new positions could best be filled by capable administrative and technical personnel then employed on temporary grant and contract work at SAO. The major portion of the requested positions were approved and the conversions were also approved by the Civil Service Commission.

D. "Authority for Establishment of Executive Level Positions"

Ever since the opening of the National Museum building (now known as the Arts and Industries Building) in 1881, the Director of the National Museum has been responsible for a broad range of Institution-wide museum functions. In 1966, when compensation for this position was authorized at Level V, these duties included the Office of Exhibits, the Conservation Analytical Laboratory, and the Office of the Registrar, as well as a general responsibility for the two largest Smithsonian museums. In that same year Congress passed the National Museum Act, 20 U.S.C. 65a, under which the functions of the Director of the National Museum were increased and broadened.

More recently, similar general functions such as Smithsonian Libraries, the Traveling Exhibition Service, Smithsonian Archives, and the Office of Horticulture have been placed under the Director to ensure Institution-wide coordination, while program responsibility for the Museum of Natural History and for the Museum of History and Technology was shifted to the Assistant Secretaries for Science and for History and Art, respectively. The functional title of this position was changed briefly to "Director General of Museums," but this proved somewhat confusing and the present nomenclature was adopted as more descriptive of the level of responsibility and the functions involved.

VI. "Private Funds Inventory"

Although the comprehensive report covering all funds requested at the fiscal year 1977 House appropriation hearing had not been completed by the time it was requested by the Investigative Staff, it has now been furnished to the Subcommittee. This delay was caused by the special format required, the fact that much of the report required manual compilation, and the already present heavy workload resulting from the concurrent design and installation of a new, broader, and more responsive accounting system.

The multiplicity of separate fund accounts referred to by the Investigative Staff is an essential and accepted requirement for "fund accounting" applicable to museums, educational, and other nonprofit organizations for effective management control. Such separate fund accounts permit oversight and reporting on each individual gift, program, or activity.

The problems experienced in producing the special report should not lead to a general conclusion regarding the overall management of the finances of the Institution. Major improvements have been made in budget, accounting, and reporting procedures over the past several years. These systems are being monitored and should more effective methods become necessary, further improvements will be installed.

VII. "Availability and Amount of Private Funds Unknown to Smithsonian Institution Bureau Directors, Curators, and Researchers"

Budgets are prepared and approved by the Board of Regents for all categories of trust funds available to the Institution. For a number of years, budgets on restricted trust fund income have been prepared with the full participation of the organization units which are eligible under the terms of particular funds to use income from those funds. Unrestricted trust fund income, including special purpose funds, has only recently become available in significant amounts to the Institution. Consequently, while income and expense budgets have been prepared annually for the endowments, concessions, revenue-producing activities, and administrative units involved in this category of the budget, there had been substantially less potential for program bureaus and offices and their staffs to be involved in the budgetary process. As unrestricted trust fund income has increased, however, further procedures and budgets for the allocation of uncommitted funds to important unmet needs of the bureaus and offices are being developed with the approval of the Board of Regents. Further details on these matters are provided in the following sections which discuss specific sub-categories of the trust funds.

With regard to restricted funds in the form of contracts and gifts and grants for specific projects, such funds are given a separate account number and assigned to the recipient bureau or office with a named individual given responsibility for approving expenditures.

The restricted endowment funds consist of a large number of separate endowments, the income from which must be used for the purposes specified by the donor. There has been a formal budgeting process for these funds since fiscal year 1973, not since fiscal year 1977 as stated in the Report. Each year a budget call containing an estimate of available income for each endowment is sent to the bureau or bureaus which have projects meeting the terms of the fund. In the case of dedicated endowments, their terms make clear which bureau or division of that bureau is eligible to use the funds. The restrictions on discretionary endowments are somewhat less specific. These funds often may be made available for use by more than one bureau. In these cases, the appropriate Assistant Secretary identifies the bureaus to which the budget call should be sent. The budget submissions are then reviewed by the assistant secretaries for priorities and conformity with the terms of each endowment. Recommended allocations are then forwarded to the Secretary for his approval within the overall budgets approved by the Board of Regents. These procedures provide full information to the bureaus and their staffs on the funds which are available for their use and for which they might make application.

The unrestricted trust fund income and expense budgets covering primarily the revenue-producing activities and the administrative support units also are prepared annually. Over the years, requests for support from these funds have been received from all areas of the Institution.

While only minor support to the program units from this source of funding has been possible in the past, such allocations have been made when funds have been available and projects have been essential. The continued success of the revenue-producing activities now makes it possible for the Board of Regents to approve two broad purposes for the allocation of uncommitted trust fund income--the development of the Institution's unrestricted endowment as available funds may permit in any year, and the commitment of these funds for public service purposes in the areas of collections acquisition, scholarship, and educational programs. Guidelines for the use of these funds are being developed for dissemination to the bureaus and offices. Information on approved purchases, programs, and projects will be provided to the Board of Regents and available to the Office of Management and Budget and the Congress.

Special purpose funds consist of a portion of the unrestricted trust fund income, produced by the concessions, museum shops, and product development programs, which is set aside by the Institution for the use of particular bureaus because of their assistance in the development of these specific income producing activities. This category of funds also includes revolving funds covering the revenue-generating activities of the bureaus themselves. With the increase of these funds in the past two years and the Institution's recognition of its responsibility for increasing oversight of their use, budgets were established in July 1977, reviewed by the appropriate Assistant Secretary, and approved by the Secretary within the overall budget approved by the Board of Regents. Each bureau is given detailed reports on these accounts and, subject to policy guidelines and budgetary restrictions, has control over its own special purpose funds. It is the responsibility of the museum director to advise his staff of the availability of these funds.

Other actions have been taken to make information on the trust funds known. Monthly reports on all funds are provided to the using organization units and, as required, to outside sources of funds. The expansion of the annual Financial Report of the Treasurer, from two pages in fiscal year 1968 to 45 pages in fiscal year 1976, is a further indication of the efforts being made to present complete financial information to the Congress, the public, to Smithsonian employees, and others.

In summary, it is not felt that there has been any failure to tell the Institution's staff about sources of trust fund income that might be available to them. Consequently, it is not believed that bureaus have routinely sought federal appropriations because of an absence of information about possible trust fund sources of support. Many steps have been taken to improve the internal and external presentation of information with regard to financial resources. In any organization, however, the maintenance of effective communications is a continuing challenge and further improvements no doubt can and will be made.

VIII. "Multiplicity of Funding Distorts Smithsonian Institution Budget Presentations"

Since fiscal year 1973, the Institution has provided its Financial Report to the appropriations committees as an appendix to the budget justification. This financial report contains bureau-by-bureau information on comparative appropriation, federal grant and contract, and trust fund expenditures for the preceding fiscal year.

In response to several recommendations over the past year, a proposed new statement has been developed to show projected estimates. Consequently, in the fiscal year 1979 budget the Institution is providing in its justifications an estimate of the current and budget year expenditures by each bureau and office of all categories of funds--appropriated, grants and contracts, and trust funds--for use by the committees in reviewing the budget requests. This information will be provided each year. Since the trust fund expenditures depend on numerous outside sources of funding as well as on general economic conditions and various unpredictable developments, their estimates are subject to a fair degree of uncertainty.

IX. "Private Fund Land Acquisition Policy"

-- Chesapeake Bay Center for Environmental Studies (CBCES).

In 1963 the Board of Regents accepted an unrestricted bequest from Robert Lee Forrest which included a parcel of 368 acres of land on the Chesapeake Bay (the remainder of the bequest, consisting of securities and other unrelated parcels of land, was used to establish an unrestricted endowment fund). While noting that this land was of scientific interest, the Board decided to sell this property and invest the proceeds, since no restrictions on its disposal had been made by Mr. Forrest. Discussion on retaining the property was revived in 1964, however, when it was learned that a large adjoining tract might be available, that Johns Hopkins University was most interested in cooperating with the Smithsonian to establish a joint center for ecological research, and that foundation support could be expected for this project. In 1965, the Board accepted the recommendation of its Executive Committee that this land, a natural area for research on upland ecology, watershed studies and estuarine ecology, be retained for scientific research purposes. A grant application was made to the Ford Foundation for support in purchasing the adjoining land, and an award of \$375,000 for this purpose was received in 1966. Since the original bequest in 1963, the Institution has received over \$1.6 million from foundations for land acquisition and construction, spending an additional \$373,000 of its own trust fund income for the same purpose through FY 1977.

The decision to finance the land acquisition program with non-federal funds resulted from the original parcel being an unrestricted Smithsonian asset which could have been sold, and from the belief, later confirmed, that foundation support for this project would be forthcoming. There was never any intention to circumvent federal regulations concerning disposal of property.

In 1969, the Board voted to authorize the Secretary to take such action as might be necessary to acquire additional land at Chesapeake Bay. This resolution resulted from a letter from the Secretary to the Regents pointing out the desirability of adding promptly to the land then owned at the CBCES and the probable need to use installment purchases to secure title, in view of escalating land prices. The letter also stated the possibility that portions of the property might have to be sold to liquidate obligations on other parcels. With the Regents' approval, this course was pursued, and there remains an outstanding principal obligation on CBCES land as of September 30, 1977 of \$129,800, which will be paid off by 1980 using nonfederal funds. Pursuant to this authority, the Smithsonian also sold two houses, on less than ten acres each, which had been acquired with the larger tracts but which were not necessary to the Center's programs since they were outside of the Rhode River watershed. The proceeds were used for payments on other land at CBCES.

It is the unequivocal intention of the Institution to retain the land acquired for scientific and educational purposes. Strong commitments have been made to the supporting foundations, to cooperating research organizations, to adjacent landowners, to the State of Maryland and, most importantly, to the Congress, to continue the important work being performed at this Center.

The construction of the Jean C. Schmidt Environmental Education Building, completed in March 1975 at a cost of \$202,000, was funded in part from foundation support and in part from trust fund income. The building is a key element of the Bay Center's educational programs to hold workshops and conferences on environmental research as well as to provide work/study opportunities for visiting teachers and scientists. The new laboratory extension currently under construction, for an estimated cost of \$337,000, will be funded completely with trust fund income, since it is urgently needed to enable new research opportunities with available grant support.

The Institution recognizes the extent to which CBCES, although originally established with nonfederal funds, has come to be heavily dependent on appropriated funds for operating and program support. In view of this program support, and notwithstanding the use of nonfederal monies for construction of the Education Building and Laboratory extension, the Smithsonian is requesting \$150,000 of Restoration and Renovation funds in the fiscal year 1979 budget submission to Congress for the construction and equipping of a maintenance building at the CBCES. If the funds for this building are appropriated, the Smithsonian will take the necessary steps, as already noted in the Hughes report, to insure that in the extremely unlikely event this property is some day sold, with prior Congressional approval, the appropriate credit to the U.S. Treasury will be made from the proceeds to reflect this funding. Congress will in any case be kept fully informed of CBCES activities.

-- Belmont Conference Center.

In 1964 the Board of Regents approved the acquisition of Belmont House with funds given for that purpose. Although it was the wish of the donor that this property be conserved intact by the Institution as long as possible, the approval was subject to the Smithsonian's right to sell the property should it become burdensome to retain it; this condition was agreed to by the seller. The Smithsonian operates this property as a conference center, using the revenues to offset the costs of operation; Belmont has in recent years, and will for the near future, operate at a deficit of roughly \$50,000 per year offset by the net income of other such activities. In view of these deficits, and in view of the original condition of acceptance in 1964, the Regents clearly have the right to sell Belmont and retain the proceeds for Institutional purposes. No present consideration is, however, being given to such a course of action.

X. "Conversion of Federal Assets to Private Funds"

The Smithsonian operates as a single organization supported from a variety of funding sources with all its components contributing to the attainment of the Institution's objectives. In this joint effort, there is an inevitable and desirable interplay between persons and activities funded by different sources of funds. Thus, while most of the Institution's work is accomplished by individual organization units working separately, there is very significant and important lateral cooperation existing among organization units. Frequently, this results in some application of civil service staff time or other resources to an activity that is supported primarily with trust funds and vice versa. This principle of integrated administration has been recognized for many years by the Defense Contracts Audit Agency in its approval of the Institution's procedures for determination of the overhead rate to be applied to the direct costs of Federal grants and contracts.

Other examples might be cited to demonstrate this interaction of resources to meet the Institution's goals. Civil service members of the professional research staff contribute their time as principal investigators on scholarly and educational projects supported by gifts, grants, and contracts from a wide variety of funding sources. Similarly, administrative staff whose salaries are paid from trust funds devote a substantial portion of their time to the management of programs supported with appropriated funds and vice versa. Furthermore, significant amounts of trust funds have been spent on public service projects of a kind that could merit appropriations support. An example of this is the construction of a public cafeteria, classroom, and other educational space in the courtyard of the Natural History Building. In all of these relationships, the Institution has strived for service to the public, not for the "conversion of federal assets to private funds" nor, for that matter, the conversion of trust funds to federal assets.

The Report cites three examples of "conversions" as further proof of what is perceived to be a methodical effort "to circumvent the appropriation process and prerogatives of the Congress and...to select benefits and reject limitations of the Civil Service laws and regulations". No such effort has been made, nor do these examples, commented on below, seem to support such a conclusion.

a) Use of the share of tuition fees received in connection with courses jointly administered with local universities and instructed by civil service Smithsonian employees is consistent with the handling of lecture honoraria received by Smithsonian employees and contributed to programs within their museums. Many of these funds are applied to educational projects including support to students using Smithsonian facilities. Teaching is a desirable and encouraged part of the duties of the Institution's professional staff as a significant contribution to the "diffusion of knowledge".

b) Since 1971, the Office of the General Counsel has participated in the planning, administration, and sponsorship of the annual American Law Institute/American Bar Association Environmental Law Conferences. The first three conferences were held at the Smithsonian, but since then the demand for this three-day course has required larger facilities elsewhere. In 1972 the General Counsel, with the aid of his staff and a few colleagues in other museums, created a three-day seminar entitled "Legal Problems of Museum Administration", and persuaded the ALI-ABA Joint Committee to support it and include it among its regular courses of study. The first three seminars were held at the Smithsonian, the fourth in Los Angeles, the fifth in New York, and the sixth will be held this year in Chicago. The seminars are designed particularly for museum administrators who do not have regular counsel, and the educational benefits have been universally acclaimed.

These efforts of the Office of the General Counsel represent one of the ways in which the administrative staff of the Institution can make a direct contribution to the increase and diffusion of knowledge among men. It is consistent with a traditional and wide range of assistance to museums and their staffs across the country. These extra services are directly comparable to the voluntary provision of public interest legal services by the private bar.

By agreement with ALI-ABA only out-of-pocket conference costs are reimbursable. If income is greater than these expenses (and in several cases it has not been) the Institution receives a percentage of the balance in lieu of reimbursement for indirect expenses, time, and effort. These funds have been used for such things as transcription and publication of seminar proceedings, scholarships to the courses, training, and office equipment, and are accounted for in the audited accounts of the Institution.

c) Administrative, warehouse, and public sales space in Institution buildings is provided at no direct charge to revenue-producing activities. Appropriated funds are used to rent commercial space largely for administrative and other supporting activities. The decision to proceed this way was dictated largely by the need to consolidate in adequate space those supporting activities, such as procurement and accounting, that have close working relationships. Adequate consolidated space would not exist on the Mall even in the absence of the revenue-producing activities. It also makes sense to keep the revenue-producing activities, which require less space, in closer contact with the public, a requirement not as much felt by the administrative units.

Whether or not this Mall space is charged for, the amount involved (perhaps only 1 percent of the total operating expenditures of the revenue-producing activities) seems hardly likely to "present a distorted picture to the Congress and the Regents of the actual amount of effort or percentage of private support received by the Smithsonian Institution".

The revenue-producing activities are important parts of our overall program. All income derived from these activities is used for public benefit, thus more than offsetting public funds used for their space rental. Such was the case with some \$3 million of trust funds used for the construction of the west court addition to the Museum of Natural History in FY 1976 which contains public cafeteria and classroom space and a Naturalists Center. Consistent with the Report's finding, consideration will be given to using trust fund income to pay for a share of now federally leased space at L'Enfant Plaza and at the Smithsonian's Service Center on North Capitol Street in recognition that these facilities house activities funded from both federal and trust funds.

In the case of space allocated for grant and contract work, it is likely that more time and effort would be spent in its determination and allocation than would be recovered by charges to the funding agencies. Any Smithsonian savings in appropriated funds, furthermore, would theoretically at least be offset in greater appropriation requirements by those agencies.

The earnings from Zoo concessions (P.L. 89-722, November 6, 1966) by Friends of the National Zoo (FONZ) are those of an independent, although related, organization. The monies received by the Zoo from these concessions or from FONZ directly are included in the Institution's published annual reports. The Smithsonian Treasurer's memorandum of June 2, 1977 dealing with the internal audit report of FONZ finances, concludes "...I do agree that it would be prudent and responsible at this time for the section on the National Zoological Park, Smithsonian Year, to contain comments on FONZ activities in support of the Zoo and should direct attention (as will the Treasurer's Financial Report) to FONZ's financial statements which should be included in the appendix to the yearbook" (see page 13 in Treasurer's report for fiscal year 1977, included in the fiscal year 1979 appropriation request). More information about the assistance received by the Zoo from FONZ can, of course, be included in the Smithsonian's appropriation request, if desired. On the basis of the factual information, the broad statement in the Report on page v which concludes that the Smithsonian Institution Treasurer has an "expressed policy...of less than full disclosure of financial information to the Congress" is totally incorrect and unwarranted.

Throughout the period since the 1970 GAO audit and the 1972 GAO decision on miscellaneous receipts, the Institution has conscientiously followed both the letter and the spirit of that decision. The present reporting practices for revenue-producing activities were reviewed with GAO staff following the 1972 opinion, and any additional information which it deems necessary to its functions is provided to the Appropriations Committees. The Investigative Staff offers no support whatever for its intuitive and unwarranted "belief" that these activities could be detrimental to other activities of the Institution.

XI. "Research Awards Program"

Programs previously administered by the Smithsonian Research Foundation for which direct administrative procedures have been developed include the Research Awards Program, the Special Foreign Currency Program research grants to Smithsonian scholars, the Academic Studies Program of pre- and postdoctoral fellowships to college and university applicants, and the Woodrow Wilson Center fellowships.

These new procedures, which conform with federal personnel and procurement policies and regulations, take the form of direct awards to the fellows in the case of the Academic Studies and Woodrow Wilson programs and direct allocations to parent bureaus and offices in the case of the Research Awards and Foreign Currency Programs. Other projects previously administered by the SRF have either been completed or are also being handled directly, in accordance with Federal policies and regulations. With regard to the "support of management and engineering services" for the development of a multiple mirror telescope, a project cited in the Report, this project derived its funding from the appropriation for this purpose to the Smithsonian Astrophysical Observatory.

It is noted with regard to the Research Awards Program that the investigators share the Institution's belief in the value of competition and internal and external review. As is pointed out in the Report, this program is "vital to the intellectual growth and scientific integrity of the Smithsonian Institution". A fiscal year 1979 budget request for \$390,000 has been presented to the Congress. The Institution endorses the Report's recommendation that a Research Awards Program be approved.

XII. "International Environmental Science Program"

The International Environmental Science Program (IESP) results from a number of organizational changes over a period of years aimed at increasing the effectiveness of the funds appropriated to the Institution for this purpose. In 1974, it became evident that a disproportionate amount of the available funds was going towards the salaries of administrators instead of being spent more productively in direct support of environmental research by the Smithsonian's own scientists.

The "pool of Federal appropriations" to which the Report refers results from the saved salaries of the administrative staff that was reduced by attrition as well as from other funds appropriated for environmental science research. The total combined program amounts to about \$375,000.

The IESP focuses on long-term monitoring of specific ecosystems by multidisciplinary teams from four or five different Smithsonian bureaus. As such it is not concerned with individual projects that lend themselves to competitive review nor was it ever intended to be. However, the activities listed on page 50 of the Report are also being funded by outside sources (e.g., World Wildlife Fund, Tinker Foundation, and the Venezuelan Ministry of the Environment). All have their own review procedures which have supported the quality of the work being done. Periodic conferences are held to review progress and to insure integration of results. The last one was held at the Chesapeake Bay Center for Environmental Studies in March 1977.

The Investigative Staff was unaware of and therefore did not ask for the project proposal files in the Office of the Assistant Secretary for Science. What they did see were only those files of the administrator responsible for the accounting of the various projects and thus the only papers seen were those relevant to the allotment of funds. Understandably, they reached the erroneous conclusion that the files were "incomplete".

The investigators recommended the elimination of two positions in the Environmental Science Program. Since the beginning of the Program, these positions have been filled by two junior technicians working under the supervision of the program manager. The monitoring duties of these technicians are crucial to the program's long-term objectives and their elimination would be a serious handicap.

The Investigative Staff had difficulty in distinguishing between IESP projects (at the Smithsonian Tropical Research Institute and the Chesapeake Bay Center for Environmental Studies) and that research regularly funded through the S&E budgets of these respective bureaus. The IESP guidelines call for long-term monitoring of specified environmental parameters. These sites were chosen because the Institution owns both facilities and could assure continuity of research. The allocation

of resources for the IESP is made from the Office of the Assistant Secretary for Science rather than from the base of the two bureaus involved, because scientists not only from the Smithsonian Tropical Research Institute and the Chesapeake Bay Center for Environmental Studies, but also from the Radiation Biology Laboratory, the National Zoological Park, and the National Museum of Natural History are all directly involved in the program.

XIII. "Lack of Adequate Long-Range Planning"

The Smithsonian has begun a five-year planning process covering all of its activities. Steps have been taken to prepare a comprehensive statement on future activities and associated resource requirements for the years fiscal year 1979 through fiscal year 1983. Instructions requesting the development of planning materials and other information were distributed to all bureaus and offices, including those supported with trust funds, on December 16, 1977. These materials will be reviewed and consolidated for presentation this spring to the Board of Regents, Congress, and the Office of Management and Budget. The plan will be presented principally along organizational lines and cover significant program changes or emphases expected to occur. Forecasts for administrative and support activities also will be included, along with facilities plans and special projects and programs of an interorganizational nature that merit attention. This process will be an annual one of update and extension that will tie-in with the formulation of budgets. It should be noted that as a result of our current planning and zero base budget approach the fiscal year 1979 federal budget request shows savings in the Salaries and Expenses account of \$1,600,000 proposed for redirection to other higher priority needs.

The only example cited in this chapter of a failure to plan concerns the relocation in 1970 of the Radiation Biology Laboratory to Rockville, Maryland, rather than to the Chesapeake Bay Center for Environmental Studies. The Report concludes that colocation of these two activities at the Bay Center was never considered. To the contrary, the possibility of this move, as well as a move to other sites, was considered. It was decided that a relocation to the Bay Center or to another site that would require new construction was not practical because appropriated funds might have been difficult to obtain in view of the funding of other projects (construction of the Hirshhorn Museum and Sculpture Garden and renovation of the Smithsonian Institution Building and the Renwick Gallery) and because trust funds were not available to build a new facility. Furthermore, it was essential to move the Radiation Biology Laboratory promptly from the basement of the Smithsonian Institution Building in connection with the renovation of that building. Consequently, it was concluded that the rental of space was the best course of action and a desirable space was available.

XIV. "Purchasing and Procurement"

Recommendations of the 1975 procurement and supply study were carefully considered at the time of that report. Smithsonian management staff concluded that the organizational systems in effect were performing satisfactorily and that only minor changes, therefore, appeared to be dictated. That decision, and the original 1975 consultant study, were reviewed in December 1976. It was again decided that only minor procedural changes were needed for improvement, but that no significant advantages would be effected by the reorganization and redefinition of functions recommended in the 1975 study. Nevertheless, a further review of the original study in the light of present staffing, organization, and procedures, will be made in accordance with the Report's recommendations. Accordingly, the Institution's Office of Audits has been asked to perform a complete audit of the Contracts Office, including its relationship and compatibility in its functions with the Offices of the Treasurer, Development, Supply Services, and other pertinent activities.

With reference to the statement that a contract was negotiated by the Secretary (p. 54 of the Report), it is understood that this refers to the contract with McGraw-Hill for operation of a bookstore in the Museum of History and Technology. Because of the nature of the facility and the management level at which discussions were held, the detailed negotiations were conducted by the Treasurer and the Office of the General Counsel of the Institution, and the final contract was formally signed by the Secretary and the President of McGraw-Hill. Since the authority of both the Director of Supply Services (Contracting Officer) and the Chief of the Contracts Office stem from the Secretary, no irregularity was perceived in such handling of that particular contract. Normally, of course, either the Office of Supply Services or the Contracts Office is involved in all contract negotiations.

XV. "The Smithsonian Institution - a Big Business Enterprise"

The growth of the Smithsonian's revenue-producing activities arises primarily from a further effort to serve the public through the broadest possible range of educational services. Thus the Smithsonian Magazine, a part of the Institution's National Associates Program and the principal revenue-producing activity, carries knowledge of the Smithsonian and Smithsonian-related subjects to millions of Americans and others who do not have the opportunity to visit Washington and benefit from the exhibitions and collections firsthand. At the same time, the magazine fulfills the need of individuals for continuing education in scientific, artistic, and cultural subjects. Smithsonian travel tours, television programs, and special National Associates presentations in cities across the country serve similar purposes.

The Smithsonian museum shops (like shops in virtually every museum in the country) and the related product development program serve an obvious desire of millions of visitors to take away with them remembrances of their visit. Recent shop improvements to achieve quality appearance and quality products account in part for the "phenomenal growth" mentioned in the Report.

Revenue-producing activities of individual bureaus are initiated by the bureaus themselves as a means of providing additional resources to accomplish their missions. The Institution, rather than stimulating such efforts, is taking increasing measures to assure their reasonable growth, control, and coordination. In some cases, proposed projects have been disapproved when it appeared that they were likely to create confusion or overlap with other activities. The new special purpose funds budgeting procedures (see the response to Chapter VII) made effective in July 1977 are a reflection of an identified need for better knowledge and oversight of such bureau efforts. The Freer Gallery shop has operated rather independently, but the deficiencies pointed out in the Report are being corrected.

The Report states that the highest standards of quality and good taste must be maintained, a conclusion shared by the Institution. Strong efforts are directed to this end. It is also agreed that the growth of revenue-producing activities must not result in reducing attention to the Institution's other educational programs. Program events of recent years, most notably a very successful Bicentennial celebration and the opening of and overwhelming public enthusiasm for the National Air and Space Museum, testify to the attention given to meeting the Institution's program objectives. Appropriate action will be taken as necessary to insure that this continues to be the primary emphasis. The 5-year planning process, including the projections of the revenue-producing activities, will provide opportunities for full presentations to the Board of Regents, the Office of Management and Budget, the Congress, and others.

It should be added that the \$50 million endowment fund goal of the Institution is considered by the Board of Regents to be a very prudent objective to insure the Institution's ability to carry on its trust fund support programs if the revenue-producing activities should prove less successful than at present.

XVI: "The Smithsonian Institution - A Federal Establishment"

In this section of the Report, the Investigative Staff's focus on federal appropriations tends to obscure the trust purposes of the Institution and the consistent regard for the trust by the Congress for over 140 years. In its discussion of the money involved, the Report does not take account of the very large nonmonetary contributions to the trust from the private sector without which the present Institution would not exist. Although the Institution has been largely dependent on appropriations for operating funds for nearly a century, these funds have been given for the same trust purposes as the matchless gifts from private citizens, and they have not changed the character of the Institution as a unique trust instrumentality of the United States to that of a Government agency.

A. "The Changed Character of the Smithsonian"

The Investigative Staff's opinion, that the Institution is "a Federal entity with unique and necessary private institution characteristics", is somewhat vague but is in no way inconsistent with the Institution's statutory charter or with the other authorities quoted in the Report. The trust functions of the Institution and the unique relationship it embodies between the United States as trustee and mankind as beneficiary have been described as follows:

- "an establishment for the increase and diffusion of knowledge among men" (James Smithson and the Acts of 1836 and 1846)
- "an establishment for charitable uses...a high and solemn trust" (House Report 1836)
- "a private corporation" (Rep. James A. Garfield 1878)
- "A man by the name of Smithson left to this Government a fund of money for a specific use, and that fund is this day and hour administered according to his original ideas. The two Houses of Congress have assumed, under their instructions and directions, the power to provide arrangements for the execution of that trust. It is their work. It does not belong to the President. It does not belong to the executive department of the Government of the United States. It is a matter between Smithson and the two Houses of Congress representing the Government, and the men that are appointed to discharge the duties connected with the Smithsonian Institution are appointed under his will." (Rep. Nathaniel P. Banks 1878)
- "a corporation established under the terms of a private bequest... only quasi-public in character" (House Report 1923)

-- "a private institution under the guardianship of the Government" (Chief Justice Taft 1927)

-- "a Federal 'establishment' which was created to carry out the trust objectives of the Smithson will" (Hughes Report 1977)

The common element in the statute and the statements is the trust itself, for which the United States, the Government, the corporate Board, and the officers and staff of the Institution are trustees required by law to give the trust precedence over other concerns. The word "private" is clearly used to distinguish the trust from the functions of Government, and not to suggest that the trust is not for public purposes and fully accountable. In the countless enactments of Congress in support of the trust for over a century there is no evidence of any intent to subordinate the trust purposes to those of the Government or to change the unique relationship of the Institution to the Government.

This independent trust relationship has been respected and confirmed by the Congress throughout and is not merely a matter of "the fine points of trust law and other legalities" as stated in the Report. The trust responsibility is the true basis and guiding principle of the accountability of the Institution and of the oversight and support functions of Congress. The Institution has succeeded in large part because the Congress has understood and welcomed the trust responsibilities which it shares with the Regents, confident that the trust activities are fully consistent with the general welfare of the United States.

The nature and character of the Institution and of the functions of Congress and the Government with respect to the trust were clearly stated by a Committee of the House of Representatives in 1855, and the advent of substantial public and private support has not changed these fundamentals:

"Regard for the memory of the dead who conferred upon our citizens the benefit of the fund, and upon our nation the honor of its administration, no less than a mere self-respect, will ever lead this nation, through its representatives, to guard with peculiar vigilance the sacred trust involved in the bequest of Mr. Smithson, and carefully and diligently to watch the progress of the Institution in the fulfillment of the noble wishes of the founder, and the just expectation of mankind in its regard."

"The Government of the United States, in accepting the great trust conferred, pledged itself to carry out the objects of the founder, to administer the funds with a distinct reference to the requirements of the will, and to keep the institution, which bears the name of the founder, separate in all its relations from any and every other; to give it a distinct and substantive existence, and insure independence and efficiency to its operations."

B. "Public Versus Private Funding"

The Report selects "funding support as the overriding element in looking for a way to characterize the Smithsonian" and attempts to demonstrate that "in this area, evidence of the Federal presence is overwhelming". The Report notes that federal support of operating funds exceeded 80 percent in the 1880's and has exceeded 90 percent in recent years, but does not explain in what respects 90 percent is more "overwhelming" than 80 percent. In concluding that the funding of the Institution has radically changed, the Report fails to note that federal support provided 90 percent or more of operating expenses in 1907, 1911, and 1915.

A more important omission is the Report's failure to take account of contributions from the private sector. Most of the objects known as "the national collections" have come from private sources in the United States and abroad. Indeed, many of the increases in appropriations have been approved in direct response to magnificent additions to the national collections from private individuals. This is not to disregard, as the Report does, the financial support for operating expenses from non-Federal sources, which totals over \$200,000,000 to date.

Underlying the Report's positing of federal funds versus trust funds and its untenable distinction between "federal" functions and trust functions as well as its analogy of the Institution to "other Federal agencies" is a fundamental misunderstanding of the single trust mandate of the Smithsonian. A basic element of the trust responsibilities of all levels of the Institution's management is the affirmative obligation to increase the resources, public and private, for carrying out the trust purposes. The Institution's judgment and success in these unselfish efforts have normally been a source of credit rather than criticism.

The Report should applaud the Institution's achievements in enlarging the scope of Smithsonian research through grants and contracts which benefit both the Institution and the contracting agency. It should be noted that the restrictions and audit requirements of Government grants and contracts are considerably more stringent in practice than "inter-agency transfers of funds" referred to in the Report.

XVII. "Increased Federal Funding"

The long-range plan called for by the Board of Regents' approval of the Hughes report and described in the response to Chapter XIII will document the plans and resource requirements of all Smithsonian bureaus, offices, and programs, and thus supersede the opinions, conjectures, and speculations on certain activities contained in this chapter. Some of these activities may indeed be worthy of additional appropriations. If so, their requirements will be presented to the Board of Regents, the Office of Management and Budget, and the Congress for review and approval.

Certain statements in this chapter, however, require response. While the director of the National Anthropological Film Center has been encouraged to develop and present his program to interested persons, there has been no authorization to bypass Smithsonian Institution and Office of Management and Budget channels. Furthermore, the Film Center is an administrative part of the Center for the Study of Man which is under the direct supervision of a senior research administrator, who is also director of the National Museum of Natural History.

Concerning the Handbook of North American Indians, the "recent" audit review was completed over two years ago. Since then the project has been placed under tight administrative review and control. While it will take several years to complete this very large project, the first volumes will appear in 1978 and 1979 as noted in the Smithsonian's budget justification to the Congress. The project is now very much on track.

With regard to the Museum of African Art, the Board of Regents has made clear its consistent position that while the Smithsonian is interested in this museum, legislation would have to be initiated by the Congress. Such legislation has been introduced in the second session of the 95th Congress and the Board of Regents at its January 1978 meeting voted that it would support such legislation. Should this museum join the Institution, its collections would be part of the national collections.

SMITHSONIAN INSTITUTION POLICIES AND
PROCEDURES GOVERNING THE USE OF
APPROPRIATED FUNDS; CONTRACTS
AND GRANTS; AND TRUST FUNDS

The Act of August 10, 1846 (20 U.S.C. §41 et seq.), which implemented the bequest of James Smithson as a trust obligation of the United States and established the Smithsonian Institution, provided for its governance by an independent Board of Regents. The Regents were given broad authority to receive and disburse funds available to the Institution through the bequest or otherwise "as they shall deem best suited for the promotion of the purpose of the testator." They were also directed to make provision for collections, exhibitions, library and research functions, and facilities for public education.

Historically, the funds of the Institution, which originated with the Congressional acceptance in 1836 of the Smithson bequest to the United States for "the increase and diffusion of knowledge among men," have been augmented through the years by gifts and bequests, grants and contracts, and the revenue-producing activities of the Institution itself. Many of the activities which implement the trust are substantially funded by Federal appropriations. It may be concluded that the Smithsonian Institution is a Federal establishment created to carry out the trust objectives of the Smithson Will.

All funds of the Institution, both public and those held in trust, are administered by the Secretary, under the direction of the Board of Regents, subject to the terms and conditions required by their sources.

Budgets for and status reports on the financial condition of the Smithsonian and on the progress of particular programs or projects funded with trust, appropriated, and other funds are provided to the Regents' Executive Committee and to the full Board at its regular meetings for their approval.

SOURCES OF SUPPORT

The Institution has three major sources of support: Federal appropriations, Federal grants and contracts, and trust funds. The trust funds are further divided into restricted and unrestricted categories.

Federal Appropriations

Federal funds are sought and received through the regular budget and appropriations processes, and are expended in compliance with Government regulations. The Board of Regents considers and approves Institution budgets and delegates the administration of these funds to the Secretary. This delegation presupposes adherence to programs and budgets approved by the Regents, specific legislative authority, conformance to standard Government personnel procedures, and observance of Federal procurement and accounting regulations.

Traditionally, the appropriated funds of the Institution have been budgeted by the Board of Regents for the primary core support of basic research; the acquisition, care, maintenance, exhibition, and study of the national collections; education and publication programs; construction, renovation, and repair of facilities; and protection of the buildings and collections under the jurisdiction of the Smithsonian. Support of the Smithsonian's facilities permits more than 22 million visitors annually to Washington to enjoy the exhibitions, as well as its scientific and scholarly resources. The Institution also serves additional millions of museum-goers across the country through its Traveling Exhibition Service.

Funds derived directly from appropriations are the largest single source of funds available to the Institution. They were initially provided in 1857, at which time they constituted 30% of total operating expenses, and reached their highest proportion, 91%, in 1907. In the current decade, direct Federal appropriations have ranged between 64% and 76% of the Smithsonian's operating expenditures, and in 1976 accounted for 66%.

Federal Grants and Contracts

For the past thirty years funds received as Federal grants and contracts have been a significant factor in institutional operations. Generally, Smithsonian personnel seek and receive grants and contracts from Government agencies and departments to assist in financing specific research and educational projects that are related to the mission of the Institution and in consonance with programs approved by the Board of Regents. Occasionally, an agency or department requests the Smithsonian to perform specific kinds of work because of its expertise in a given area, the availability of key research people, or its ability to respond quickly to certain kinds of needs. Such requests are honored and carried out by grant or contract when they can be accommodated within the limits of available time, personnel, and existing programmatic priorities.

Grant and contract funds are made available to the Smithsonian as an educational institution; administered as restricted trust funds; and expended for purposes of the individual grant or contract in accordance with terms and conditions required by law and regulation and as agreed to between the parties. In 1976 Federal grant and contract funds accounted for 9% of the Smithsonian's operating budget.

Trust Funds

Restricted Trust Funds consist of gifts, grants, endowments, and other income designated for specific projects and purposes by the donor. The Freer fund is the largest example in this category, being strictly controlled under the terms of the original gift and bequest for the sole use of the Gallery.

Unrestricted Trust Funds are made available for the Institution's use from a variety of sources. These sources include interest on the Smithson bequest; income from other endowment and current fund investments; concessions such as food service and parking; royalties from sales of Smithsonian products based on designs and objects in the collections; the Resident and National Associates' programs (including the Smithsonian magazine), and the Museum Shops. They also include unrestricted gifts or bequests of funds.

In the past decade the gross operating trust fund revenues of the Institution have ranged between 8% and 25% of its total operating budget. Only in 1975 and 1976 have they exceeded 20%. This has been due in substantial measure to the wide acceptance of Smithsonian magazine by subscribers and advertisers which has generated sums of unrestricted funds previously unavailable.

POLICIES AND PROCEDURES
FOR THE USE OF TRUST FUNDS

The policies and procedures which have been developed for the use of trust funds may be summarized as follows. Any future significant changes in these policies will be approved by the Executive Committee of the Board of Regents, and, if necessary, the full Board, and following such approval will be made known to the Office of Management and Budget and the Congress.

-- Annual income budgets are prepared in detail for each of the sources of trust funds along with expense budgets for all recipient programs, activities, and organizations. The trust fund budgets are consolidated for review by Smithsonian management and approval by the Board of Regents as a part of the overall Institution budget. These budgets are developed in coordination with Federal budget planning and allocations, particularly in those instances where both appropriated and trust funds are traditionally supplied to support an organization unit or program.

-- Separate financial accounts are maintained, reports prepared, and results monitored and projected to assure that trust funds are used for approved purposes and in an effective manner. Trust fund plans and budgets for the current and budget years are communicated in a timely and comprehensive way to the Office of Management and Budget and the Congress for their review as part of the Federal appropriations process. Any proposed expenditures of trust funds which may result in a significant requirement for future Federal dollars is brought to the attention of OMB and Congress in a timely manner before any commitment is made. Similarly, unanticipated requirements to use significant amounts of trust funds for an activity usually supported with Federal appropriations are discussed with OMB and the appropriate committees of Congress also in a timely manner prior to commitment.

--Personnel hiring and employment practices, and the procurement of goods and services financed by trust funds are consonant with sound management policies and procedures, and include, where appropriate for administrative consistency and simplicity, the application of guidelines established for the use of Federal funds. Trust fund employees are paid at rates commensurate with those of Federal employees. Decisions concerning funding for employment are determined through the annual budget processes. Employees are charged to Federal appropriations, restricted trust funds, and unrestricted trust funds in a manner consistent with approved programs and projects and in accord with the purposes for which these funds are provided to the Institution. Any exceptions, which will be infrequent in number, to the consistent changing of personnel, will be specifically approved by the Secretary and, if involving a key appointment or a long-term assignment, will be reported to the Board of Regents and to the Congress with an explanation of the circumstances that dictated an exception to regular budget policy.

Management and administrative services units of the Institution, including legal counsel, accounting, payroll, personnel, supply, and others, are staffed and otherwise supported in part from Federal funds and in part from trust funds, including funds resulting from overhead recovery on grants and contracts administered by the Smithsonian and from administrative fees charged to trust funded activities. This procedure produces a ratio of Federal and trust fund administrative support approximately in proportion to the operating program expenditures of the Institution as a whole.

The auxiliary activities staff and related operating expenses, such as those of the Smithsonian Associates (including the Smithsonian magazine), and the Museum Shops, are funded from the earned income of these activities. Where losses are budgeted for certain of these activities, they are offset by the gains of others. Other activities such as the Traveling Exhibition Service and Performing Arts, usually included in the "auxiliary" category of the trust funds budget because they have earned income, also receive appropriated funds.

USES OF NET UNRESTRICTED TRUST FUND INCOME

With the approval of the Board of Regents, the unrestricted trust fund income remaining after meeting the expenses of the auxiliary activities and a share of general administration is budgeted for purposes and programs on the basis of carefully considered needs and opportunities, fund availability, and projections of future economic and other conditions.

In recognition of their participation in the planning, development, and administration of the museum shops, concessions, and product development programs a portion of the net income of certain of these activities is budgeted for use by the museums and galleries. Although these are unrestricted funds in the broad sense, their use is limited primarily to purchases for the collections, exhibitions, and publications, and their expenditure is determined in consultation with individual bureau directors. Annual budgets for such funds are prepared for the approval of Smithsonian management. Other funds which are available to the bureaus result from activities such as the operation of the parking facility at the National Zoological Park and the film and planetarium showings at the National Air and Space Museum. These funds are dedicated to particular needs such as parking improvements, replacement films, and educational publications.

The Regents' first priority for the allocation of the remaining trust funds is the development of the Institution's relatively small unrestricted endowment. Income from the endowment will be used to strengthen the financial position of the Smithsonian against continuing inflation and unpredictable economic change. The Regents anticipate adding to this endowment each year to produce investment income sufficient to offset increased costs of program operations which are dependent on trust funds.

After provision for endowment growth, funds are made available to meet important unmet needs of the Institution in such areas as major purchases for the collections, scholarly opportunities, and the extension of popular education activities. Such allocations take into account the appropriated funds, if any, available for particular activities or projects. Other trust fund allotments, usually of small amounts, are made to bureaus and offices for special events associated with exhibit openings and similar public presentations or other purposes where it is determined that there are special needs or opportunities.

Physical plant improvements are funded with appropriated funds except when it is determined that the nature of the property, type of improvement, or the urgency of the project makes it appropriate to use trust funds.

ACCOUNTABILITY

Preservation of the Smithsonian's unique characteristics and its program flexibility requires that the Institution account fully for the funds made available and for the activities in which it engages. A report is submitted annually to the Congress on the activities and the condition of the Institution which includes financial statements on all funding sources. Federal funds are subject to audit by the General Accounting Office, and the trust funds are audited each year by certified public accountants whose findings are included in the annual report to Congress. The Defense Contract Audit Agency reviews the Smithsonian's management of and accounting for Federal grants and contracts and approves the allocation of related administrative expenses.

In addition to these regular reports and reviews the Board of Regents, as a matter of policy, makes available to the Congress and to officers of appropriate Executive Branch agencies budget documents and materials related to the trust funds of the Institution. Furthermore a consolidated source and application of funds statement is made available to the Office of Management and Budget and the Congress as part of the annual Federal Budget submission. This statement, to be used in conjunction with the Financial Report for the prior year, shows the expenses from all sources of each bureau, office, and program. Full information on the purpose for which all funds are spent will be available.

HOUSE REPLY TO SMITHSONIAN RESPONSE

Mr. YATES. The rebuttal to the response of the Smithsonian may follow that response.

[The rebuttal follows:]

FEBRUARY 21, 1978.

Memorandum for the chairman:
Re: Smithsonian Institution.

The Investigative Staff believes a point-by-point refutation of the Smithsonian Institution's entire response to the Investigative Staff's report to the Committee on the Smithsonian Institution would have little value except the reaffirmation and further documentation of the facts, conclusions, and recommendations defined in the original report.

As the Smithsonian has accepted the majority of the recommendations made in the report, the Investigative Staff believes many of the shortcomings identified in the report, while still valid, can be rectified.

However, the Investigative Staff believes some perspective should be placed on the Smithsonian response.

In preparing its report to the Committee, the Investigative Staff attempted to maintain a balanced perspective in its findings. Omission in the report of past instances of misuse or abuse of funds or violations of contract procedures should not be interpreted, as the Smithsonian's response has, that they did not exist within the Institution. The Investigative Staff did not report such instances because, in its opinion, they were not significant in terms of amounts of money or end results. What the Investigative Staff did view as significant was that the management practices of the Institution provided the opportunity for abuse, and, as pointed out in our report, the integrity of the Institution's employees was the check and balance in the system.

Similarly, the Smithsonian's interpretation in its response that the Investigative Staff's report "essentially endorsed the Smithsonian's personnel practices" is a misinterpretation of the facts. That misinterpretation is in keeping with the Smithsonian's apparent "policy" enunciated in the response that the end justifies the means when the "best interests of the Institution are served."

If the Investigative Staff believed the Smithsonian's personnel practices were in keeping with "sound management principles" and consistent with the "spirit of the law and good management practices," the report would not have documented the personnel actions it did.

The Smithsonian Institution's response takes credit as a "favorable conclusion" that there were no criticisms of the substantive programs of the Institution, the work of its scientists and scholars, its exhibitions and publications, its collections or its museums, and criticizes the Investigative Staff for not including "an evaluation of ongoing and planned programs" which it notes as part of the Investigative Staff's assignment. The response attributes either vindication or partial mitigation of the Investigative Staff's criticisms to such an evaluation.

Such an evaluation, as described by the incomplete and therefore misleading quote by the Smithsonian's response, was not part of the assignment given to the Investigative Staff by the Committee. The complete quote from page 1 in the Introduction of the Investigative Staff's report is "and an evaluation of ongoing activities that have potential for increased Federal funding." That evaluation was done and appears as Chapter XVII in the report. The accuracy of that evaluation is evidenced in the FY 1979 budget request of the Smithsonian.

The Smithsonian's response states the Regents were "adequately" informed of and agreed to proposed actions. The Investigative Staff strongly disagrees. Advising the Board of Regents of new program initiations after that fact in a newsletter, or mentioning the receipt of a \$6 million gift requiring specific commitments on the part of the Smithsonian in oceanographic research when the Regents in previous years tabled several times a Smithsonian commitment to oceanographic research, and allowing 4 months and a full Board of Regents meeting to pass before informing them, do not, in the opinion of the Investigative Staff, seek the previous consent of or provide full knowledge to the Board. Nor does the magazine's subsequent financial success alter the fact it was initiated with a capital deficit, contrary to the Secretary's statement to the Board of Regents.

The Investigative Staff believes the Regents should be completely informed, not just "adequately" informed, as defined by the Smithsonian in its response.

On pages VIII and IX of its response, the Smithsonian accepts the recommendations of the Investigative Staff's report but takes issue with some conclusions. The Investigative Staff believes some clarifying statements are appropriate.

1. When the Smithsonian requires 1 year to produce a listing of its fund accounts to the Congress, that, in the opinion of the Investigative Staff, is bad management.

2. The Smithsonian's denial of avoiding accountability for Federal funds to the Congress is not in consonance with its use of the Smithsonian Research Foundation to alter the accountability and identity of Federal funds not just for research grants but also for other salary and expense appropriations.

3. The Smithsonian's cooperation with the GAO, its own external auditors, and with the Defense Contract Audit Agency is laudable. However, as GAO has not in the past audited the non-Federal funds and the DCAA was unaware for several years, until advised by the Investigative Staff of the indirect cost imbalance at the Smithsonian Astrophysical Observatory, the Investigative Staff believes the GAO should audit both private and Federal funds at the Smithsonian Institution.

The most significant points in the Smithsonian's response are the apparent changes in policy contained in the body of the response. The Investigative Staff strongly believes the Committee should be aware of these statements and consider their impact on the Smithsonian's accountability to the Congress:

(1) On page V, the Smithsonian states its belief and intention to maintain its ability to stop, reduce or increase such activities the Office of Management and Budget or the Congress decide not to fund.

(2) On page V, the Smithsonian states its belief that all Smithsonian funds, Trust or Federal, are dedicated to a single purpose and funds from both sources can and should be expended for common goals, which can be any Smithsonian activity. This precept represents a departure from the concepts of Joseph Henry, the first Smithsonian Secretary, who saw Federal funds supporting only the "national collections" which were thrust on the Institution. It is also a departure from the Secretary's testimony on funding policy at the FY 1976 budget hearings where a distinction was drawn between federally supported and trust fund supported activities.

(3) Pages 10, 11, and 12 of the response completely eliminate any distinctions between Federal and Trust activities of the Smithsonian, rationalizing the past funding history of the Institution into present policy.

In the opinion of the Investigative Staff, these policy statements portend increased Federal appropriation requests for support of all Smithsonian programs while trust fund expenditures are used to further build an endowment. As a result, the ratio of programs supported with Federal appropriations will increase with the Government supporting an ever-increasing share of the expenses.

Respectfully submitted,

C. R. ANDERSON,
Chief of the Surveys and Investigations Staff
House Appropriations Committee.

Mr. YATES. Does the Smithsonian have a further reply? Is there a surrebuttal to the rebuttal?

Mr. RIPLEY. No, sir.

Mr. YATES. All right, then we are at an end of documentation.

I should like to repeat a statement that I made following the conclusion of 2½ days of hearings on the appropriations bill for fiscal year 1978. I said at that time that:

We consider the Smithsonian to be one of the great institutions of the world. In substantial measure I believe it has achieved its pinnacle as a result of the efforts that you have made and that your predecessors as secretaries have made. I think it has been very good and there is no desire on the part of this committee or any of its members in any way to hamper or besmirch the Smithsonian or any of its people. I think the examinations that are now going on by GAO and by other agencies will be very constructive.

Parenthetically, I repeat that statement now. I think they have been very constructive. "I think that the Smithsonian will emerge from them in better shape and we look forward to that." I feel I can speak for the subcommittee and the committee in saying that our attitude has not changed. I expect that at the conclusion of our hearings on the 1979 budget a comparable statement to the one made last year will be made. It is my expectation that the proceedings over the next 2 days will demonstrate we all have a common interest and that is to carry out the terms of the Smithsonian trust. I think it is important to keep that in mind while these hearings are proceeding.

I have a list of the members of the Board of Regents of the Smithsonian Institution to enter in the record.

[The list of the members of the Board of Regents follows:]

MEMBERS OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Warren E. Burger, The Chief Justice of the United States, ex officio, Chancellor.

Walter F. Mondale, The Vice President of the United States, ex officio.

Henry M. Jackson, Senator from Washington.

Barry Goldwater, Senator from Arizona.

Vacancy.

Elford A. Cederberg, Representative from Michigan.

George H. Mahon, Representative from Texas.

Lindy Boggs, Representative from Louisiana.

J. Paul Austin, Citizen of Georgia.

John Nicholas Brown, Citizen of Rhode Island.

William A. M. Burden,¹ Citizen of New York.

Murray Gell-Mann, Citizen of California.

Anne L. Armstrong, Citizen of Texas (nominee).

Caryl P. Haskins,¹ Citizen of the District of Columbia.

A. Leon Higginbotham, Jr., Citizen of Pennsylvania.

Thomas J. Watson, Jr., Citizen of Connecticut.

James E. Webb,² Citizen of the District of Columbia.

CONGRESSIONAL REGENTS

Mr. YATES. We have a representative of the Regents here as I indicated, Mr. Cederberg. Mrs. Boggs is going to return and make a statement.

Do you have any statement you want to make, Mr. Cederberg?

Mr. CEDERBERG. No. I just want to agree with the statement that you just made. I think all of these studies are going to result in a better Smithsonian.

In reading the committee report, and I am really not sure how to put this, they referred briefly to the Smithsonian as being a Federal institution, and of course I think probably to a degree it is, because of the substantial amount of Federal funds appropriated by Congress.

Mr. YATES. Of course your own investigator said that it was.

Mr. CEDERBERG. That is right, but we have to be very cautious, and realize the kind of a Federal institution it is. It is very unique in that while federal funds are a substantial contribution to the Smithsonian, there is also a tremendous private citizen participation. A participation that we would not want to lose should the public idea of the

¹ Member of Executive Committee.

² Chairman of Executive Committee.

Smithsonian change to regard the Smithsonian as a total Federal entity.

Beyond that, I really don't have anything to say, except that I am convinced as you are that the result of all of these investigations or reports will make the Smithsonian a better understood and more solid institution in the future. I think that is what this committee wants, and I can assure you that that is what the Board of Regents wants.

Mr. YATES. Thank you, Mr. Cederberg.

Mrs. Boggs, would you have a statement?

Mrs. BOGGS. Thank you so much, Mr. Chairman. Thank you for having us here.

In your opening statement you noted that this is a historic occasion, since this is the first time in your knowledge that the Regents have appeared before the Appropriations Committee. It is just to this area that I would like to address myself.

As you know, I am a very new Congressional Regent; I was appointed by the speaker in early 1977. However, I really welcome the opportunity to serve as a Regent, not only because of my great admiration of the Institution, but because I have become fairly familiar with the Smithsonian's activities during my service in Congress. While serving in various capacities, I have had the chance to evaluate and act on requests from the Smithsonian and to receive reports and briefings from its very thorough staff.

When I served on the Subcommittee on Libraries and Memorials of the Committee on House Administration, the proposal for the Suitland facility was thoroughly discussed with Committee members.

For several years, I served on the Board of the American Revolutionary Bicentennial Administration. During that period we had many sessions with members of the Smithsonian staff to discuss requests for funds during the Bicentennial celebration. I have taken my fine position as Congressional Regent not only with interest but with a great feeling of duty.

Since I have been on the Smithsonian Board, I have been involved with decisionmaking by the Regents and by the Secretary. I have been a member of the ad hoc committee to investigate the feasibility of having the Museum of African Art become a part of the Smithsonian. I have been on the nominating committee for a new Regent. I have worked with the women employees of the Smithsonian. It was only natural that I would wish to come to this hearing.

I feel, as Mr. Cederberg does, that these studies have been very healthy. Under its present leadership the Smithsonian has grown at a phenomenal rate, to be the most successful, innovative, and popular museum in the world. I can only feel that with the studies that have been made by very competent staffs on all sides, and with the Regents and the management being so agreeable to taking the steps forward and the corrective action that have been indicated, that the Institution will continue to grow and to prosper.

We thank you for having these studies, and for helping us to define the role and for allowing us to become more active and better Regents.

Mr. YATES. Thank you, Mrs. Boggs.

CORPORATION CONTROL ACT

MR. WHITTEN. Mr. Chairman, I do appreciate very much my colleagues' feelings, and I agree with every one of them. It is my experience and I have always felt it helps to report annually to somebody, officially if they have government money. This goes back a long way. I helped a whole lot in writing the Government Corporation Control Act, and that has to do with overall government corporations wholly owned. I realize this is not that.

My experience tells me that to account for that which is good annually is healthy. It also gives you a chance to tell the people what good you are doing.

By way of illustration, when the Farm Credit Administration paid out the government, which it did, they in turn issued their debentures which are sold on the world market. They in turn take that money and lend it to the production credit associations. The bank for cooperatives lends money to cooperatives.

I am using this by way of illustration.

They paid off the government. I insisted however that they report to the Appropriations Committee each year which they now do. They tell me that it is a healthy thing for them. It is a healthy thing for us. We know that the TVA is wholly owned, the Commercial Credit Corporation is wholly owned, but the charters in one case and the statute in the other give them a whole lot of authority as to what they do. However, they report annually to a committee of Congress concerning their activities. Those that are paid for by the government and those that are not, it helps them to say no, when you want to transfer an individual from government pay to another pay, so that you can do what you want. I just think it is very helpful indeed.

I have another illustration.

The Rural Electrification Administration's authorization has a very general statute so that you can do this, that and the other. They were under constant pressure to amend the Act to tighten it up so that these things would follow a given line. By cooperation between our subcommittee and the director, regulations were adopted so that we tightened up the procedures in order to keep them on the track.

Perhaps this is somewhat different as to the handling of these matters, but the very fact that it is a great institution, that it has enjoyed public support, should make anybody who runs it, in my opinion, want to report to somebody on the good job they are doing.

I would hope we would urge the director, in fact, try to sell him on this, because when you read that that which you have eliminated shows up somewhere else, and any time that something is not tied down someplace or any report is not made someplace, we end up as I said the other day concerning the American Spruce Corporation which had existed for 20-some years. No one knew it was there. Some retired colonel ran it. He drew pay, sold timber and didn't account to anybody. I just think if government money is in it, somebody should want to account for it. This is not a reflection on it. I am talking about a system.

I would hope that the director would voluntarily give to the committee a set of standards which he has imposed on his own operation so that we can see that he plans to do that. I think I owe it to myself to say this. At the same time I agree with all the wonderful things that have been said about this Institution and its value to the country.

Mr. YATES. Thank you, Mr. Whitten.

SECRETARY'S OPENING STATEMENT

Now we have the distinguished Secretary of the Smithsonian Institution, Mr. Ripley, who has a statement.

The statement may be made a part of the record at this point.

[The prepared statement of S. Dillon Ripley follows:]

STATEMENT OF S. DILLON RIPLEY, SECRETARY
SMITHSONIAN INSTITUTION
ON APPROPRIATIONS REQUESTED FOR FISCAL YEAR 1979

Mr. Chairman and Members of the Subcommittee:

I welcome this opportunity to appear once again before you on behalf of the Smithsonian Institution.

We are here today to present our fiscal year 1979 budget request. We are also prepared to discuss the progress we have made in the past year in carrying out the recommendations of several review groups.

The Smithsonian Institution's fiscal year 1979 budget request is the product of a thorough analysis of our programs by managers at all levels. As a result of this analysis, we are proposing a number of adjustments to our base resources -- adjustments which will strengthen our programs and bring them in line with current areas of emphasis. Through these adjustments, we will be able to make essential improvements without the need for substantially increased resources. While immediate and long-range needs of the Institution are addressed, the budget before you today is extremely lean. It contains no frills. Our resource request largely reflects the need to consolidate our various programs in an orderly manner following the resplendent Bicentennial era.

Before highlighting the key themes in the budget, I would like to outline the steps we have taken in the past year to implement the recommendations contained in various studies of the Institution. I also want to address, separately, the report prepared by the Survey and Investigations Group of the House Committee on Appropriations.

With your permission, Mr. Chairman, I will summarize our response to the report after delivering this statement.

Progress in Implementing Recommendations of Various Reports

In the past year or so, there have been three comprehensive audits of the Smithsonian Institution as well as an examination of our banking practices. On March 31, 1977, the General Accounting Office issued a report "Need to Strengthen Financial Accountability to the Congress -- Smithsonian Institution." This report resulted from a request made in June of 1976 by the Chairman and Ranking Minority Member of the Senate Appropriations Subcommittee on the Department of the Interior and Related Agencies that the GAO review the fiscal policies and practices of the Institution to determine if appropriated funds were being used effectively and properly. While the GAO review was taking place, the Board of Regents at their January 1977 meeting voted to create an Audit and Review Committee and, under its auspices, conduct a study of the Smithsonian's relationship to the Federal Government. The Chairman of this Committee is our Regent Senator Henry M. Jackson. Mr. Philip S. Hughes, a consultant with a broad career of senior management service with the Office of Management and Budget and the General Accounting Office, was selected by

the Audit and Review Committee to conduct the study. Following extensive conversations with members of Congress, their staffs, and others, Mr. Hughes completed his report which was reviewed and approved by the Board of Regents at its September 27, 1977 meeting. On September 20, 1977, the General Accounting Office issued its report on the Smithsonian Institution's trust funds banking practices and concluded that the Smithsonian has over the years adopted adequate procedures for the management of cash in its trust funds. Most recently, as a result of a request by the Chairman and members of the House Appropriations Subcommittee on Interior and Related Agencies, the Surveys and Investigations Staff of the House Appropriations Committee conducted a study of Smithsonian financial practices. The report was transmitted to the Smithsonian Institution for comment in January, 1978. I will summarize our comments after this statement. I would now like to detail the steps we have already taken to implement the recommendations of the GAO and Hughes Reports.

First, it should not go unnoticed that the GAO and Hughes Reports expressed a rather clear approbation of the Smithsonian Institution's programs and a general feeling that their quality is high. Further, no findings were made in any report that Smithsonian financial practices did not meet the highest standards of honesty and integrity.

Specifically, the GAO Report recommended the dissolution of two non-profit corporations established for specific purposes by the Institution, the Smithsonian Research Foundation and the Smithsonian Science Information Exchange. The report also recommended that the Institution provide the appropriations committees with information concerning the planned use of trust funds in conjunction with requests for Federal appropriations; that the Smithsonian Institution establish clear policies governing the use of Federal and trust funds; and that we work with the appropriation subcommittees to develop a systematic approach to making necessary adjustments during the year to Congressionally-approved budget amounts.

Mr. Hughes recommended a number of actions to improve the accountability of the Smithsonian to the Congress and to strengthen its internal management. The report recommended that the Regents and the Secretary should establish a five-year forward planning process covering all of the Institution's activities, and that the Institution should adopt the practice of a special review by the Regents or by their Executive Committee of any awards which the Secretary believes might be perceived by the Congress or the public as self-serving or inappropriate.

Concerning internal management matters, Mr. Hughes recommended that the Institution develop and keep current a comprehensive list of activities which it carries on; that an organization chart be maintained accurately and completely reflecting the structure of the Institution; that the Smithsonian develop and set forth in concise written form general policies for the use of its trust funds; that the Institution should fill the permanent position of Under Secretary which is currently vacant; and that the internal audit function should be strengthened.

Since these reports were issued, action has been taken on all recommendations. These are outlined as follows:

--Use of the Smithsonian Research Foundation has been terminated. All awards previously handled by the Foundation including research awards and special foreign currency grants are now administered as normal Federal allotments following all appropriate Federal personnel and procurement regulations.

--With regard to the Smithsonian Science Information Exchange, the Office of Management and Budget has recommended that no change in status be proposed pending the findings of the President's Reorganization Project this spring.

--A statement on policies and procedures governing the use of all funds has been prepared and reviewed by the Board of Regents, and submitted to this Committee. This statement also notes that any proposed expenditure of trust funds which may result in a significant requirement for future Federal dollars is to be brought to the attention of OMB and the Congress before any commitment is made.

--New reprogramming guidelines have been developed for all agencies under the purview of this Committee. We regard the guidelines as eminently reasonable. They provide us with the ability to make minor adjustments during the year, without sacrificing full accountability.

--A five-year forward planning process is under way. We are scheduled to have a consolidated planning document covering the entire Institution available by mid-April. Simultaneously, we are consolidating several existing documents into a current list of activities and developing up-to-date organization charts of the Institution and its component activities.

--A policy has been instituted to assure that any award that might be perceived as self-serving or inappropriate is brought to the attention of the Executive Committee of the Board of Regents.

--Recruitment is well under way to fill the permanent position of Under Secretary.

Budget Profile

For FY 1979, the Smithsonian is requesting appropriations totaling \$109.8 million for the Institution's six appropriation accounts. This represents a \$4.5 million increase over our FY 1978 estimate -- including requested pay and utilities supplements -- of \$105.3 million. Of the total amount sought, \$96.3 million is requested for the Salaries and Expenses appropriation, \$3.9 million for construction and improvements to facilities of the National Zoological Park, \$3.1 million for restoration and renovation of other Smithsonian buildings, \$0.6 million for architectural and engineering planning for the construction of a Museum Support Center, \$2.2 million for the Science Information Exchange, and \$3.7 million for the Special Foreign Currency Program.

Before discussing the details of our request, I would like to outline briefly some key issues inherent in the budget.

Key Budgetary Issues

First, no additional permanent positions over the current Congressional ceiling of 3,428 are requested for FY 1979. Mindful of the President's goal of holding down Federal employment and as a result of the zero-base analysis from which the budget was developed, we determined that it would be feasible to reapply some 45 existing positions to meet highest priority personnel needs. In most cases, we are recommending that vacant positions be reassigned from certain bureaus to others, reflecting changed program priorities throughout the Institution. In other instances, bureaus are proposing to reassign presently authorized positions to areas of higher program emphasis. This is the case in the Museum of History and Technology which will be concentrating on collections management programs and the Astrophysical Observatory which will be emphasizing, among other programs, operational support for the multiple mirror telescope.

Another result of the zero-base analysis is the proposed reapplication of over \$1.6 million in base funds in the Salaries and Expenses appropriation. We found that we were able to cover the major portion of our FY 1979 needs from within our existing resources and we did so before requesting any additional resources. To accomplish this base readjustment, all programs were subjected to a rigorous analysis. The result of this analysis was a sharpening of program priorities, within each unit, by each Activity and by the Institution overall.

The Appropriations Committees Conference Report, dated June 23, 1977, stated that "...neither of the (Arts and Humanities) Endowments should make grants to Federal agencies or organizations which rely primarily on Federal appropriations, such as...the Smithsonian Institution. These organizations should budget directly for programs that have received support from the Endowments." To meet this instruction, we are requesting additional resources specifically for the Joseph Henry Papers project, the Charles Willson Peale Papers project, and Cooper-Hewitt Museum exhibitions -- projects that have been partially financed by grants from the Arts and Humanities Endowments in previous years.

This budget also includes a request for funds to compensate for higher stipend amounts awarded to visiting pre- and post-doctoral fellows. Most notably we felt that the Smithsonian's ability to attract top scholars would be impaired if we did not adjust our fellowship amounts to a level comparable with other similar programs. Fellowships for pre- and post-doctoral scholars were raised from \$5 thousand and \$10 thousand to \$7 thousand and \$12 thousand respectively at the beginning of FY 1978. The \$40 thousand additional sought for this program in FY 1979 will enable the Smithsonian to approximate the number of fellowship awards made in FY 1977. Although the amount involved is relatively small, we regard these fellowships as part of our obligation to the academic community and to our staff who benefit greatly from the collaborative relationships with outstanding young scholars.

Finally, in the vital area of staff travel, the Institution is requesting a total of \$814 thousand for FY 1979, a \$226 thousand increase over the amount allowed in FY 1978. The Institution's need for travel funds can be summed up by comments in a recent report of the Smithsonian Council, an outside group of distinguished citizens who advise the Secretary on matters of programs and procedures: "The Council would like to place itself on record in support of a continuing effort to secure more adequate Federal budgetary provisions for travel, field research, and on-site visitation in connection with Smithsonian programs. The lack of adequate travel funds hampers several phases of this Institution's work in research, the acquisition of materials, and the recruitment of staff." A significant portion of this request, \$95 thousand, is required for travel integral to the effective functioning of the Research Awards Program.

Budget Summary by Appropriation

Salaries and Expenses

For our Salaries and Expenses appropriation, we are requesting a net program increase of \$809 thousand in FY 1979. With the \$1.6 million in reapplied base resources, a total of \$2.4 million are proposed for program enhancement in this budget. The following summary depicts the programmatic objectives we plan to achieve with the additional resources in each activity.

Science

We are proposing a net program change of \$81 thousand for the Science Activity. Although the overall requested increase in this activity is small, shifts in emphasis are planned. This is evident in the fact that increases totaling \$690 thousand are offset by the reallocation of \$609 thousand to areas of highest priority. In addition, in the area of "Special Programs" we are proposing that a viable competitive Research Awards Program be funded in FY 1979.

The Science request for FY 1979 emphasizes research -- both original research projects of significance to mankind and support for our researchers. Although the Smithsonian has been known traditionally for its basic research competence as opposed to what is referred to as applied research, it is becoming apparent that the distinction between basic and applied research cannot be sharply defined. Much of the research conducted at the Smithsonian has applied by-product use, as in studies on ultraviolet radiation from the sun (skin cancers) and our long-range, important work at the Chesapeake Bay Center for Environmental Studies and Tropical Research Institute in Panama. Very recently, a researcher at the Chesapeake Bay Center has concluded that herbicides, specifically two, atrazine (aatrex) and linuron (lorax) used in vast quantities on corn and soybean crops, are carried into the saline water as runoff and eventually reach the bottom sediments of mud and clay. They are then transported at random by storms and wind currents all over the Bay. The result has been a recent sharp decline in aquatic weeds, key plants in shellfish, finfish and waterfowl food. Such plants are also helpful in fighting erosion which is especially evident on the windward sides of the Bay. This research, a by-product of our long range attempt to document the life and

succession and turnover of the Chesapeake Bay's environment, shows how often pure or basic research blends into applied uses. This is particularly true in the field of environmental conservation.

At the Tropical Research Institute, studies are being conducted that have crucial bearing on the future of man's role in the tropics. The indiscriminate use of insecticides and herbicides and the release of radioactive atmospheric pollutants produce worldwide effects which have been measured only lately in the tropics. In the same way, the vast and continual destruction of tropical forests for agriculture and timber is producing new and irreversible changes in the weather of the Earth in the temperate zones as well as the tropics. The effects must be monitored and analyzed against a solid base of years of prior measurements. Here the Tropical Research Institute's record is unmatched.

Our FY 1979 budget request for Science includes additional funds to support discrete original research projects -- at the Bay Center, the Tropical Research Institute, and the National Museum of Natural History. Proposed projects are in fields of national and international significance such as studies of whales and other marine mammals in an effort to prevent their extinction; studies of nutrient and biomass fluctuations in Panama Bay which relate to our understanding of the potential impact of a sea level canal; and further research into the effects of materials entering estuaries from land runoff on fish, shellfish, and other living organisms.

The Astrophysical Observatory has proposed a number of program adjustments which will enable it to meet the current areas of emphasis without requesting new resources. Essentially, with the multiple mirror telescope becoming operational in late FY 1978, the Observatory's base funds are being redirected to support operation of the telescope and to permit the pursuit of new and promising avenues in areas such as the development of advanced instrumentation for use with ground-based and space-borne telescopes.

The Research Awards Program has an especially high priority in this budget. All awards are now made in accordance with applicable Federal personnel and procurement regulations. We have believed consistently that a program that encourages annual competition for funds among all scientists and scholars throughout the Institution stimulates innovative and creative research, a basic objective of our scholarly pursuits. An alternative approach -- automatic base allocations to individual bureaus -- has been considered and rejected for the very reason that such a procedure would be contrary to the objective of stimulating original research projects. We were very pleased to note that the House Committee's investigative staff voiced support for our belief that the competition and internal and external peer review integral to the Research Awards Program have stimulated quality research and studies. The \$390 thousand requested for the Research Awards Program -- the same funding level as FY 1977 -- represents about the minimum level for an effective Institution-wide awards program.

History and Art

The thrust of the History and Art request which proposes a net program change of some \$290 thousand, representing an increase of 1.9 percent, is to

maintain a suitable balance of program activity within each of the established History and Art bureaus and offices. As in Science, this net change does not adequately portray the extent of program modification which has been incorporated into this budget. Overall, increases of \$649 thousand for highest priority needs are partially offset by a reallocation of \$357 thousand within the base. In addition, in the area of "Special Programs" new resources are proposed to defray higher stipend amounts for fellowship recipients and to strengthen our folklife efforts.

The results of the thorough zero-base review of History and Art programs conducted in developing this budget submission indicated that some 2.4 percent of the FY 1978 funding level could be spent to greater effect if reallocated to more pressing needs. The principal changes within the History and Art base emphasize improved care of the collections, with secondary emphases on exhibitions, publications, and acquisitions. The modest appropriation increase for FY 1979, then, is requested primarily to round out program imbalances that cannot be met by redirecting base resources. This two-fold approach, as in Science, will sharpen the focus and improve the capability of each History and Art unit to carry out its principal charge.

To summarize the changes proposed, the Museum of History and Technology is planning to redirect base resources to improve its cataloguing, accessioning and storage, and to permit the microfilming and microfiching of library materials which will free up space for the collections; the National Portrait Gallery is seeking additional funds for conserving its paper holdings and to offset inflationary costs of publishing educational materials, brochures, and catalogues; and the Cooper-Hewitt Museum is requesting funds for secure storage for its decorative arts collections and improved buildings maintenance. The Archives of American Art is seeking funds to distribute its scholarly Journal to researchers and educational institutions and to improve archival productivity and records; the Hirshhorn Museum is proposing to redirect base resources to continue its acquisitions of newer works of art; and the National Collection of Fine Arts is requesting additional funds to enable it to preserve a rare collection of photographic negatives and to offset increased costs of transporting and insuring works of art borrowed for temporary exhibition and for exhibits themselves. This last need is particularly critical, as there have been no additional funds appropriated for National Collection of Fine Arts exhibits in several years. By far the largest portion of the new funds requested for History and Art, however, is for projects previously financed by grants from the National Endowments for the Arts and Humanities. Nearly 30 percent of our requested increase is for the Joseph Henry Papers and the Charles Willson Peale Papers projects and for exhibitions at the Cooper-Hewitt Museum of Decorative Arts.

Public Service

In the Public Service Activity, a net program change of minus \$18 thousand is recommended consisting of requested increases of \$37 thousand offset by the redirection of \$55 thousand in base funds to higher priority programs. New funds are sought to allow the Division of Performing Arts to conduct additional performances emphasizing aspects of the National Collections. In developing many of these programs, the Division of Performing Arts staff works closely

with curators in several of our museums to stage performances that complement specific collections. For example, dance performances of the Javanese and Sri Lankan troupes, accompanied by a film and lecture, were presented last year in the National Museum of Natural History which possesses significant cultural holdings from those nations. In a very real sense, these performances are a logical extension of the National Collections and an expression of the heritage of America and of other countries. They are also representative of our educational activities -- some 500 thousand people having participated in Performing Arts events in the past fiscal year. We are also requesting additional funds to accelerate the urgent jazz oral history project being conducted in association with the National Endowment for the Arts.

Offsetting savings derived mainly by a planned transfer of responsibility for the international exchange of patent specifications from the International Exchange Service to the Department of Commerce will more than cover the additional funding proposals. A further change is also proposed in the functions of the Exchange. Early this year the Smithsonian concluded an agreement with the Government Printing Office under which the GPO assumed physical responsibility for the international exchange of government documents. By this transfer, a more efficient operation should result. To complete the transfer of this responsibility, the Library of Congress will submit the appropriate legislation during this legislative session. The Smithsonian will continue to be responsible for the exchange of scientific and literary publications, based on the very positive results of a survey of nearly 200 academic institutions.

Museum Programs

In the Museum Programs Activity, no net program changes are proposed. Program increases of \$147 thousand for library acquisitions, cataloguing and conservation and for the horticultural program are offset by savings of an equivalent amount to be achieved through some administrative consolidations. It bears mentioning that a portion of the Museum Programs request for FY 1979 includes the conversion of the Native American Training Coordinator from term to full-time permanent status. This conversion is a reflection of a subject of heightened social importance. The program, which draws on the considerable Smithsonian expertise, is intended to train native Americans in museum management so that they will acquire the skills to manage their own museums and cultural centers according to the most advanced techniques. The Native American program complements an earlier effort in archival training, and in combination with it, presents a unique opportunity for members of Indian communities to develop the necessary expertise to preserve and interpret their historical heritage.

Another aspect of museum training that will continue to be emphasized in FY 1979 is the Institution's workshop program. Through three or four day workshops, museum personnel from all parts of the country as well as many foreign nations have been trained by Smithsonian staff experts in various aspects of museum management.

Administration

The Administration Activity which provides overall direction of the Institution and encompasses several central management functions such as planning, budgeting, audit, personnel, and facilities management continues to be an area of emphasis in FY 1979. A net program increase of \$119 thousand is requested. Program increases of \$165 thousand are offset by savings of \$46 thousand to be achieved mainly by funding meetings of the Smithsonian Council with unrestricted trust funds. Additional funds are requested to help the Office of Audits move toward the goal of a 5-year audit cycle as recommended in the "Hughes Report." Other administrative functions to be strengthened are budget, supply, facilities planning, management analysis, and legal services.

Support

Finally, in Support Activities, which consists of the Offices of Protection Services, Plant Services, and Printing and Photographic Services, we are recommending a net program change of minus \$69 thousand. Program increases totaling \$337 thousand are offset by reallocation of \$406 thousand to higher priority needs. The major increase is proposed for planned promotions of a large portion of our guard force, resulting from a comprehensive classification review of our guard positions. Offsetting savings are expected mainly through the rescheduling of extended summer museum hours and anticipated efficiencies in utilities management.

The Smithsonian Institution hires and trains its own guards. In addition to providing protection to our invaluable collections and millions of visitors, Smithsonian guards also answer questions of the visiting public and thereby serve a public relations function. During the past year, a Smithsonian task force conducted a comprehensive study of our protection force because of its visibility and the sizeable amount of the Institution's resources it requires. The study recommended that selected segments of our guard force be promoted to assure that pay structures are commensurate with duties being performed. To help defray the cost of the resulting promotions in FY 1979 and thereafter, we are planning to reschedule extended summer hours of museums to cover peak periods only. Based on historical visitor statistics, we believe that the commencement of extended hours of major Mall museums in June in lieu of April will not cause any appreciable inconvenience to the visiting public. We will, however, extend visiting hours during Easter and the Memorial Day Weekend to accommodate the large crowds anticipated.

The utilities situation also deserves special mention. Unlike most Federal agencies who pay a fixed fee to GSA for utilities, the Smithsonian pays for actual usage according to prevailing rates. Many of the holdings in the National Collections, including valuable zoo animals, have special temperature and humidity requirements and this, as well as the heavy visitation in our museums, creates sizeable utilities bills for us. In the past fiscal year, during which we experienced an especially severe winter and hot summer, they skyrocketed to some \$5.7 million. To help the Institution meet this unavoidable expense, we are requesting a supplemental appropriation of \$1.1 million for FY 1978. At the same time, we are continuing to use the latest technological advances to help keep utilities costs to a minimum.

For example, an Institution-wide power management system will be in place by the end of this year. Through the use of remote sensors, this system assures that prescribed levels of power consumption are not exceeded. Through conservation measures such as power management and more efficient lighting we hope to be able to save some \$170 thousand in utilities expenses in FY 1979, assuming the receipt of supplemental utilities funding this year.

Construction

Our FY 1979 construction appropriations request emphasizes capital development under the Zoo Master Plan; planning for the construction of a Museum Support Center; and several small but important items -- most of them continuations of phased projects -- under the Restoration and Renovation of Buildings Account.

Construction under the Zoo Master Plan has about reached the mid-point. With the support and encouragement of this Committee, we have succeeded in transforming a rather crowded, antiquated zoo into a modern facility for the comfort and safety of our treasured animals and the enjoyment of the visiting public. To date, 17 new exhibits and support structures have been completed or are under construction, including, most recently, a new exhibit for the grizzly and polar bears featuring underwater viewing of the animals and the first phase of the General Services and Parking Facility. Construction in the Beaver Valley area, consisting of exhibits for beavers, otters, seals, sea lions, wolves, and bush dogs, will be completed by this summer. We have been developing -- at the same time -- the Front Royal Conservation and Research Center which we consider to be an integral part of the Zoo. I am pleased to report that litters of the rare and endangered maned wolf were born and reared by their mothers at the Front Royal Zoo during this past year.

For FY 1979, in addition to minor but needed repairs and renovations at Rock Creek and Front Royal, we are seeking \$3 million for the construction of a modern great ape house. Plans and specifications for the proposed new facility have been completed with funds already appropriated. The new Great Ape House is designed to offer a fully conditioned and controlled environment for orangutans and gorillas in inside spaces as well as in spacious outside areas. It will also include isolated areas conducive to the breeding of these rare, endangered, and highly sensitive primates. We are excited about the prospect of being in the forefront of providing modern, up-to-date facilities for great apes, and we are certain that the design, which features glass walls to maximize ease of viewing, will be a great favorite with the public.

The second major construction item that we are requesting for FY 1979 pertains to additional space for the care, curation, documentation, and conservation of the National Collections and for further conservation research and training. The \$575 thousand sought in FY 1979 will be used in association with the \$325 thousand appropriated in FY 1978 for architectural and engineering planning for the proposed Museum Support Center.

I want to emphasize, in particular, the fact that our conservation efforts will be greatly strengthened by having the Museum Support Center. Conservation is the key to the total process of caring for collections. Without conservation research and treatment, objects deteriorate and may completely lose their usefulness as scholarly documents and their capacity to convey aesthetic values. It is our view, as well as that of the Trustees of the National Gallery of Art, that conservation today probably ranks ahead of any other priority of museum work.

We have explained in some detail in the budget document the component parts and space configuration of the Museum Support Center. A current estimate of the cost of the Center is \$21.5 million, including planning and design, assuming that construction of the Center will commence in 1980. These estimates may vary slightly, dependent on further planning to be conducted this year and in FY 1979. Of course, given inflationary trends the sooner that the funds become available and obligated, the more economical will be the cost of the construction of the Support Center.

Thus far, the following steps have been taken toward making the Museum Support Center a reality:

--In FY 1975, the President signed into law Public Law 94-98, authorizing the Regents of the Smithsonian to prepare plans for museum support facilities.

--A tract of 82 acres in Suitland, Maryland, has been acquired for support center construction.

--Use of this land for the support center has been approved by the National Capital Planning Commission and by local planning boards and commissions.

--Smithsonian staff have worked with a group of consultants to analyze the present space situation and future requirements.

--A comprehensive collection policy and management study which addressed questions of present and future collections growth and factors involved in the management of collections was completed in FY 1977 and copies furnished to this Committee. Several areas suggested by the study are currently being continued to refine the Institution's policies on inventory control, conservation, and management systems.

--In preparation for the development of a major conservation effort at the Museum Support Center, an effort is being made to quantify our conservation needs.

--OMB has informed us that it will support enactment of legislation authorizing construction of the Museum Support Center. Bills authorizing construction have been introduced in the House of Representatives and the Senate. It is anticipated that action will be taken in this legislative session. Subject to a review of construction plans and assuming favorable fiscal circumstances, OMB anticipates providing \$20.6 million in budget authority in the fiscal year 1980 budget for construction. Contract authority for that amount with funds appropriated over a two to three year period would be a perfectly viable alternative.

The last portion of our Construction request is for \$3.1 million for restoration and renovation of buildings. For the most part these funds will be used to continue phased projects such as improvements for handicapped persons, correction of hazardous conditions and installation of fire detection and control systems. Of the amount sought, \$1 million is proposed for general repairs to the Institution's 10 major museum buildings. We have a continuing need for substantial funds on an annual basis to be used mainly to correct minor problems before they become major and to conduct an overall preventive maintenance program. Repair of electrical distribution systems and plumbing is not very glamorous; it is nonetheless essential to the Smithsonian museum complex.

Two specific items under this rubric merit attention. We are requesting \$125 thousand for the construction of a badly needed dormitory for visiting researchers on Barro Colorado Island. The present structure, built in 1927, is termite infested and generally not fit for more than overnight stays.

In the event that the Panama Canal Treaties are ratified, then under the terms of ancillary agreements and exchanges of notes, Barro Colorado Island will be declared a Nature Monument as defined in the Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere of October 12, 1940. In addition, the Smithsonian Tropical Research Institute will be designated by both governments as custodian of the Barro Colorado Nature Monument and will "have sole responsibility to act on behalf of our Governments in authorizing use of the Nature Monument for the purpose of scientific research..." It appears that investigations conducted by the Smithsonian on Barro Colorado Island will not be affected by the terms of the proposed new Panama Canal Treaty.

We are also seeking \$150 thousand for construction of a maintenance building at the Chesapeake Bay Center. Up until now, no Federal funds have been used for construction at the Bay Center, with the exception of some emergency bulkheading on Jefferson Island in FY 1975. It is now clear that the Bay Center has become a continuing and valuable research center and will be part of the Smithsonian for the foreseeable future. Research contributions of the Center, most generally in the area of the effect of human disturbance on ecological systems, are benefitting the scientific community and the general public. For FY 1979, there is a need to consolidate maintenance services in a safe, efficient, working environment and the \$150 thousand we are seeking will be used to construct and partially equip a 2,600 square foot maintenance building. In the extremely remote possibility that the assets of the Center would some day be sold, the Smithsonian is committed to reimbursing the Federal government on an equitable basis for all Federal capital funds used at the Center.

Science Information Exchange

For the Science Information Exchange, we are seeking an increase of some \$350 thousand in FY 1979. The increase will enable the Exchange to maintain a comprehensive data base, develop and implement revised indexing techniques to minimize costs, and devise methods for the "tracking" of a research project from its conception to the development of technical reports

and publications in scientific literature. We are mindful of the recommendation in the GAO report, noted earlier in this statement, that the Science Information Exchange be dissolved of its corporate status and that its operation be carried out as part of the Smithsonian's regular organizational structure. Moreover, the Senate Appropriations Committee, in its report of last year, stated that efforts should begin to effect the transition of the Exchange to Federal status either in the Smithsonian or another appropriate Federal agency. The Smithsonian is not opposed to these recommendations. However, we have been advised by the Office of Management and Budget that the President's Reorganization Project expects to consider the organizational status and operating practices and policies of the Science Information Exchange this spring as part of a broader review of Federal science and technology programs. Pending the results of that review, the Smithsonian is not proposing any change to the status of SSIE at this time. The improvements which we hope to achieve in FY 1979 will be important, regardless of the ultimate organizational location or status of the Exchange.

Special Foreign Currency Program

Lastly, our Special Foreign Currency appropriation request totals \$3.7 million in FY 1979. We are proposing that the dollar limitation on grants to Smithsonian employees, placed into effect for FY 1978, be eliminated. Under the Special Foreign Currency Program guidelines, Smithsonian proposals are reviewed by the same councils of distinguished scholars from across the nation as proposals from other institutions. It should be noted also that program awards cover only field research costs in the excess currency country and international travel to the country. Smithsonian employees, as well as other grantees, do not receive personal compensation duplicating or supplementing their salaries.

Future Plans

With the encouragement of the late Senator Hubert Humphrey, the approval of the Board of Regents, and support in Congress, it is possible that the Frederick Douglass Museum of African Art, devoted to black art and culture, may become part of the Smithsonian Institution. Legislation authorizing transfer of the Museum is now pending before both Houses of Congress. In a letter urging his colleagues to support the transfer, Senator Anderson wrote: "As a founding trustee of the Museum, Senator Humphrey observed its significant cultural impact on our Capital City as well as the vital educational work that it has done throughout the country. More than a million people have visited the Museum or participated in its extension programs, and a far greater number have viewed its educational television programs. For its accomplishments the Museum has gained international recognition. Its association with the Smithsonian would be a great step forward for both institutions."

The acquisition, if authorized by the Congress, would transfer all assets of the Museum to the Smithsonian and authorize an appropriation of \$1 million for the first year of operation and "such sums as may be necessary" thereafter. Our best estimate of the annual Salaries and Expenses

appropriation required for the Museum is about \$700,000, before inflation. Additional amounts the first year would reasonably be required for one-time renovation and repair costs to make sure that the physical plant conforms to all applicable Federal codes. Complementing this approximate \$1 million in Federal funds, the Museum would continue its exemplary fund raising efforts in order to enrich whenever possible the basic program capabilities which the appropriated funds would provide.

The late Senator Humphrey kindled a sense of social consciousness in all Americans. The transfer of the Museum of African Art to the Smithsonian Institution would be a great tribute to him and would fulfill one of his last goals -- that of assuring the continued existence of this excellent museum by providing for it an appropriate home within an organization which similarly values "the increase and diffusion of knowledge among men."

Mr. Chairman, I and my staff will be happy to answer any questions the Committee may have.

RESPONSE TO STUDIES

Mr. YATES. Mr. Ripley, we would be glad to hear what you have to say at this point.

Mr. RIPLEY. Mr. Chairman and members of the subcommittee:

May I say once again how welcome this opportunity is for us to be here before you today. Over the years that I have participated in these hearings, we have found that each year the hearings become more beneficial and more helpful to the Institution in terms of explaining the ramifications of the Institution, giving us an opportunity to discuss our plans, our proposals with you, and taking an opportunity also to explain the management problems and workings of the Institution as developed by the Regents.

We are extremely pleased to be here today for these hearings, and we want you to know that we greatly welcome the reports and the keen attention which your committee and staff have given to our operations since last year.

We welcome the reports of the investigative staff, and we can summarize and discuss those in due course.

I was away a good part of the time that my staff was preparing the reply or rebuttal, as you have suggested, to the staff study, and I find that I, myself, feel that this is a good reply, but I cannot take any particular credit for having prepared it myself.

I am prepared on my own account to say that I feel that the investigative staff report was a very good one. We welcomed it and we appreciated the time, care and effort that went into Mr. Anderson's staff work. We take it in the spirit in which it was intended, as a remedial and therapeutic exercise, and I want you to know that we are very happy with it in terms of the continuing enlightenment which these reports and investigations will help to lend us all in regard to our work and our management tasks.

IMPLEMENTATION OF RECOMMENDATIONS

I would like to outline the steps that we have taken in the past year to implement some of the recommendations contained in the various studies of the Institution.

As you mentioned, Mr. Chairman, there were two GAO reports recently. There was Mr. Hughes' report to the Audit and Review Committee of the Regents' report. The Regents have been meeting frequently now to discuss these matters. We met last Saturday, and I was instructed to communicate to the committee the Regents' pleasure with the receipt of the reports, their concern to develop and implement the recommendations in the various studies and their instructions to me to make sure to address myself, with my staff, to this at once.

The Regents will be meeting again not too far in the future, and will be considering specifically a number of the recommendations in the report of the investigations staff.

I am pleased that these reports are in hand and are before your committee. I should like to add that we did have 2 days of comprehensive hearings in October before the legislative committees of the House, chaired by Mr. Nedzi and Mr. Burton. Those transcripts are apparently in press and have not been published yet, but I did submit a sum-

mary statement of my testimony on these reports at those hearings to you yesterday.

We feel that covered in those hearings rather well were discussions of the Hughes report and of the GAO report, and as you know, we also discussed the GAO reports with the Senate subcommittee in hearings last spring.

As far as implementation of some of the recommendations are concerned, we have taken certain initiatives with the approval and instruction of the Regents.

I have instructed the staff, who have issued new procedures for the administration of research grants and fellowships previously administered under the Smithsonian Research Foundation. These reports and procedures have been considered by the Regents. They have been carefully monitored by our legal counsel, and audit, accounting and contracting specialists.

We believe that we have undertaken the best possible procedures, in the light of the instructions of your committee and the GAO recommendations.

I have undertaken a directive, following the advice of the Hughes report, to provide for the appropriate review and approval of any awards throughout the Institution concerning research funds or research grants which might in any way be deemed to be self-serving. We should quite properly develop guidelines and protective mechanisms to prevent any of our staff from being involved in any question of this sort.

I have issued a directive, at the suggestion of the Hughes report, that a 5-year program and plan for the institution's growth and development be completed this April for review by the Board of Regents, and subsequently for submission to OMB and the Congress.

I have launched a study of an inventory of all Smithsonian programs and activities, and a draft of this is now being reviewed and will shortly go to the Regents, and if approved, to OMB and the Congress.

We are at work on policy and procedure guidelines on the use of all funds of whatever nature available to the Institution. We are fully aware that the question of the use and description of these funds has been a continuing problem for interpretation and understanding in the public mind.

The current revised version of this study is appended to our response to the investigative staff report, and is in your hands. We will continue to work with this subcommittee and other organs of the Congress to clarify and refine these guidelines.

REGENTS

The Regents are themselves considering a number of directives in regard to bylaws, as was suggested as well as thresholds and guidelines.

Since the Institution was chartered, there is a long history of actions taken by the Regents, which collectively, in effect spell out such thresholds and guidelines. We are preparing a study for the Regents so that they will be prepared to consider this at their spring meeting.

The Regents are also considering other points raised in some of the reports. I might mention the number of meetings per year. Also, the

committee and subcommittee work of the Regents, as well as further suggestions made by the staff.

In regard to one item given priority in the Hughes report subsequent to the death of Under Secretary Brooks in 1976, we have been recruiting actively for an Under Secretary. This work is now virtually completed by the Executive Committee of the Regents, working with myself.

With regard to the Smithsonian Science Information Exchange, the Office of Management and Budget has recommended that no change in status be proposed pending the findings of the President's reorganization project this spring.

We are also concerned, and the Regents are concerned, that any proposed expenditure of trust funds which may result in a significant requirement for future Federal dollars should promptly be brought to the attention of OMB and the Congress, and we are working to insure that an appropriate mechanism will always be at hand for this process.

These kinds of tightenings of our communication process are essential with this committee and other organs of the Congress concerned with our welfare.

We have developed new reprogramming guidelines, and we are most conscious of those that have been developed by this committee for all the agencies under your purview, and regard these as eminently reasonable.

We are also making quite sure that further reports or thoughts as considered by the investigative staff will be given appropriate consideration.

FISCAL YEAR 1979 BUDGET REQUEST

Now if I may give you a brief budget profile, Mr. Chairman, for fiscal year 1979, the Smithsonian is requesting appropriations totaling \$109.8 million for our six appropriation accounts. This represents a \$4.5 million increase over our fiscal year 1978 estimate of \$105.3 million. Of the total amount sought, \$96.3 million is requested for the salaries and expenses appropriation, \$3.9 million for construction and improvements to facilities of the National Zoological Park, \$3.1 million for restoration and renovation of buildings, \$575,000 for architectural and engineering planning for the construction of the Museum Support Center at Suitland which Mrs. Boggs just mentioned, \$2.2 million for the Science Information Exchange, and \$3.7 million for the Special Foreign Currency Program.

I would like to outline these major items in our request by appropriation.

REQUEST FOR SALARIES AND EXPENSES

For the salaries and expenses appropriation, we are requesting \$96.3 million, an increase of \$2.1 million over the fiscal year 1978 appropriated amount. This represents a program increase of \$800,000 and an uncontrollable increase of \$1.3 million.

As a result of the zero base analysis which we have been deeply involved in this past year, following several earlier years of study to establish it, and which we have used in the development of this budget specifically, we are proposing to reapply some \$1.6 million in base re-

sources to cover our highest priority needs. Key issues included in our request are as follows:

First, no additional permanent positions over the current congressional ceiling of 3,428 are requested for fiscal year 1979. Mindful of the President's goal of holding down Federal employment, and as a result of the zero base analysis from which this budget has been developed, we determined that it would be feasible to reapply some 45 existing positions to meet the highest priority personnel needs.

The Appropriations Committee's conference report, dated June 23, 1977 stated that:

. . . neither of the (Arts and Humanities) Endowments should make grants to Federal agencies or organizations which rely primarily on Federal appropriations, such as . . . the Smithsonian Institution. These organizations should budget directly for programs that have received support from the Endowments.

To meet this instruction, and in complete compliance with this request, we are hereby requesting resources specifically for the Joseph Henry Papers project, Charles Willson Peale Papers project, and the Cooper-Hewitt Museum exhibitions, all projects that have been partially financed by grants from the Arts and Humanities Endowments in previous years.

Both your committee, sir, and the Senate Committee on Appropriations have requested that we come directly to the committees with our request for funds of this sort for which previously we had been applying as grants from the Arts and Humanities Endowments in open competition across the land before the Endowments' particular screening committees to establish such grants.

We assume that we will be able to develop the appropriate testimony with your committee so as to make it quite clear that these projects formerly funded by the Endowments are worthy of continuing support, and that therefore the committee will address itself to our hopes for continuing these projects in full knowledge of the fact that they are serious and worthwhile projects which have competed across the country for support from the Endowments.

This budget also includes a request for funds to compensate for higher stipend amounts awarded to visiting pre- and post-doctoral fellows. The additional \$40,000 sought for this program in fiscal year 1979 will enable the Smithsonian to approximate the number of fellowship awards made in fiscal year 1977. It is a rather small amount, but we detail it in our budget submission to you.

In the vital area of staff travel, the Institution is requesting a total of \$814,000 for fiscal year 1979, a \$226,000 increase over the amount allowed in fiscal year 1978. A significant portion of this request, \$95,000, is required for travel integral to the effective functioning of the Research Awards Program.

RESEARCH AWARDS REQUEST

Finally, the Research Awards Program itself has an especially high priority in this budget. We were very pleased indeed to note that the committee's investigative staff voiced support for our own belief

that the competition and internal and external peer review stimulated quality research and studies. We cannot emphasize enough that right back in the beginning of our request for funds which developed into the Research Awards Program, and the Research Foundation, it was our intention, our ambition as it were to produce a surrogate system for the National Science Foundation's grants, which we had previously been entitled to receive.

The problem for us then is how can we make quite sure that our Research Awards Program is of the merit, the quality which we assume that they should be, and at the same time demonstrate to our own scholars and staff that we are cognizant of their worth and their quality in their own research?

We wish, in administering these funds given us by your committees for research, to make sure that they represent the same kind of quality and value to those who receive them as they would if they were allowed to receive National Science Foundation awards.

There is a particular kind of prestige associated with receiving a National Science Foundation award, which we wish to emulate, if we possibly can, for the health and betterment of our own research staff, their feelings of accomplishment, and self-advancement and career advancement.

The \$390,000 requested for this awards program is the same funding level as fiscal year 1977, and it represents from our point of view the absolute minimum level for any effective Institution-wide awards program.

REQUESTS FOR CONSTRUCTION

Our main thrust this year in our fiscal 1979 budget proposal to yourselves, sir, is for construction. The construction appropriations request, as you know, totals \$7.6 million. Our request emphasizes capital development under the Zoo Master Plan. A total of \$3.9 million is requested for the Zoo, consisting of \$3 million for the Great Ape House, and \$900,000 for general repairs and improvements.

For planning for construction of the Museum Support Center, \$575,000, to be used in conjunction with the \$325,000 appropriated for fiscal year 1978. For restoration and renovation of buildings, a program of work which is well known to your committee, as we have for a number of years been stressing the importance of preserving these historic buildings, some of which are landmark buildings indeed in Washington, we request a total of \$3.1 million, mostly for continuation of phased projects, construction of a dormitory on Barro Colorado Island to replace the old decayed dormitory there, and the construction of a maintenance building at Chesapeake Bay Center, which replaces an existing building which we can effectively use in our government supported research programs there.

SCIENCE INFORMATION EXCHANGE REQUEST

For the Science Information Exchange, we are seeking \$2.2 million in fiscal year 1979, an increase of some \$350,000 over the fiscal year 1978 appropriated amount. The increase will enable the Exchange to maintain a comprehensive data base, develop and implement revised indexing techniques to minimize costs, and devise methods for the tracking

of a research project from its conception to the development of technical reports and publications in scientific literature. This is essentially a holding operation for the Science Information Exchange. We are not asking for new starts in the Exchange. We are awaiting reports of the President's reorganization committee to determine its eventual home.

SPECIAL FOREIGN CURRENCY PROGRAM REQUEST

For Special Foreign Currency Program, our appropriation request totals \$3.7 million in fiscal year 1979. We are proposing that the dollar limitation on grants to Smithsonian employees placed in effect for fiscal 1978, be eliminated.

FUTURE PLANS

Finally, a brief reference to future plans, Mr. Chairman, which we are anxious to highlight in this testimony.

With the encouragement of the late Senator Hubert Humphrey, the approval of the Board of Regents, and with support in Congress, it is possible that the Frederick Douglass Museum of African Art, devoted to black art and culture, may become part of the Smithsonian Institution.

That acquisition, if authorized by the Congress, would transfer all assets of the museum to the Smithsonian, and authorize an appropriation of \$1 million for the first year of operation, and such sums as may be necessary thereafter.

Our own best estimate of the annual salaries and expenses appropriation required for the museum is about \$700,000 before inflation. Additional amounts the first year would reasonably be required for one time renovation and repair costs to make sure that the physical plant conforms to all applicable Federal codes. Complementing this approximate \$1 milion in Federal funds, the museum of course would continue its present and well developed fund raising efforts in order to enrich whenever possible the basic program capabilities which the appropriated funds would provide.

That concludes my summary, Mr. Chairman, of our budget request.
Mr. YATES. Thank you, Mr. Ripley.

COMMENTS OF REGENT MAHON

I note that another Regent has entered the hall, Mr. Mahon, the biggest chairman of all the chairmen in the House of Representatives in many ways.

Mr. Chairman, would you like to take a seat at the table?

Mr. MAHON. I would like to, but we have the Under Secretary for Research and Development of the Department of Defense before us in closed session, so I just came over here to see what was going on.

Apparently Dr. Ripley is talking. He has some bent in that direction.

I would like to sit in on the hearings today or tomorrow.

Mr. YATES. Whenever you come, we will be very glad to have you.

Mr. MAHON. Some of the Regents have discussed the matters in the investigative report. I think, Dr. Ripley, that there was some misunderstanding perhaps on your part and on the part of the members of the Board of Regents. The staff study that has been placed in the

record this morning is a study that was made at the request of the Appropriations Committee, but not by the regular staff of the Appropriations Committee. We employ people to make investigations, studies, and surveys for us, and they come up and give us their report, and we use it in the interrogation of witnesses. We don't always agree. We may totally agree. We may not agree at all. We do not place our stamp of approval necessarily on all these investigations, but they are very valuable to us, and we find that they are very helpful.

I understand that you feel, and I have heard you say you feel, that the investigation was helpful.

Mr. RIPLEY. It was very helpful.

Mr. MAHON. And will be helpful and certain modifications, changes and improvements have been made, can be made and will be made.

Mr. RIPLEY. Right.

Mr. YATES. Are you speaking as a Regent or chairman of the Appropriations Committee?

Mr. MAHON. I am speaking out of both sides of my mouth. I hope this will be a productive hearing.

The Smithsonian formerly was a musty old place where people went to see the Spirit of St. Louis or something, but now it is a living, pulsing, breathing, vibrant organization that means a lot to the Nation and to the world. We want to make sure in the Appropriations Committee and in the Congress that it is kept on the right track, and that it goes on moving toward greater and greater accomplishment.

Of course, we want an orderly procedure and a helpful attitude on the part of the Smithsonian and its fine friends in the Congress. We are all working towards this objective of a greater institution, because it does mean a great deal to the United States and to the world.

How do you like that speech?

Mr. YATES. It was just the way I wrote it for you, Mr. Chairman.

Mr. MAHON. I hope to come back.

Mr. YATES. Thank you, Mr. Chairman.

BOARD OF REGENTS

Each of the studies and the legislation itself, of course, indicates that the fundamental responsibility for carrying out the James Smithson trust is that of the Board of Regents. There are 17 members of the Board of Regents whose names have been placed in the record.

PROCEDURES OF BOARD OF REGENTS

Mr. Ripley, will you please describe the procedures of the Board of Regents, and tell us how they conduct the affairs of the Institution, how they are kept advised of its developments, how they take action with respect to their decisions? Do they act formally? Do they act by the procedures that are ordinarily recognized for institutions of this kind, for businesses of this kind? Can you describe that for the record, please?

Mr. RIPLEY. Thank you, Mr. Chairman.

I will do my best.

There are Regents present, and I hope they will correct me if they feel that any interpretation that I make in this answer is incorrect.

The first Regents' activity of which I became aware, of course, was when a search committee had been created by the Board of Regents to select a new Secretary, and I came in contact with that committee in 1963. I found that during that summer, as I was mulling over the question of whether to leave the university where I was employed, and accept this tremendously important offer, that I came into close contact with this subcommittee of the Board of Regents, namely, the search committee.

They were extremely helpful, and I was in virtually daily contact with them. During the process I became acquainted with the history, the traditions of the Institution and its Board of Regents, and the corpus, as it were, of its laws written as well as unwritten in a sense of the traditions reflected in the minutes of meetings of the Board.

I finally accepted, and when I did accept I came into contact then with the full Board.

The Board consists of the members that you have inserted in the record, and there were at that time two meetings a year, but shortly thereafter, it was agreed by the Board that the necessity for the Board to familiarize itself with the day-to-day operations of the Institution required a third meeting which could be described as an information meeting. Like many university boards, instead of developing subcommittees to consider particular bureaus and activities of the Institution, the Regents decided to have, as a committee of the whole, one meeting a year devoted to a particular activity of the Institution.

Thus, for example, as I recall, the first meeting was at the Zoo, and consisted of briefings and familiarization, lectures and a tour of the activities of the Zoo, presided over by Dr. Reed, and the Assistant Secretary for Science, during which the members of the board made personal physical contact, as it were, with that bureau and its operations. Each year one of the meetings has subsequently been devoted to a familiarizing process of this sort.

I also found during this first summer that some of the Regents took part in particular bureau activities. For example, Dr. Brown is chairman of the Armed Forces Advisory Board of the Institution, an organization that had been created by Congressional legislation in the Eisenhower years. He also is chairman of the National Portrait Gallery Commission, which was charged with the task, by the Congress, and subsequently by the Regents, of developing a program and a site for the National Portrait Gallery, which, as you know, has now evolved into a very successful and important bureau of the Institution.

Thus a particular Regent might have a kind of dual role, taking part in meetings of the whole, in which he would familiarize himself with bureau activities, or acting as a subcommittee or a committee of one, by chairing some commission or particular activity of one of the bureaus.

Subsequently we had a visiting plan set up by the Regents. For example, we made a visit to the Tropical Research Institute in Panama, as an informal ad hoc subcommittee of the Board. Mr. Bow was active in that visit along with Mr. Fulbright and some of the citizen members. These kinds of familiarization visits or special meetings have continued I think very successfully.

Mr. YATES. If I may interrupt, how do you, as the agent of the Regents, how do auditors, how does anybody who happens to see the minutes of the Regents know what the decision of the Regents is? Is it

by formal action, upon presentation of a motion and approval of a motion?

Mr. RIPLEY. There has been a difficulty, which was referred to in the House investigative staff report, of understanding on scrutiny of the minutes what actually transpired in the way of formal actions or informal actions, and this is something which we are anxious to refine.

When I came to the Institution, all the proceedings of the meetings, and this still is true, were taken down in recorded form and then a very painstaking, laborious process is undertaken in which a group of secretarial help, organized at the present time by one of my special assistants, Mrs. Rosenberg, screens out, as it were, this raw data in the form of the transcript, and attempts to bring it into some orderly form in a succeeding series of responses to the specific items as they are laid out in the agenda.

Now these proceedings do include consideration of resolutions, motions with suggested language, as university and corporation board meetings do, and there is debate on these resolutions obviously, and a good deal of the day-to-day business of my work with the Executive Committee of the Board results from these minutes and these proceedings, but it is not clear I think, from going over the minutes, exactly what each management interpretation or instruction from the Board was intended in every case. This is a refinement which we will attempt to achieve with the minutes in the future, cognizant, as we now are, of the fact that the procedures of these minutes or the way they are presented has been questioned by the staff.

It is a constant dilemma to determine how to prepare minutes and whether to have them so comprehensive that they are almost like transcripts of hearings on the one hand, or so relatively streamlined they refer only to the major decisions made.

In addition, Mr. Chairman, to the full Board meetings, which I have briefly described, and which the Board is presently considering to increase to four each year, because of the pressure of increased business for the Board, there are the Executive Committee meetings. These occur every month.

EXECUTIVE COMMITTEE OF BOARD OF REGENTS

The principal day-to-day working committee of the Regents, with which I am in touch, is this Executive Committee. This consists of a stated group of the Regents. It is traditional. It goes back to the founding of the Institution, and these Regents are the ones who execute, as it were, the "action" items suggested and discussed at the full meeting.

Mr. YATES. Does the Institution take action upon the recommendation or decision of the Executive Committee or only upon the action of the Board of Regents?

Mr. RIPLEY. Only upon the action of the Board of Regents, that is, if a policy decision is arrived at in the Executive Committee, it has to be referred back to the full board.

POLICYMAKING BY REGENTS

Mr. MURTHA. That is what I want to know, Mr. Chairman. What is a policy decision that would have to be decided by the Board rather than by yourself?

Mr. RIPLEY. Well, of course, the broad policy decisions are reached during scrutiny of the budgets each year. The Regents obviously consider, scrutinize, and approve the budgets as brought together by the staff, which are then presented to the OMB in the first instance, and finally in Congressional hearings, so those in a sense are a continuing broad policy question for the full Board to consider.

There are reports then that are delivered from bureaus of the Institution through me to the full board, which have to be approved or discussed. This involves a policy often, although not always, because some reports are more pro forma than others, but there may be policy decisions arising from a particular bureau or part of the Institution.

Mr. YATES. You say that the decisions are always approved by the Board of Regents?

Mr. RIPLEY. If it is a policy decision, it is forwarded on by the Executive Committee to the full Board.

Mr. YATES. As I understand what you are saying, the procedures up to the present time are such that some decisions are taken or have been taken without formal approval upon motion made to the Board of Regents.

Mr. RIPLEY. I would say that whether any decision, Mr. Chairman, is considered to be a major one is within the interpretation of the Board. A board meeting, any board meeting, whether it is a corporate board or university board, has to make its own decisions, sometimes rather snap decisions, on what is a broad policy decision that they might make. Virtually every time that there is something which surfaces in the discussions as a broad policy decision, the matter is acted upon by a motion.

Mr. YATES. Was the budget for fiscal year 1979 for Smithsonian approved by the Board of Regents?

Mr. RIPLEY. Yes.

Mr. YATES. It was formally approved?

Mr. RIPLEY. Yes.

NUMBER OF REGENT MEETINGS

Mr. YATES. I don't know whether this is a proper question for you, except as one of opinion, but it is one I think that the Board ought to consider, and that is whether three formal meetings a year are adequate for consideration of the vast operations of the Smithsonian Institution. I recognize you have pointed out that the Executive Committee does meet once a month, and does go over the business of the Institution, but I wonder whether that is adequate in conducting its affairs.

I wish you would convey to the Regents at least my own personal feeling that perhaps there ought to be more frequent meetings of the Regents so that they have, I would think, a greater familiarity with the operations of the Smithsonian.

Mr. RIPLEY. As I mentioned, Mr. Chairman, the Regents have considered and will act I think in May on a proposal that they increase the number of meetings to four.

EXAMPLE OF POLICYMAKING

Mr. MURTHA. Mr. Chairman, could we pursue this just a little farther?

I would still like to know, Mr. Ripley, an example. The Board approval of the budget is one example. Give me another example of what the Smithsonian Regents would approve.

For instance, the African Museum, is that something that they would approve?

Mr. RIPLEY. Oh, very much so, and furthermore, there is an aspect to meetings of the Board of Regents, like trustee boards, which is possibly not really brought out in the simple scrutiny of minutes. That is, the fact that we received a letter from the director of the African Museum to the Institution addressed to the Chancellor of the Board of Regents and another letter from the president of the Board of Trustees of the African Museum addressed to the Chancellor some 4 years ago was noted in the minutes. Then there was discussion in the meeting, which may not be directly reflected in the minutes, about the fact that these letters suggesting the possibility of a connection between the museum and the Institution had been received and sent.

Of course, we replied to the letters in a pro forma way, simply acknowledging their receipt. However, no decision was made by the Board at that time, although obviously this was the presentation of a matter of policy.

Then subsequent discussions during succeeding meetings continued on this point. On our agenda we would have an item saying "Information Items," and I would report to the Board under "Information Items" that there has been a further letter or further discussion. Subsequently the Regents decided as a policy matter to set up a subcommittee to consider whether or not it would be feasible or appropriate for the Institution to consider this acquisition of a whole museum.

This is a very basic policy decision, and members of the Congress were involved. Mrs. Boggs is a member of that subcommittee. Once she had been appointed, she came on to that subcommittee under the chairmanship of Dr. Haskins, one of the citizen members. Senator Moss, who was then a Regent, was particularly concerned, because it happened by coincidence that he was a trustee of the African Museum. He represented, to a considerable extent, some of the Congressional interest in this museum, which is apparently very high, because the museum is situated here on Capitol Hill, is closely accessible for members of Congress and staff, and has developed a very strong rapport and friendship with people who are right here on Capitol Hill.

CONGRESSIONAL REGENTS

Mr. MURTHA. Is there any problem, Mr. Ripley, between a Member of Congress being on the Board of Regents because of the fact that we provide so much of the funds that go to the Smithsonian?

Mr. RIPLEY. No, sir. We have recently prepared a legal opinion on that matter after an extensive consultation with outside counsel, in-

cluding Dean Griswold, former Solicitor General, on the propriety of a Member of Congress sitting on this Board. This matter had been raised in connection with the Buckley decision. There was quite an emphatic decision approved by Griswold which has been sent to Mr. Burton of the Government Operations Committee on that.

POLICY ON PURCHASE AND DISPOSAL OF WORKS OF ART

Another type of policy decision that might come up, Mr. Murtha, and which has been extensively debated in continuing meetings of the Board, is the question of works of art, for example, the purchase of works of art. Should there be some threshold of the amount of money that is involved in the purchase of a work of art and how to get that sum of money which then should be considered by the full Board, acting as a kind of acquisitions committee?

There are some bureaus of the Institution which have their own acquisition committee. The Hirshhorn Museum has its own trustees and they would forward in their report to the Regents information about what they might have done. But other bureaus might not have such commissions, or a particular opportunity might arise in which I would be presented with a request to acquire a work of art such as the Gilbert Stuart George Washington portrait which is of national importance and compelling interest.

In this matter, guidelines are established. The Regents meet and discuss a reserve figure under which I could operate as authorized by them, and a figure at which I could not.

The same question comes up in general discussions among museums in this country in which we participate and has been presented to the Regents about disposal of works of art, what qualifications, what series of guidelines should be maintained by the bureau personnel, by my staff and by the Regents to ensure that all appropriate steps have been taken in the consideration of disposal of a work of art.

These are the kinds of policy things which are really very pressing and in which the Regents are absolutely essential. Without their guidance and without the thrashing out of these decisions through their Board meetings, the Institution would be unable to operate effectively.

ATTENDANCE AT REGENTS MEETINGS

Mr. EVANS. Would the gentleman yield for a question?

What kind of attendance do you have when the Regents meet? Do you have 100 percent attendance?

Mr. RIPLEY. We have a quorum requirement which is met. As I recall, a quorum is 8 now. Under extreme stress, for example, if the House is meeting late and the meeting is in the afternoon, House Members may send in proxies, but that is rare. Normally we expect a very full attendance.

Mr. EVANS. What is the average attendance? Could you supply that for the record?

Mr. RIPLEY. Yes. I would say even without much hesitation right now, that the average attendance is about 11 Regents.

Mr. YATES. The operation of the Smithsonian is made a little more difficult by the fact that the members of the Board of Regents are men of affairs, outstanding citizens and very busy Members of Con-

gress. It is difficult for them to make up a quorum. I know I was a member of the Board of Regents for a short period and found it almost impossible to reconcile my duties in the House with meetings of the Board of Regents. That was one of the reasons I resigned, among others.

They have distinguished people: Judge Higginbotham, a Federal District Judge; a member of the Board holds court in Philadelphia; Mr. Gell-Mann, a very distinguished scientist, lives in Los Angeles. Others are scattered in various places. Perhaps that is one of the reasons that they only hold the meetings three times a year.

I think that is unfortunate, but I think that there has to be, in my own judgment, there ought to be a new attitude in that if members of the Regents cannot attend the functions of the Board more frequently, then I think there ought to be new Regents. I think the affairs of the Institution are so important that the members of the Board of Regents ought to be able to attend meetings as frequently as the meetings are called.

SCHEDULING OF MEETINGS

Mr. EVANS. Are these three meetings of which you speak set at the beginning of the year so the Regents know when the meetings will be held?

Mr. RIPLEY. They are roughly set because traditionally they meet in January, May and September. Now if we are going to have a fourth session, the meetings will have to be quarterly. Then the specific date for a meeting is discussed extensively, for the very reasons that the chairman recites, at the preceding meetings.

For example, in January we discussed the dates for the May meeting. There is always a question of the Supreme Court, will that be in session or not, and to what extent are they writing opinions that week. Then the Congress, are they in recess or are they not in recess, should we have the meeting early in the morning with a dinner, let's say, the night before to get the people together or should we have a meeting in the later afternoon, hoping there will not be additional roll calls.

This is a continuing debate and dilemma, but I can only congratulate the Regents for being faithful. I really think they take this task, onerous as it may be, with these meetings and the agenda papers and the in-between papers they are constantly receiving, very seriously.

Mr. YATES. Perhaps that is part of the difficulty.

DISTRIBUTION OF INFORMATION TO REGENTS

Mr. Murtha asked you about questions of policy, how are they passed on? That, of course, was one of the points that was brought out prominently in the report of the investigative committee.

The Smithsonian, in response to that point, had answered that it made the members of the Board of Regents aware of the activities of the Smithsonian by newsletters, by phone conversation, by memoranda, by other kinds of communication. To my mind I don't think that is adequate.

I read from the rebuttal, the reply of the investigative staff dated February 21st to the Smithsonian reply:

The Smithsonian response states the Regents were "adequately" informed of and agreed to proposed actions. The Investigative Staff strongly disagrees. Ad-

vising the Board of Regents of new program initiations after the fact in a newsletter, or mentioning the receipt of a \$6 million gift requiring specific commitments on the part of the Smithsonian in oceanographic research when the Regents in previous years tabled several times a Smithsonian commitment to oceanographic research, and allowing four months and a full Board of Regents meeting to pass before informing them, do not, in the opinion of the Investigative Staff, seek the previous consent of or provide full knowledge to the Board. Nor does the magazine's subsequent financial success alter the fact it was initiated with a capital deficit, contrary to the Secretary's statement to the Board of Regents.

The Investigative Staff believes the Regents should be completely informed, not just "adequately" informed, as defined by the Smithsonian in its response.

A very major point is being discussed now. That is, the question of Regent overview. They do have an overview now, but it should be a much greater participation, in my judgment, than an overview. I think that somewhere along the line perhaps a legislative committee may want to contemplate as it did in 1970 when legislation was passed providing for an additional three civilian Regents for the Smithsonian Institution in trying to make up for this apparent deficit in Regents meetings.

I don't know that that is adequate. I think the Regents have to consider that for themselves and perhaps a legislative committee ought to look at that.

Mr. Whitten?

ACCOUNTING FOR VARIOUS FUNDS

Mr. WHITTEN. I have listened with interest and I have read most of the report. I also remember the occasion and the circumstances under which it was requested. May I say again I believe the Appropriations Committee type of investigation could be termed an inspection. It doesn't necessarily mean there have been violations of the law or that we are out to seek violations of the law, but if they show up, they certainly should be reported.

Under the Appropriation investigation system which Mr. Cannon had me to help with several years ago, it could be termed an inspection or a listing of information. The investigation term itself is misleading. I don't think it ever hurts to have the type of investigation that we have by the Appropriations Committee. I think it is helpful to have.

Now the problem before us, if I may put in my two cents worth, is how to keep straight before the Congress the activities of a very fine institution that gets its funds from a variety of sources. You couldn't get by with this now, but several years ago we had a department of government that refused to submit to an audit. I didn't argue with them. I just adjourned the committee. I told them they could not make us appropriate either. So we got together and worked it out.

As long as this Smithsonian requests \$109 million from Congress, we have a right to know how the money is being used and whether we are paying the administrative costs for a whole lot of play-around money, so to speak, that is free of control and so forth.

I am not going to ask about how many times a particular Regent was there because I am afraid the answer might embarrass me or my friends. We know what a great honor it is to be on the Board of Regents. Most men would accept it because of the honor, even though they knew they could not keep up, but would have to take what the director says which is the nature of thing.

REPORTING SYSTEM

Now I am coming to the proposal. Since we happen to be the arm of the Congress for appropriating monies from the Federal Treasury on an annual basis, we should be provided with information after the fact as to how they handled all the other programs. Now that keeps us from getting into the way of the Board of Regents and their authority. It gets us to where maybe the law should be changed, but if so, somebody else will have to change it because this committee can't.

So if we could work out a system whereby we receive a full report on what the Smithsonian was going to do with the money they requested and what they had done with the money they had, we would have full information before us to determine how much we should recommend to the Congress in the way of an appropriation to supplement or to cooperate or to coordinate or to add to the other money that you have to get the maximum benefits.

We might differ with what you have done, but what you have done, as long as the Board of Regents agrees, all we can do is say we would do it some other way.

But I don't think there is anything that would keep Mr. Ripley from telling us what the Smithsonian had done in other activities all as part of our interest in his operation and so we in turn could determine what appropriation we should recommend for the coming year.

Now maybe I have not made it as plain as I would like to, but one reporting system is kind of after the fact since the decision is made by the secretary and the Board of Regents. The other is before the fact because what they tell us they are going to do may influence what we are going to provide in the way of money.

But we are interested not just in what they are going to do here because this whole report indicates that shifting off, as I see it, to the government or the administrative branch so they could leave the government to do as they please. I am oversimplifying it.

Mr. YATES. You are right. The Hughes report on page 2, in recommendation 2, says this: "The Regents and Secretary should adopt the policy of discussing with the appropriations committees any proposed use of trust funds which may involve the future expenditure of Federal funds."

I go beyond that.

Mr. WHITTEN. If I were in Mr. Ripley's position, I would want to do that. I don't know that we have a right to demand that they tell us what they are going to do unless they are going to charge some of the administrative costs up to the government; then we have a right to.

Mr. YATES. Jamie, it goes further than that. The point I am making I think is recognized by the Smithsonian, that you have got an overall budget, as you point out, consisting of many funds. You have the Federal appropriation. You have the restricted funds. You have unrestricted funds and you have contracts that Smithsonian receives funds for as a result of the excellence of its activities and its people. Mr. Hughes' report indicates that the Federal surveillance should be over the Federal budget and over actions by Smithsonian which may bear on Federal expenditures.

The point is that the expenditures of the so-called private funds, the so-called trust funds, do bear upon the Federal budget because if there were not adequate appropriations made available, they would have to make up the deficit for whatever important work they had by taking it out of their private funds.

As a matter of fact, in their reply to the investigation by the Appropriations Investigative Staff on page V they say this:

Another concern which is the perception which seems to exist—based in part on conclusion of the staff investigators and in part on past practices of the Institution—that there is a vast, irreconcilable difference between appropriated and nonappropriated funds.

Now the point I am making is that there should not be and the Smithsonian makes the same point. They say they should never be spent for the same purpose.

This conclusion in our opinion overlooks an essential fact: That all Smithsonian funds, while accounted for separately and never comingled, are dedicated to a single purpose—the fulfillment of the Smithson Trust as accepted by the Congress in 1836.

CREATION OF ENDOWMENT

All of this raises a question as to certain activities in those funds. One of the financial engagements by the Institution is in the creation of a \$50 million endowment fund. I think it was approved by the Board in January 1977, if my memory serves me correctly.

How can we accept or should we accept—we have the question in the Appropriations Committee and in the Congress of deciding whether we would accept that kind of a practice. Why would we favor the creation of a \$50 million endowment fund out of the funds of the Smithsonian, separately and apart from Federal appropriations, when the possibility exists that the taxpayers of the country could be saved \$50 million if that endowment fund were not created.

Is that a correct interpretation, that the taxpayers could be saved that amount if the endowment were not created? Is that right?

Mr. RIPLEY. I would say no, sir.

Mr. YATES. Tell me why.

Mr. RIPLEY. The purpose of creating an endowment fund is to create endowment income. The endowment income will never approximate \$50 million in any one year. If you assume that we should simply spend on a continuing basis any net that we have without any possibility of setting aside an accretion to the fund which we already have in restricted and unrestricted accounts, then I would assume that you are not preparing for a rainy day. Any kind of prudent budget management of any sort of corporate entity, whether it is a university, or an institution chartered like the Smithsonian to maintain and develop funds, must have some prudent anticipation of savings to use for the same purposes for which the Institution is chartered.

This principle was stated in 1926 when my predecessor at the time made an appeal which was accepted by the Regents to develop a society of friends or associates, feeling that even in 1926 there was no guarantee that inflation would not sometime catch up with the Institution in a way that you now see it right across this land and that we must have

accretion to our private or trust fund. Unfortunately he got pneumonia and died and the impetus was never really fulfilled.

But it was with that intent that the Regents approved the concept of developing the associates who would through contributions, through memberships and in every way express the public's interest in the Institution to be keen to express this by giving bequests and other forms of gifts which could be added to the endowments.

Mr. YATES. You say in VI of your statement:

At the same time, the establishment of a \$50 million endowment goal, at the direction of Regents, is a prudent undertaking to ensure that the Smithsonian will always have sufficient trust fund income to meet its research and educational commitments. Through the endowment, the Institution seeks to assure the Congress and the public that it will, given the fluctuations of business and the economy, be able to maintain funding for programs which have been supported, in whole or part, with trust funds.

That is the rationale. Then further on the page you say:

For the future we see a broad range of programs which can be undertaken with trust funds for the public good. The Smithsonian has long been called the 'magnet on the Mall,' drawing people from across the nation to its museums and programs. We are at a new threshold where the technology and the funds are becoming available to take the Smithsonian to large numbers of citizens through television, books, films and other communication media.

In addition, these funds will assist us in our continuing efforts to strengthen the research and scholarship which are the backbone of the Smithsonian and to acquire major new items for the National Collections. In this way the Institution can obtain maximum public advantage from application of its unrestricted funds in creative and imaginative programs.

I have written in the margin, they are drafting a \$50 million endowment goal. Why shouldn't they be able to buy a TV station, for example, for the advancement of knowledge among mankind? Why shouldn't they be able to buy a publishing company, hire authors to write books for them? Why shouldn't they be able to buy radio stations? Do you want to reply to that?

Mr. RIPLEY. I think you are overlooking the Board of Regents when you speculate in this form, Mr. Chairman.

Mr. YATES. Why am I overlooking the Board of Regents? I am not speculating.

Mr. RIPLEY. These would be policy thoughts about buying a TV station.

MAGAZINE

Mr. YATES. But you put out a magazine?

Mr. RIPLEY. The Magazine is the umbilicus for the associates.

Mr. YATES. I don't know what that means.

Mr. RIPLEY. It is the tube that goes out with information in it which gets to an associate who lives more than 50 miles away from Washington, D.C. It is the outreach aspect of the Smithsonian.

Mr. YATES. Does the Magazine go only to associates?

Mr. RIPLEY. Yes.

Mr. YATES. In order to get the Magazine you have to join the associates?

Mr. RIPLEY. You must be an associate. One of the benefits of being an associate is that you receive the Magazine. The purpose of the Magazine is to inform the associates about what the Smithsonian is

doing, what the Smithsonian is interested in, what opportunities there are for that associate should he either visit Washington or should a touring group come to his own city, Seattle or Tucson or wherever, and inform him in as much detail as possible about the activities of the associates.

REPORTING TO CONGRESS

Mr. WHITTEN. Mr. Chairman, what I am trying to get to here, and I repeat, I think that we should have annually a report on all other funds in detail. There should be no commingling of funds from outside sources and those of the government, no transfer of personnel from one to the other. I think the Congress should be advised about all the things that you are talking about.

But as long as they have authority and sources of money, I don't know that we have the power or right to usurp the authorities of the Board of Regents or the authority given in law. Except where they are asking us for administrative funds, we should have the right to say if you are going to do all that, charge up your administrative funds to that, too; just don't ask us for them.

So we can't handle our part of it without the information. I am coming back to the fact that I think the chairman is really worried about what would be good. I don't know that we are entitled to a reply, but I think that on either side of the table it should be submitted. When you are asking us for over \$100 million, I think you ought to lead with the best foot you have which is to show us how well you are handling all the rest of it. We can in turn say you charge 10 percent of this to administrative expenses.

Apparently it has been drifting the other way. They put all the costs over here so the money will be free over there, including the \$50 million. Now we need to straighten this matter out in some way that we can look after the part we ought to, but at the same time not replace the Board of Regents.

Mr. YATES. We don't propose to replace the Board of Regents.

Mr. WHITTEN. I am just trying to express myself.

Now I think you should keep the Congress fully advised as to what you do with every account or every fund. Whether you do it in advance depends on what the law provides.

Mr. RIPLEY. May I point out in our budget submission this year we have a whole section called "Source and Application of Funds." This is for the complete budget of all operating funds from all sources. This may be read in detail. It is a comprehensive presentation, exactly as Mr. Whitten has specified that the Congress should expect to have, and we have it here.

I urge you gentlemen to notice it because I think you will find that it is very specific in these details. May I interject something at this point, Mr. Chairman?

Mr. YATES. Sure you may.

REBUTTAL TO HOUSE REPLY

Mr. RIPLEY. A little bit earlier you asked me if I had any rebuttal to the rebuttal document of February 21, which we saw yesterday afternoon for the first time? I said specifically no. I had thought that by saying no, that I might be able to emphasize, as I did in my open-

ing statement, our enthusiasm and interest at having reports made by the investigative staff.

However, I did not assume that you would want me to rebut them specifically. So long as you have read into the record two statements that appear in that report, may I respectfully say that we would be happy to submit for the record rebuttal statements of fact in regard to these allegations.

Mr. YATES. Well, the whole rebuttal is in the record. I was reading from it.

Mr. RIPLEY. Earlier than that, Mr. Chairman.

Mr. YATES. The reason there were time constraints is that the investigative staff did not receive the Smithsonian reply until last Thursday. They received a copy of it and they filed their reply yesterday at which time we made it immediately available to the Smithsonian.

Mr. RIPLEY. I felt it was useless to get into any nitty-gritty details of this sort. Of far more interest to me was the principle that the Institution welcomes these studies and is prepared to refer them to the Regents and do the best we can to make sure that our procedures are correct.

However, if these allegations are included in the record, we would respectfully request that we be allowed to reply to them for the record.

Mr. YATES. You certainly may have that privilege. I was rather surprised when you said you did not want to comment.

Mr. RIPLEY. Well, because it seems to me that the far more important thing was to maintain forward motion. We are pleased to have these reports. We are working to make sure that we are doing everything right. To assume that suddenly we are going to start wrangling about whether or not we told the Regents 4 years ago about the coming of a gift and how many times we told them about it seemed to me to be a waste of the committee's time.

[The response follows:]

SMITHSONIAN COMMENTS ON THE SURVEYS AND INVESTIGATIONS STAFF REPORT OF FEBRUARY 21, 1978 TO THE INSTITUTION'S RESPONSE TO THE HOUSE INVESTIGATIVE REPORT

On pages 2 and 3 of its February 21, 1978, Memorandum for the Chairman, the Surveys and Investigations Staff takes exception to what it calls an "incomplete and misleading quote" by the Smithsonian Institution from the original report. The quotation concerning "an evaluation of ongoing and planned programs" was taken in its entirety from page i of the Surveys and Investigations Staff Report, the only source the Institution has of the assignment given to the Investigative Staff. With regard to the quote on page 1 of the Report, "an evaluation of ongoing activities that have potential for increased Federal funding", many Institution activities have such potential to be determined through the planning process.

Concerning the claimed accuracy of the evaluation in Chapter XVII of the Report, a comparison of the ten activities or subactivities listed (excluding the Museum of African Art which is not a part of the Institution) with the FY 1979 budget shows that no additional program funds are being sought for seven activities, one activity shows a decrease, and two activities show small increases. In all cases, these activities are requesting additional funds for the uncontrollable expenses of higher pay costs required by legislation. These funds do not contribute to program enhancement; they are needed to offset the deleterious effects of inflation.

Two Regents matters are referred to on page 3 of the February 21 memorandum. The reference to the tabling of a Smithsonian commitment to oceanography relates to a Board of Regents decision made in May 1963 to defer seeking legislation that would have authorized the Institution to: (1) serve as an informa-

tion center for and to participate in major U.S. expeditions; (2) make contracts and grants for scientific research in the field of marine natural history; (3) award scholarships and graduate fellowships in this field; (4) direct other government agencies to cooperate with it on programs sponsored by it under this legislation; (5) designate the Institution as the principal depository for collections of scientific specimens in the field of marine natural history; and (6) authorize such appropriations as are necessary to carry out the purposes of this proposed legislation.

At the Regents meeting of January 23, 1964, Secretary Leonard Carmichael reported that the Regents had twice deferred action on any expanded program of research in oceanography and "indicated it would be appropriate to take no action at this time" on the proposed legislation to strengthen Smithsonian authority in this field. It should be noted that the program of oceanography referred to above had no relationship to the program which was subsequently begun in late 1969. At no time did the Regents decide that the Institution should discontinue its well-established and long-term commitment to marine biology. As pointed out in the Smithsonian's response the initial action was to inform the Regents of the receipt of a major gift but at that time there were no specific Smithsonian activities or program commitments at Fort Pierce to report.

On the matter of the Smithsonian Magazine, as noted in the Institution's reply to the Report, the Board of Regents was fully informed of the start-up costs of the Smithsonian Magazine, the less than expected contributions, and the favorable test mailing results prior to its approval of going forward with this project. The implication in the memorandum that the Secretary misrepresented the situation to the Board of Regents is not supported by the facts.

With regard to the statements on page 4 of the February 21 memorandum, the reasons for the delay in submitting the fund listing, the now discontinued use of the Smithsonian Research Foundation, and the Institution's demonstrated willingness to cooperate fully with the General Accounting Office in any future audits were outlined clearly in the Institution's response.

On page 5, paragraph 1, of the recent memorandum, the Investigative Staff misquotes the Institution's position as noted on page v of the response. There the Smithsonian stated: "If the Office of Management and Budget or the Congress decides not to fund such activities, the Smithsonian should maintain the ability to stop or reduce such activities or operate them only with trust funds." There was no mention of increasing such activities although such action presumably would be possible if appropriate notifications were given.

The February 21 memorandum closes with an unsubstantiated conclusion that the Institution's policy statements "portend increased Federal appropriation requests for support of all Smithsonian programs while trust fund expenditures are used to further build an endowment." This conclusion ignores the commitment of the Board of Regents, which was noted in the Institution's response, to make funds available for important unmet needs of the Institution, as well as for development of the endowment. Such areas as major acquisitions for the collections, scholarly opportunities, and the extension of popular education activities will be supported. These allocations will therefore ease the requirements for Federal appropriations for these needs. Also as stated in the Smithsonian's response neither the OMB nor the Congress is obligated to approve Federal funding. It is the responsibility of the Institution to present its total budgetary plans to the OMB and the Congress in such a way that the proposed uses of the funds be clearly understood.

Mr. YATES. Mr. Murtha?

Mr. MURTHA. Let me see if I understand the approval by the Board of Regents, Mr. Ripley.

The Board of Regents approves the policy. It approves the distribution of expenses as you have laid them out before the committee which you say is in this. That is available to us as it is to other Members of Congress. In other words, the way you have spent the money is available to us whether it be private funds or in any of these different funds; correct?

Mr. RIPLEY. It comes in extensive detail in our annual reports, of course. Then we are trying to refine and improve our budget presentations, as I mentioned earlier in this testimony. At Regents' instruction

I have issued directives to the staff to make sure we refine these so we are giving you all possible sources of funds, their application, budget reports and what has happened to them.

EXECUTIVE COMMITTEE OF BOARD OF REGENTS

Mr. MURTHA. Let me ask to refine further the position of the Regency Board. What does the Executive Committee of the Regency Board do? It meets more often. What impact does it have? Is it actually the Board?

Mr. RIPLEY. No, sir. The Executive Committee is an executive committee, like any executive committee, that is charged by the Board with carrying out day-to-day communications, as it were, with the chief operating officer just as in a corporation. You would have an executive committee that had meetings in between the regular stated meetings of the full board charged with getting into a great deal more detail of the enactment of the policies as set by the board.

Mr. MURTHA. How often does it meet?

Mr. RIPLEY. Once a month. We have items of information which are drawn up in a folder like this about specific topics, action items, information items, requests for further elucidation of policy. The Regents may be polled in between meetings, for example, to determine whether or not they have changed their mind or wish to change their mind about an action or whether, for example, there is a new item which requires their information: Should we hold an extraordinary meeting as we did recently or should we merely give them information by letters?

Mr. MURTHA. It is not accurate to assume, then, that the Regency Board is a rubber stamp for the Executive Committee?

Mr. RIPLEY. No, sir, it certainly is not.

DISPOSITION OF REAL ESTATE

Mr. YATES. Let's go to another troublesome matter. That is the question of disposal of assets. Our Investigative Staff report indicates, for example, that the phrase, "a liquid asset" was used to describe the ownership of the Chesapeake property. What do you mean by that when you say it is a liquid asset?

Mr. RIPLEY. Mr. Jameson, would you like to answer that for me?

Mr. JAMESON. I believe the Secretary made this reference at the time he was interviewed by the Surveys and Investigations Staff. When the Chesapeake Bay Center property was accepted by the Board of Regents and later dedicated to research purposes, it came to the Institution with its nucleus, about 350 acres as I recall and an unrestricted endowment. Indeed, the land could have been disposed of if the Regents had so chosen. The income from such a sale of the land would have been added to the principal in the unrestricted endowment.

Our procedure thereafter with the Regents' approval was to continue the phased program of acquiring additional land at the Chesapeake Bay Center primarily with contributions from private foundations. We have no intention of disposing of the Bay Center. We have made strong commitments, not only to the people who have provided monies to the Institution for the accretion of land, but also to the land holders in that particular area that the site will be preserved and pro-

tected, certainly for the foreseeable future, for environmental studies. Mr. Ripley's reference to "a liquid asset" was more in a technical than a practical sense.

Mr. YATES. Mr. Jameson, could you dispose of that without approval of Congress?

Mr. JAMESON. I don't think we could do so, sir.

Mr. RIPLEY. I doubt if the Regents would approve of that. This is a commitment by the Regents.

Mr. YATES. Didn't you sell two cottages?

Mr. RIPLEY. Two cottages peripheral to the main tract.

Mr. YATES. What permission did you receive for that?

Mr. RIPLEY. The Regents approved of that. That would come under a threshold which hardly required Congressional approval. Unless the committee prefers to have a new threshold established in which every action—

Mr. YATES. I am trying to find out where the threshold is.

Mr. RIPLEY. This was a very small, minor transaction.

Mr. YATES. I would like to know where the line is to be drawn. I think GAO did provide in one of its rulings in the past that with respect to restricted funds there need be no Congressional approval. Is my memory right?

Mr. POWERS. I think so, but I am not sure what you are referring to.

Mr. YATES. Well, I am referring to your ability to sell the Chesapeake property, for example, on the assumption that there were no appropriated funds applicable to it.

Do you remember the GAO ruling on that?

Mr. RIPLEY. This doesn't ring any bell with me, Mr. Chairman, that we have had such a ruling.

Mr. POWERS. This was discussed in the Senate committee last year, but without any ruling. You will recall, Mr. Chairman, that one of the devices used to secure the entire watershed for the research at the Chesapeake Bay was the use of mortgages. As a legal matter, you have to have title and you have to be able to give good title to the bank to set up a trust to pay the mortgage. These mortgages are almost entirely paid off. But it was the only way in anticipation of grants and other resources to secure the entire watershed.

So I think the answer to your question is, as a legal matter, the Board of Regents has, as it had when it first acquired the first gift of the property called Java Farm, the legal right to sell. But the question cannot simply be considered that way. In the first place, there is something close to \$1½ million that have been provided by foundations on the assurance that this land would be acquired for research. That cannot be disregarded.

Mr. YATES. But suppose the lands were sold and the money used for another research project?

Mr. POWERS. That is possible.

Mr. YATES. That would be legal?

Mr. POWERS. I believe so, yes.

Mr. YATES. Then do we still have at this point, Mr. Powers, a double financing at the Smithsonian, a financing of private funding apart from Federal funding as well as Federal funding?

Mr. POWERS. In this project?

Mr. YATES. As an example.

Mr. POWERS. Yes, absolutely.

Mr. YATES. In other words, you hold that within the jurisdiction of the Smithsonian Regents only without having congressional approval required at all?

Mr. POWERS. Perhaps not required as a matter of law, but every year the Chesapeake Bay program, its extent and funding, is entirely before the committee.

Mr. YATES. I am not asking you that. I am not talking about policy. I am talking about a sale.

Mr. RIPLEY. But that is a policy matter. Because it is a policy matter and it is a matter of magnitude, it automatically goes over a threshold which requires that the Regents not only consider this very seriously themselves, but would in due course report the suggested action.

Recently, you will recall, a bequest came in, that is, a piece of real estate deeded many years ago to the Smithsonian in Washington, D.C. The will giving this bequest, stated that when certain conditions had been met, that is, when a remaining heir had died, the Institution was free to dispose of this property so as to create an endowment for scientific publications.

The Regents took action on this and will be reporting the action subsequently to the committee. But this was clearly in terms of a bequest which had been accepted in the early 1960's.

VALUE OF CBCES

Mr. YATES. What is the value of the Chesapeake property?

Mr. RIPLEY. There is no set value on it now. I don't know what the appraised value would be.

Mr. YATES. What do you list it on the books as?

Mr. WHEELER. I think it is around \$2 million, Mr. Chairman.

Mr. YATES. Well, in the absence of Federal appropriations, you could sell that and use the funds for some other purpose associated with research.

Mr. RIPLEY. The Regents would have to make a determination on this. They would have to determine whether or not this was a threshold case that required serious consideration as a broad policy matter. The Smithsonian is not in the habit of disposing of property. This land was accepted as a bequest, as Mr. Jameson explained. Only part of it had the implication that it would be sold. In fact, the Regents first voted to sell the land to add to the endowment of cash which had also come in from the estate. They subsequently rescinded that decision on advice that the property represented an interesting area for further work in connection with ecology. Then, once that had happened, other pieces of land began to be covenanted, left in wills, given to the Institution to create in effect a preserve which would never be disposed of under any rational circumstance unless an atomic bomb fell in Maryland or something of that sort. I mean, it is just beyond the realm of possibility.

Mr. MURTHA. On that same line, Mr. Secretary, the chairman mentioned something about a \$6 million program in oceanography which had gone forward without the approval of the Board and the Board had actually turned it down. I was trying in my previous question

to determine at what point are these decisions absolutely necessary before you as the Secretary or the administration can act without approval.

Mr. RIPLEY. Mr. Murtha, I was referring to that in my earlier respectful request to the chairman that we be allowed to submit a response. This is an allegation and I would say it is incorrect. It is not fair to us at this point as this paper came in yesterday. I had hoped that we need not discuss it because I felt these were allegations. But so long as they are discussed, I feel we should have the option fairly and democratically to be able to submit something for the record.

Mr. MURTHA. But as a policy, you are stating that that does not happen, the Board approves these things before you as the Secretary go forward or the administration goes forward?

Mr. RIPLEY. Not only that, Mr. Murtha, but the Board considers information items normally for a period of meetings well before any decision is made. Our history shows that anything of this magnitude is communicated to the Board. They receive letters and information about it and they have ample time, possibly a year or more, to consider anything of that magnitude.

FY 1979 R&R REQUEST FOR CBCES

Mr. YATES. I read from page 27 of the Smithsonian Institution's response about CBCES:

The Institution recognizes the extent to which CBCES, although originally established with nonfederal funds, has come to be heavily dependent on appropriated funds for operating program support. In view of this program support, and notwithstanding the use of Federal monies for construction of the Educational Building and Laboratory extension, the Smithsonian is requesting \$150,000 of Restoration and Renovation funds in the fiscal '79 budget submission to Congress for the construction and equipping of a maintenance building at the CBCES. If the funds for this building are appropriated, the Smithsonian will take the necessary steps as already noted in the Hughes report to insure that in the extremely unlikely event that the property is someday sold, with prior Congressional approval, the appropriate credit to the U.S. Treasury will be made from the proceeds to reflect this funding. Congress will in any case be kept fully informed of CBCES activities.

What would the appropriate credit be?

Mr. RIPLEY. That would be determined by law, I assume, Mr. Chairman. In any case, that is a purely hypothetical possibility. Last year we were encouraged at the hearings to submit requests to the committee for funds for carrying on these kinds of activities. Consequently, we do submit with the permission of OMB this year this request for this funding, with full disclosure, and full pre-knowledge and fore-knowledge of the committee of exactly what it is for and exactly why we wish to make this submission.

Mr. YATES. I am not sure I received an answer to my question about that being a liquid asset. What did that phrase mean?

Mr. RIPLEY. That is a kind of slogan. That is, within the terms of the legal possibilities, it is conceivable that that is an expendable item, one that could be sold. I think we have explained extensively

why we feel that this is merely a slogan, not really a fact. The chance of any such action is remote to say the least.

Mr. YATES. Mr. McDade?

HILLWOOD BEQUEST

Mr. McDADE. Mr. Ripley, you said the Smithsonian is loathe to give up properties that it has acquired and I can understand why with some of them. But if we take the process back a few years, you did give a property back that was left to you by Mrs. Post, the Hillwood property, which was endowed apparently at the time with what people associated with the project believed a sufficient amount to endow that property with ongoing maintenance money so that the property would never come to the appropriations process. You would never be up here asking, as I understand it, for maintenance money, for appropriated funds for operations money. Is that correct?

Mr. RIPLEY. Yes. That was a decision of the Regents.

Mr. McDADE. Take that back, will you, because we are talking about the Chesapeake Bay Center which you have acquired. There are Federal funds requested. You had an acquisition with private funds and then a comingling. Apparently there was such a major amount of appropriated funds that you would need for Hillwood that you decided to return it to the estate of Mrs. Post.

Enlighten us, if you can, about how you did that, what the policy was, why you decided to turn it back. What made the decision? Is there a formal record of the Regents deciding that?

Mr. RIPLEY. Yes, there is a formal record. There were extensive discussions by the Regents for three years or more, and there were informational instructions in which I apprised them that the estate could not change the endowment and it appears to us unlikely that any endowment would be able to support this.

These are two entirely different subjects. The one is an amalgam of land either left by bequest or gained by covenant, deed or gift, or purchased in order to round out the holdings, for which an ongoing budget of appropriated funds comes to us each year for operations, distinct up to this time from requests for any maintenance or physical support.

Mr. McDADE. But you come to the committee and make requests?

Mr. RIPLEY. Because we were advised to have this for consideration by the committees last year.

Mr. McDADE. Now you go back and tell us what it was that made the Smithsonian in its wisdom decide not to do the same thing in the Hillwood situation.

Mr. RIPLEY. The Hillwood situation was a collection of decorative art objects assembled by Mrs. Post. It had been suggested as an acquisition to the Regents prior to my coming to Washington by the then chairman of the Executive Committee who, through his extensive contacts in the city, knew Mrs. Post and knew of her desire to leave the house and collection together for visitation as a kind of museum, somewhat like the Gardner Museum in Boston. There was to be essentially no research. This kind of a function would have very little public appeal. We estimated that the public visitation would be very small, that it was a kind of precious house museum. I use the word "precious" in an advised sense as something rather special which would not then

have the kind of appeal that our museums on the Mall and beyond have for the public as a whole and in which we can exert the kind of influence that we like to hope we can bring to bear for public education, public display and public knowledge, to increase and diffuse knowledge.

This little specialty museum had far less appeal to the Regents, I may say, from a broad policy point of view as a kind of museum which was entirely consonant with the public mandate of the Smithsonian. Far better that it could be run by some small private group of trustees under a foundation as it is.

Mr. McDADE. Did you face the question of whether or not you would have to come up for appropriated funds to maintain it?

Mr. RIPLEY. We did. We decided on those bases that the decision would not have merit.

Mr. McDADE. Because of limited access to the public, the special nature of the property and the fact that you would have to, in excess of the endowment that she left, come up for appropriated dollars that would be co-mingled on the property?

Mr. RIPLEY. Exactly.

Mr. McDADE. What was the extent, do you recall, of the high dollar figure of operating and maintaining that museum?

Mr. RIPLEY. Virtually twice as much as the income from the endowment.

Mr. McDADE. Can you put a dollar figure on it?

Mr. RIPLEY. In today's dollars it would be over \$1 million a year.

Mr. McDADE. So you had to face the question of whether or not to come up to the committee for \$1 million to operate that?

Mr. RIPLEY. The Regents decided. They discussed this extensively.

ACCEPTANCE OF GIFTS

Mr. McDADE. When I say "you", I mean the Institution, you and your associates and Regents. You had to face the decision about whether or not to come up for \$3 million. Do you have a policy about where you draw the line if you take a property by bequest or gift or if you acquire a property, where you attempt to draw the line about how much is a reasonable amount of appropriated dollars to ask for after you take it?

Mr. RIPLEY. The simplest answer may sound equivocal to you, but we have so relatively few of these cases that I would judge that the Regents would act on each one on its merits.

Mr. McDADE. The answer is that you don't have a broad policy. You take it case by case?

Mr. RIPLEY. There is a broad policy that we maintain the National Collections and therefore we accept gifts, but we look the gift horse right in the mouth as any sensible board of trustees would. You have a lot of mouths and a lot of teeth in those mouths and a lot of incipient obligations.

For example, the African Museum, we would not accept the African Museum unless it was the will of the Congress that we accept it. In fact, that is what the subcommittee's report suggested. Let the Congress decide whether the Smithsonian should accept the African Museum.

Mr. McDADE. You make a distinction. Why do you single out the African Museum?

Mr. RIPLEY. That is a current issue. I am saying we looked each proposed gift horse in the mouth and the budget associated with it.

Mr. McDADE. And in the future, unlike the past, if you are going to take a piece of property from anyone, no matter what the endowment might be, it will now be the policy of the Institution, and I include everybody that we spoke about, to provide prior information to the Congress of its intentions. You made that quite clear.

Mr. RIPLEY. Yes, we have indicated that quite clearly in response to the House report, I think. This is the tidy, proper procedure and we intend to live up to it.

Mr. POWERS. We are offered a lot of property at different times. One of the things that makes a lot of difference is whether there are restrictions. The Hillwood agreement was very narrow. There was very little that could be done in terms of changing needs and in terms of more research, et cetera. It was a very narrow agreement. I think that had some effect on the decision. Other people wish us to take property and keep it exactly as it is in the natural condition for the rest of the time. That doesn't make sense.

In the case of the Chesapeake Bay, we have very broad control over that. That has been very good for the development of the program. So we turn down quite a few things that are not sufficiently open.

Mr. RIPLEY. We have submitted a sample list to the committee in the past of the many gifts we turn down, ranging from the liner "United States," to tracts of land and attempts to develop Smithsonian West, Smithsonian Center, Smithsonian North and these sorts of things. Every one of these is exhaustively discussed by the Regents who tend to feel that this would be an undue obligation for the Institution to take tracts of land in other states and then come possibly, inevitably, to the Congress and ask for appropriated funds to help out to develop a local Smithsonian. That is entirely up to the states and to the other groups.

This is a national institution. We come to you each year with full respect of these obligations.

DISPOSITION OF PROPERTY AND COLLECTIONS

Mr. YATES. Mr. Powers, can I go back to Chesapeake for a moment? Can I see if I understand what you said?

You said that you would not do it, you would not sell the property without the consent of the Regents, but that you could with the consent of the Regents and without going to Congress. I am talking about legal principles, not policy.

Mr. POWERS. The decision to sell it seems to me would come after other decisions which would involve the Congress because you are so deeply involved in the program.

Mr. YATES. Let's go back. You are right, we are deeply involved in the program. But that position is buttressed by the GAO opinion.

Mr. POWERS. I am trying to remember what you are referring to. I think they agree, but I don't recall where they said it.

Mr. YATES. I have it here. GAO, in a letter to me April 22, 1977:

As you know, the Smithsonian has for many years received funds appropriated annually by Congress. When accepting Federal funds, the Smithsonian is required to meet the conditions attached to the funds. Since much of the Smithsonian's budget is Federal money, many of the appropriations restrictions that apply to Federal agencies also apply to the Smithsonian. However, the restrictions apply because of the nature of the funds and not because of the status of the Institution. The private funds available to the Smithsonian are free from these limitations.

Question: Suppose the day comes, and we hope it doesn't come, suppose we do have a rainy day and the Smithsonian is scratching around for money. Could it sell the Hope Diamond for money?

Mr. POWERS. I would have to look at the terms of that gift.

Mr. RIPLEY. Not necessarily, let's say right away, because each gift has specific restrictions. For example, Mr. Hirshhorn's gift of collections of paintings is worth far more than the Hope Diamond.

Mr. YATES. How much is the Hope Diamond worth?

Mr. RIPLEY. "X". I am not about to give anybody an estimate of how much an individual diamond is worth. I think you may have noticed an article in the press about Mrs. Hooker's recent gift to us of an emerald. There was a letter in last Sunday's paper of someone who said it was for sale at one time for \$32,000. That was 1948. It is now considered to be worth something like \$350,000. That is the ball park estimate for that stone.

But in the Hirshhorn gift, it quite clearly states as the Regents accepted it and as they were very pleased to note, that objects of art possessed by the Board of Trustees of the Hirshhorn may be sold, exchanged, given away, traded, upgraded, redated, underscored, proved to be phony or what you will.

Mr. YATES. Is that by the will of the Regents or by the Board of Directors of Hirshhorn?

Mr. RIPLEY. That was in the gift agreement of Mr. Hirshhorn himself quite voluntarily.

Mr. YATES. Who may do that, the Board of Directors of Hirshhorn or the Regents?

Mr. RIPLEY. The Board of Directors and the Regents.

Mr. YATES. The final authority is the Regents.

Mr. RIPLEY. Yes, except that the Hirshhorn Board has acquisition rights. They have never deaccessioned anything. I believe if they did, they would feel it prudent to report up the chain of command to the Regents.

But the gift bequest in this case is quite free and clear which is an ideal gift, of course, for a museum to have. Not that they intend to do any of these things, but if a painting, let's say, turns out later on to be not by the artist to which it was originally attributed, they may wish to dispose of it to some lesser museum.

Mr. YATES. Let's recess and come back at 1:30.

AFTERNOON SESSION

SMITHSONIAN FUND REPORT

Mr. YATES. Let's look at the printout.

Mr. Wheeler, the one I want to ask about is the 1977 printout.

What do the computer listings encompass? Do they encompass all funds?

Mr. WHEELER. No, sir. They encompass all the operating funds. They do not include balance sheet funds except for the unrestricted fund balance. They do not include a couple of computer centers. They do not include the construction funds, Federal construction funds, or the foreign currency.

Mr. YATES. Is there a reason for that?

Mr. WHEELER. This is the way we interpreted the request, as we reviewed what Mr. Whitten's question was last year. It pointed to operating funds which we thought were covered by these particular accounts and not the others.

Mr. YATES. For the funds that are covered, are the listings which have been given to the committee complete?

Mr. WHEELER. Yes, in this sense: That funds that we have in here are summary funds. They do not include detailed breakdowns. For example, on the museum shops, there is one fund showing opening balance, income and so forth, but in our actual operating accounts we maintain detailed funds for each shop, and breakdowns by object class and so forth.

Mr. YATES. How would the committee determine the sources of funds that are in those accounts?

Mr. WHEELER. From this information it is not always possible. The code numbers in here, if you know the code numbers, indicate whether it is a gift, a restricted endowment fund, income from restricted endowment, an allocation, administrative allotment, or a grant and contract. I think the report spells out grants and contracts, but the code numbers would indicate the broad nature of the source.

Mr. YATES. The printout does not indicate the source of the funds or the purpose of the funds, does it?

Mr. WHEELER. It gives the purpose of the fund, yes.

Mr. YATES. Yes, it does state the purpose. I am sorry.

Mr. WHEELER. And states the person responsible.

Mr. YATES. How would you know the source, if you looked at this, Mr. Wheeler? You would have to go to another source, another catalog? Where would you go to find out the source? You would look at the code number and go somewhere?

Mr. WHEELER. I have a list of what the code number's mean. 14 is restricted fund, and so forth. 15 is a gift, 158 is a gift. 165, for example, is a non-Federal grant. 166 is a Federal agency grant, et cetera.

Mr. YATES. Is there a reason why those are not included in this, why the sources are not included?

Mr. WHEELER. Why the sources are not?

Mr. YATES. Yes.

Mr. WHEELER. Well, I guess it wasn't specifically asked for.

Mr. YATES. Wasn't requested?

Mr. WHEELER. That is right. We would be glad to furnish it.

INTERNAL AUDIT PROCEDURES

Mr. YATES. You have an independent auditor's review. Does that review the legality, propriety and correctness of the disbursement and collection of funds?

Mr. WHEELER. I think it reviews the legality. It is not a management type audit. It is a financial audit.

Mr. YATES. How extensive is the audit review? Is it a spot check?

Mr. WHEELER. Practically all CPA audits are spot checks to some degree, but ours is a regular, thorough audit requiring several months to complete.

Mr. YATES. Does it audit the propriety and correctness of the disbursement and collection of funds?

Mr. WHEELER. I think generally speaking that is true, yes.

INTERNAL AUDIT PROCEDURES

Mr. YATES. You would say yes, all right.

Is there an audit of Smithsonian's compliance with each fund's specific restrictions?

Mr. WHEELER. That is at least spot checked.

Mr. YATES. How big a spot check, how comprehensive a spot check?

Mr. WHEELER. Whatever standard auditing practices means, that would be it.

Mr. YATES. Do you have a system of control over cash disbursements relating to the assignment of individuals to the duty of certifying payments, for example?

Mr. WHEELER. Yes. We have a list of those who are authorized to make purchases.

Mr. YATES. And receiving purchases or gifts?

Mr. WHEELER. Yes.

Mr. YATES. And reconciling accounts or receiving cash?

Mr. WHEELER. Yes.

Mr. YATES. What is the nature of those controls?

Mr. WHEELER. We have regular monthly reports on all funds.

FUNDING CONTROL SAFEGUARDS

Mr. YATES. Does that show the control over the action of individuals? How would you know whether an individual did or did not take some of the money? What kind of a control system do you have that would assure that there was no defalcation?

Mr. WHEELER. We do reconcile our bank balances. We review checks, and so forth. We actually make out the checks.

Mr. YATES. There have been no such defalcations in Smithsonian, have there?

Mr. WHEELER. Yes, there have.

Mr. YATES. There have?

Mr. WHEELER. Minor amounts have been involved.

Mr. YATES. How did you find them?

Mr. WHEELER. Somewhat fortunately in one small case which involved a few hundred dollars.

Mr. YATES. But how did you happen to find it?

Mr. WHEELER. The person wasn't at work that day.

Mr. YATES. The reason for my questioning is that the investigative staff wondered whether you had an adequate system of controls. They wondered whether your system of controls would permit you to find that kind of a loss.

My question is how did you find it? It isn't through your system of controls that you found it, is it? You found it, you say, fortuitously.

Mr. WHEELER. Well, in that one case. Actually we make out all the checks to pay for these things. Now there has to be some absolute fraud, somebody works a fraud scheme. I guess in all companies and organizations somebody is apt to be thinking of a way to defraud through some trickery.

Mr. YATES. Could they do it with your system of controls?

Mr. WHEELER. We can't think of ways now that they could avoid the controls. Once in the payroll department a payroll clerk figured out a way to bolster her paycheck, but she was caught by someone else noticing a discrepancy.

Mr. YATES. By someone else noticing a discrepancy.

Mr. WHEELER. Yes.

Mr. YATES. Are you saying then that your system of controls did work?

Mr. WHEELER. I think we catch up with fraud eventually. However, there is no absolutely foolproof system.

EXPLANATION OF FUND REPORT

Mr. YATES. Why would your report show some expenses and no income for a particular account?

Mr. WHEELER. If there was a balance at the beginning of the year, for example?

Mr. YATES. Yes.

Mr. WHEELER. You might have been spending a balance.

Mr. YATES. Here, for example, Item No. 1, page PG-3, an account with no opening balance, no income, and expense of \$3,393. You have an expenditure without a balance. That is why I wondered how you can spend something when you don't have the money.

Mr. WHEELER. You will see many accounts here where it shows expense and then a transfer and a zero balance. This is different, however.

Mr. YATES. What does that mean?

Mr. WHEELER. That would mean that we had made an allotment for a specific purpose, and that at year end it was closed out to the unrestricted fund account. In this case it was not closed out, but it probably should have been.

Mr. YATES. What does the word "expense" in that connection mean?

Mr. WHEELER. Money spent or obligated.

Mr. YATES. Where is the money from, from which that was taken?

Mr. WHEELER. That would come from unrestricted general trust funds.

Mr. YATES. You would take it from unrestricted trust funds?

Mr. WHEELER. Let me correct that. In this case it says 146. 146 is a restricted endowment fund, and I think it is the Fort Pierce endowment income fund.

Mr. YATES. Why wouldn't you show an opening balance there then, or income, if it exists?

Mr. WHEELER. It works like this: Suppose in this case Dr. Fehlman asked for an allotment of funds, say, up to \$5,000 to do something. He says "If you approve this, I would like to go ahead. Give me an account number."

We approve it. We give him an account number. If it were an operating account, he spends the money, and when it is determined how much he needs and it is spent, then we close out the exact amount to the unrestricted funds at the year end, so in effect we have given him an allotment of unrestricted funds. That is the way it works through the computer.

Mr. YATES. How do you know how much is in that fund?

Mr. WHEELER. How much what?

Mr. YATES. How much money is in that fund from which the allotment to Dr. Fehlman is made?

Mr. WHEELER. The allotment is really drawn on our total unrestricted funds at that point.

Mr. YATES. From the total balance.

Mr. WHEELER. That is right, but he is only allowed to spend whatever we allotted to him.

FORT PIERCE BUREAU RESTRICTED FUND

Mr. YATES. Is the Fort Pierce Bureau purpose an unrestricted fund?

Mr. WHEELER. No, sir, it is restricted to underwater oceanography.

Mr. YATES. Is there a special fund for that purpose attributable to Fort Pierce, or is Fort Pierce financing taken entirely from unrestricted funds?

Mr. WHEELER. It is taken entirely from restricted funds.

Mr. YATES. From restricted funds.

Mr. WHEELER. Yes. We have a very sizable endowment fund to support that.

Mr. YATES. Perhaps I misunderstood you then. I just thought you said that the item for Dr. Fehlman came from unrestricted funds?

Mr. WHEELER. In this case it was coming from a restricted endowment income fund.

Mr. YATES. Why wouldn't the balance of that fund appear on the printout then if it is a restricted fund?

Mr. WHEELER. For this particular allotment, and I don't know just what it was, it would come eventually from that restricted endowment income fund. It would be cleared out at the year end, or should have been in this case. I don't know why it wasn't cleared out to the restricted endowment income fund, and would show in this case the zero balance, but it would have been charged off against that balance up above of \$120,000.

Mr. YATES. That is the balance in Fort Pierce.

Mr. WHEELER. Yes, sir.

Mr. YATES. Then underneath the marine research and general operations, the total of which is \$120,703, we then go next to Mr. Seward Johnson, who has income of \$528,785, and outgo of \$528,699.

Who is Seward Johnson?

Mr. WHEELER. Seward Johnson is the donor of the endowment fund.

Mr. YATES. That is the amount of money that he put into the fund, right?

Mr. WHEELER. The endowment fund is something like \$12 million.

Mr. YATES. This is income from the fund?

Mr. WHEELER. Yes, sir.

Mr. YATES. And you used almost the entire income.

Mr. WHEELER. Yes, and as to why it doesn't balance, it might have been transferred back to the endowment fund. The \$528,000, as I read this now, was the income from the endowment fund. That was used in part for the first fund up there, 11F5, and in part was perhaps transferred back to the endowment fund if not used.

Mr. YATES. It shows a balance. It shows an expense item of \$3,319 and it shows a balance for that same amount.

Why would that happen? If it is expended, why would you have a balance in the same amount?

Mr. WHEELER. It is a negative balance. This is a run of expense, Mr. Chairman, and the expenses are positive and the income is negative.

Mr. YATES. What would be the reason why expenses incurred against a fund would be transferred from the account instead of transferring funds into the account to balance the expenses?

Mr. WHEELER. I think that transfer, if I understand your question correctly, represents a closing out of that particular charge, in many cases to the unrestricted fund.

HENDERSON METEORITE RESTRICTED FUND

Mr. YATES. Let's turn to page 51.

Mr. WHEELER. Can you tell me the name?

Mr. YATES. Yes, I will. It is the NMNH, National Museum of Natural History, and Item No. 14417300, the Edward P. Henderson Meteorite fund.

Why is there a negative balance and income shown for that item?

Mr. WHEELER. That is a positive balance, \$102.77.

Mr. YATES. The minus sign means a plus?

Mr. WHEELER. That is right. Sorry about that.

Mr. YATES. That is all right.

Has this fund lost money then? Is that what that means?

Mr. WHEELER. No, sir. It says income reinvested in principal.

Mr. YATES. You start with an opening balance of \$69.96. You have an income of \$29.31, no expense, and so you have a balance of \$102.77.

Mr. WHEELER. I don't understand the figures being so small frankly.

Mr. YATES. We wondered about that too, as to whether the fund had lost money.

Mr. WHEELER. I would like to supply that for the record, if I might.

Mr. YATES. Sure, you may.

[The information follows:]

HENDERSON METEORITE RESTRICTED TRUST FUND

This fund (No. 14417300) which is listed with other restricted endowment funds on page F28 of our appropriation request book records the income from a restricted endowment fund in the name of Edward P. Henderson, the income from which is restricted to research on meteorites. This endowment fund was intentionally small to start with and serves as the nucleus of what later will be a larger fund when a unitrust fund established by Mr. Henderson is added. Currently all the interest income of this fund No. 14417300 is being reinvested in principal of the endowment fund.

DESAUTELS RESTRICTED TRUST FUND

Mr. YATES. Let's go to the next page, 52.

This is the same item, NMNH, the bottom of the page, Paul Desautels, added to the principal. The account shows a negative bal-

ance, that should be plus, shouldn't it, 145,095? That should be a plus balance instead of a negative balance?

Mr. WHEELER. I have a zero balance.

Mr. YATES. At the end, yes, but under income you show 79,106 and then a transfer.

Mr. WHEELER. That is income, positive.

Mr. YATES. And it shows a transfer out.

Mr. WHEELER. Yes, sir. It was income added to principal. It was transferred out to the endowment fund.

Mr. YATES. Does this differ from the Edward Henderson Meteorite fund procedure?

Mr. WHEELER. I wouldn't think so except that I don't understand the particular figures on the Henderson fund.

Mr. YATES. You are going to check that.

Mr. WHEELER. Yes, sir.

MULTIPLE MIRROR TELESCOPE

Mr. YATES. Let's turn to page 94. That is the Smithsonian Astrophysical Lab, account no. 16559640, the multiple mirror telescope.

Mr. WHEELER. Yes, sir.

Mr. YATES. Purpose, development of multiple mirror telescope.

What is the source of the private funding for that? You wouldn't know from the printout necessarily, would you, or would you?

Mr. WHEELER. I believe these are funds from the Smithsonian Research Foundation.

Mr. YATES. Where did that money come from? If it is the Smithsonian Research Foundation, there were no funds in that. That was merely a transfer function, wasn't it?

Mr. WHEELER. The Research Foundation received a grant from the SAO for that.

Mr. YATES. Was it a grant from SAO or were there Federal appropriations?

Mr. WHEELER. Federal appropriations.

Mr. YATES. Why would it have to go through the Research Foundation then? Why would funds be transferred into the Research Foundation for this purpose?

Mr. WHEELER. It was done in order to do the job efficiently at Mt. Hopkins.

Mr. YATES. What does that mean?

Mr. WHEELER. It means that there were people on the support staff of the Astrophysical Observatory who were capable of supplying engineering services to the telescope operation in Arizona on a required or demand basis. They could go out there for a week or two at a time, were familiar with the operation, and could supply the engineering service required.

Mr. YATES. Why couldn't you hire them directly?

Mr. WHEELER. We could have hired an outside firm, which would have greatly increased the cost, and not provided the expertise that we had on the staff itself.

Mr. YATES. What are you saying? Are you saying that you did this in order to avoid competitive bidding? Is that what you are saying?

Mr. WHEELER. No, sir. It was so that we could use the existing staff as required, rather than making another full-time commitment.

Mr. YATES. What do you mean by the staff? Were they on the regular payroll?

Mr. WHEELER. They are part of the staff of the Smithsonian Astrophysical Observatory. They are part of the support to the operations of our Federal agency work.

Mr. YATES. Did you not have enough funds to pay them out of the private account?

Mr. WHEELER. They are on the private payroll.

Mr. YATES. I know, but why do you need an appropriation for it?

Mr. WHEELER. We had the appropriation but we couldn't use it to pay employees on the private roll.

Mr. YATES. Why didn't you use private funds to pay them? Why did you need the appropriation? What I am trying to get at is why did you move from general appropriations into special appropriations?

Mr. Challinor wants to sit along side you and buttress you.

Did you want to help Mr. Wheeler or did you want to testify, Mr. Challinor?

Mr. CHALLINOR. If I may clarify the issue, Mr. Chairman.

Mr. YATES. We would love to have you clarify.

SAO GRANT AND CONTRACT FUNDING

Mr. CHALLINOR. At the Smithsonian Astrophysical Observatory about two-thirds of the entire operating expenses are reimbursed from grants and contracts, as we have laid out here. Paid out of those grants and contracts are a number of very competent, highly trained scientists, engineers, and technicians who are very knowledgeable about telescopes and other devices that the Observatory uses.

While they are being paid out of grants and contracts, they are allowed to work only on those projects that are covered by the grants and contracts. Thus, if they are working on several contracts at the same time, by charging a particular contract for specific time spent working on that project, they are, in effect, taking a leave of absence from the other contracts.

While we were building, and still are building, a multiple mirror telescope, this pool of technicians had the expertise that was essential to complete the telescope being built in Arizona with Federal funds appropriated to the Smithsonian Astrophysical Observatory. Our problem then was how to pay these contract employees at the Astrophysical Observatory in Cambridge to work on the multiple mirror telescope.

Mr. YATES. May I interrupt for just a minute so I can follow you clearly?

They were being paid out of restricted funds?

Mr. CHALLINOR. Yes, grant and contract funds.

Mr. YATES. Out of contract funds.

Why couldn't you just shift them over and still pay them out of contract funds?

Mr. CHALLINOR. Because a contract can pay them only for the work on the research that was contracted for. For example, NASA gives the Smithsonian a \$1 million contract to design a device to go into a satellite. Those contract employees are therefore restricted to being paid for work on that device that is going into the satellite. If they don't work on that device, we cannot charge their time to that contract.

In this case, we cannot pay them out of contract funds while they were working on MMT.

Mr. YATES. Is it a violation of the contract?

Mr. CHALLINOR. This would be an inappropriate use of contract moneys to allow these technicians to work on something not in the contract, namely, the multiple mirror telescope.

Mr. YATES. Why is that a violation of the contract? What were they contracted for in the first instance?

Mr. CHALLINOR. They contract to perform certain services under a NASA contract, for example, to fabricate a device to go into a satellite. That is what they are there for.

Mr. YATES. Then you have another project.

Mr. CHALLINOR. We have another project funded by direct Federal appropriations.

Mr. YATES. And only their expertise can be used.

Mr. CHALLINOR. Their expertise is available at the Smithsonian, and they are the best people to work on this. To allow them to go from the contract, to go out to Arizona and spend a month on the multiple mirror telescope they have to take leave of absence from their contract jobs, so they are not paid out of those contract funds to come out and work at the observatory in Arizona, to use their expertise.

To accomplish this, we used Federally appropriated funds for the MMT, to pay for their services through the then Smithsonian Research Foundation, which is now defunct, as you know.

Mr. YATES. I know.

Mr. CHALLINOR. So that we could use Federal money appropriated for the construction of the telescope to pay Smithsonian contract employees for services rendered.

Mr. YATES. How do you do that?

Mr. CHALLINOR. It went through the Smithsonian Research Foundation.

Mr. YATES. How do you do that when they did not take a leave of absence?

Mr. CHALLINOR. I beg your pardon, Mr. Chairman. When they worked on the MMT project, they had to charge their time to that project.

SMITHSONIAN RESEARCH FOUNDATION

Mr. YATES. Did they have to take a leave of absence to do the work for the Smithsonian Research Foundation? They contracted to do certain work for NASA?

Mr. CHALLINOR. Yes, in effect they did by charging the time spent on MMT project to the SRF.

Mr. YATES. And in order not to violate that contract, they would have to take a leave of absence, you said, in order to work for the Federal Government.

Did they not have to also take a leave from their contract in order to do work for the Smithsonian Research Foundation?

Mr. CHALLINOR. The Smithsonian Research Foundation, as I understand it, was the procedure that was used so that the Federally appropriated funds for the construction of the telescope were able to pay for their services.

Mr. YATES. How? It is a violation of their original contract. How can they do that?

Mr. CHALLINOR. That isn't the way I understood it.

Mr. YATES. Are you responsible for this? Can I shed some light on this? I don't understand. You were very convincing, Mr. Challinor, in saying that they had to stay with that original contract or else take a leave of absence.

Mr. CHALLINOR. In other words, the contractor's services cannot be charged against two contracts at the same time.

Mr. YATES. Right.

Mr. CHALLINOR. That is what I am trying to be very clear on.

Mr. YATES. If that is so, then how can they work for Smithsonian Research Foundation?

Mr. CHALLINOR. Some MMT funds were provided to the Smithsonian Research Foundation. In other words, some federally appropriated funds to build the telescope were provided to the Smithsonian Research Foundation when it still existed, and then were given to the Astrophysical Observatory's trust fund activity in the form of a grant that was used almost entirely to pay the salaries and benefits of these contract employees who were working directly on the MMT program.

Mr. YATES. But they were still working on two projects.

Mr. CHALLINOR. But they were only being paid from one project at a time, yes.

Mr. YATES. Did they take a leave of absence?

Mr. CHALLINOR. Yes, in effect, they took a leave of absence from the contract project because their time was not charged to that contract.

Mr. YATES. If they took a leave of absence, why couldn't they do it for the Federal Government? Why couldn't they take a leave of absence and work for the Federal Government?

Mr. CHALLINOR. Then they would have to become Federal employees and conform to Civil Service regulations.

Mr. YATES. Why couldn't they be independent contractors? Why couldn't you give them a contract to do the work?

Mr. CHALLINOR. That question I cannot answer.

Mr. YATES. Will you yield to Counselor Powers?

USE OF CONTRACT EMPLOYEES

Mr. POWERS. This goes several years back to Mr. Brooks' time. They were under supervision at the Smithsonian Astrophysical Observatory.

Mr. YATES. They were under? Who is "they"?

Mr. POWERS. These engineers or technical people.

Mr. YATES. The ones working for NASA.

Mr. POWERS. No, they are working on contracts for NASA.

Mr. YATES. These are astrophysicists in Cambridge, like the one who got your medal a few weeks ago.

Mr. RIPLEY. They are technicians and trust fund employees. They are not Federal Civil Service employees.

Mr. YATES. What Mr. Challinor is saying is that they are wedded to a contract.

Mr. POWERS. They can only be paid in Cambridge from their contract. That is, all the money is there and they have to do contract work.

However, if they have time enough, they can take a few weeks off from Cambridge contract work to go to work on the MMT project in Arizona. There, they have to be paid with Federal money, but they do not want to become Federal employees for a few weeks. Hence, their time is charged to a second contract for MMT work.

Mr. YATES. Why don't you hire them as independent contractors?

Mr. POWERS. Because they are supervised by SAO personnel in charge of the MMT project. You have to be an independent contractor to—

Mr. YATES. Why can't they be? They are free. They have taken a leave of absence to do this work.

Mr. POWERS. Mr. Chairman, due to the nature of the work on the MMT project, they couldn't just work and do their thing and produce a product. There was someone in charge of their efforts. Once you have a supervisor, you can't be an independent contractor. This arrangement was a matter of administrative convenience.

Mr. YATES. Obviously. It was deemed by Mr. Brooks and others that this was the more sensible and cheaper way to get these services done with the least disadvantage to the individual.

Is this what you mean by flexibility?

Mr. POWERS. I don't use that word. I call it discretion. I think it seems to me a sensible way to do this.

Mr. YATES. How often do you do things like this?

Mr. POWER. Very rarely. I don't know of another case.

Mr. YATES. How often is this done?

Mr. CHALLINOR. The only time that I can think of this particular procedure being used was to get the multiple mirror telescope built roughly on time.

Mr. YATES. If it only happened once—

Mr. CHALLINOR. It only happened once and it cannot happen again because the Smithsonian Research Foundation is defunct. Let us provide more information for the record.

[The information follows:]

MULTIPLE MIRROR TELESCOPE

Beginning in fiscal year 1972 Federal appropriations have been provided to the Smithsonian Astrophysical Observatory for the design and fabrication of a multiple mirror telescope (MMT) to be installed at the Observatory's Mt. Hopkins facility. Development of the telescope is nearing the operational phase and it is expected that the instrument will be dedicated in October 1978.

Most of the work on the telescope has been accomplished under contract with a wide range of firms having highly specialized competence in the optics, support, and other components of the instrument. Each of these contracts has been entered into in accordance with Federal procurement regulations.

During the design and fabrication phases, however, it has been frequently necessary to obtain and apply scientific and technical advice on critical aspects of the telescope's operations. An important source of this advice has been the highly competent staff of the Observatory itself. In those cases where these staff persons have been Federal employees of the Observatory, their participation could be obtained simply as part of their regular duties. In other cases, however, where the necessary technical knowledge and skills were represented by contract employees, a different arrangement for their assistance had to be developed.

Contract employees of the Observatory are paid with funds provided to the Smithsonian Institution by agencies or other organizations to perform special projects of interest to those organizations. Occasionally such an employee performs work on two or more such projects (each of which is a cost center for accounting, billing, and reporting purposes) and through a system of time dis-

tribution his or her salary and benefits costs are charged to the project receiving attention. Since it would not have been proper to charge even the brief periods (a few days or weeks perhaps several times during a year) that that employee was called upon to work on the MMT against an outside contract, a separate cost center had to be established. That cost center was achieved by contracting with the Smithsonian Research Foundation for such occasional technical services. This procedure was deemed to be the most efficient and effective way for this intermittent work to be performed. Even if such services could have been found in a private firm, their costs would have been higher since profit in addition to direct costs would have been charged. Furthermore, the arrangement allowed the employee's service to remain unbroken for leave and other benefits purposes. Even if this factor had not been an important consideration, it was determined that it would not have been appropriate for his contract employment to be terminated and either a temporary direct Federal hire or an arrangement as an independent technical services contractor or consultant be instituted. In both cases, the paperwork would have been excessive and there is doubt that a contract or consultant relationship would have been appropriate given the supervision he or she would have received during the MMT assignment.

Mr. YATES. How many times did it happen when the Smithsonian Research Foundation was alive and well?

Mr. CHALLINOR. This is the only time.

Mr. WHEELER. This is the only case that I know of.

Mr. YATES. It was created just for this one case?

Mr. WHEELER. This procedure was used in that one case.

Mr. POWERS. No.

Mr. YATES. The judge here says no.

Did I understand you correctly?

PURPOSE OF SRF

Mr. POWERS. The foundation was created for entirely different purposes. This was a very late use.

Mr. YATES. What were the purposes for which it was created?

Mr. POWERS. To run research projects similar to those which had been funded by the National Science Foundation. That was all spelled out last year.

Mr. YATES. I remember. It is all in the hearings last year, and that is what led to GAO's recommendation that it be disestablished, right?

Mr. POWERS. Right.

Mr. YATES. Are any of your so-called private employees—what term shall we use to separate the Federal appropriation from the non-Federal? Are any of your—

Mr. RIPLEY. Trust fund.

Mr. YATES. Nonappropriated.

Are any of your nonappropriated personnel being paid by Federal funds?

Mr. POWERS. No, sir.

Mr. YATES. Is there a sharp cleavage, with none of the Federal funds transferred over?

Mr. POWERS. All employees paid from the annual appropriations of this committee are on the Civil Service rolls.

Mr. YATES. So are some of the nonappropriated personnel, are they not? They are under the pension?

Mr. POWERS. That is a different problem. I will talk about that later.

Mr. YATES. We will ask you about that.

Staff points out that you have 237 employees listed under Federal grants and contracts, and they are considered so-called trust employees, aren't they?

Mr. POWERS. That is right.

Mr. YATES. And they may be Federal employees who are paid with Federal funds?

Mr. POWERS. The origin of those funds is in some Federal agency, but as the contracts are received and administered, overhead and so forth, they all are the same. The contract you are talking about from NASA—

ARMY MOSQUITO PROJECT

Mr. McDADE. Go to a different one. Tell me about the mosquito project.

Mr. YATES. Is that development or elimination, that project?

Mr. JAMESON. Dr. Challinor could mention the Army Southeast Asia mosquito project.

Mr. McDADE. Just run through it, how it happened and why it appears this way in the justifications.

Mr. CHALLINOR. Among the entomologists at the Smithsonian are experts in the mosquito systematics.

Mr. McDADE. Can I borrow them occasionally or not?

Go ahead.

Mr. CHALLINOR. These are people who are experts in identifying one mosquito from another. Over the years the Army, particularly when it was working in Southeast Asia, began to realize that mosquitoes are different. Some live in the cities and some live in the forest, and some live at different levels in the forest. Each one of these mosquitoes in turn is liable to carry different kinds of malaria. Some malaria is more virulent than others. It was therefore terribly important to find out what mosquito lives where. How do you tell them apart, and what mosquitoes carry different kinds or different strains of malaria. Therefore, in this case, the Army Medical Corps asked the Smithsonian to assemble a group of entomologists who were expert in mosquitoes.

We, in cooperation with them, began to collect mosquitoes all over Southeast Asia, and were able to produce publications identifying one mosquito from another.

Mr. McDADE. How many people did you assign to the project, do you remember offhand?

Mr. CHALLINOR. I would guess it must have been 15 or 18 people in that project.

Mr. McDADE. Then for bookkeeping purposes, did you change the method by which they were carried on the Smithsonian's books?

Mr. POWERS. They would be carried as so-called trust fund employees paid from this fund and when the fund ran out that was the end of that project. Their employment would terminate with the fund.

Mr. McDADE. You call them trust fund employees but they were paid I assume from the Pentagon.

Mr. POWERS. From a Pentagon grant.

Mr. McDADE. Grant from the Pentagon.

Mr. POWERS. Yes.

Mr. McDADE. So they transferred off of your payroll, and as trust fund employees were paid for by the Pentagon. From your record it appears they were trust fund employees.

Mr. POWERS. Most of those people were not previous Smithsonian employees.

Mr. CHALLINOR. Many of them we had to hire outside.

Mr. POWERS. The Smithsonian man responsible for that contract continued in his regular job.

Mr. CHALLINOR. The principal investigator, or the main person within the Smithsonian responsible is a Smithsonian Federal employee.

Mr. POWERS. He just stayed there.

Mr. CHALLINOR. He goes ahead and does his own work.

Mr. McDADE. He went outside of the government and recruited the bulk of these people.

Mr. POWERS. Right.

Mr. McDADE. Carried as a trust fund account, reimbursed to you by the military.

Mr. POWERS. Right.

Mr. McDADE. For work done in Southeast Asia. The men who were Smithsonian experts stayed on your payroll at all times.

Mr. POWERS. Yes.

Mr. McDADE. But the 14 others appeared as trust fund employees.

Mr. POWERS. Yes, and that is a typical case.

FUNDING SOURCES AVAILABLE TO BUREAUS

Mr. YATES. May I ask another question?

From the investigative staff study, it is stated that the investigative staff found that bureaus continually sought Federal appropriations for project support without considering possible private fund sources because of a lack of information and their understanding that private funds were just not available.

Mr. WHEELER. Mr. Chairman, all directors of our museums know what funds are available to them.

Mr. YATES. I wonder why the investigative staff put that in there.

Mr. WHEELER. I wish I knew.

Mr. YATES. We will have to find out.

Mr. WHEELER. We have a director of one of our museums here who might be able to support my position.

Mr. YATES. Is he the one who knew as opposed to the others who didn't know?

Mr. WHEELER. All of them knew what funds were available to them.

Mr. YATES. We will have to check with the investigative staff.

RESEARCH AT FORT PIERCE BUREAU

Can you describe what Fort Pierce is? It is an oceanography station of some kind, isn't it?

Go ahead, David.

Mr. CHALLINOR. Mr. Chairman, this is a research facility located in Fort Pierce, Florida. The Smithsonian owns a metal shed there that is used as headquarters for about 7 or 8 Smithsonian technicians and 1 scientist who spends most of her time there.

Mr. YATES. What do they do there, David?

Mr. CHALLINOR. One scientist is working on the life history of a marine animal called a sipunculid. This is a small marine worm.

Mr. YATES. This is his life's work?

Mr. CHALLINOR. This is her life's work.

Mr. YATES. Her life's work?

Mr. CHALLINOR. Yes. This animal is particularly interesting because although it is only as long as your finger, as it grows, it is able to penetrate rock. We are interested to learn how this animal can burrow into solid rock, and to do this requires a great deal of observation. We have pretty well mastered the secret of how this soft-bodied worm as big as your finger actually can bore into rock. It is a combination chemical and mechanical process.

Mr. YATES. Does this mean you are now going to close this bureau?

Mr. CHALLINOR. For every answer that we get, Mr. Chairman, we trigger about five more questions.

Mr. YATES. This is what they call perpetual motion.

Mr. CHALLINOR. Perpetual search for knowledge.

CONVERSION OF PERSONNEL

Mr. YATES. Let's turn to the question of personnel that the judge and

I were touching upon.

Page 24, chapter 5, the investigative staff says the system can and has been used to upgrade positions and promote employees at the discretion of management without such actions being subject to post-audit by the Civil Service Commission.

How true is that statement?

Mr. RIPLEY. Mr. Jameson.

Mr. JAMESON. Mr. Chairman, we did an analysis of the table that appeared at the top of page 24 of the House report, and found that of some 90 cases cited for one of those years, there were 30 selections resulting in higher grades, and 61 selections resulting in the same or lower grades. This analysis appears in our response.

I understand that we have now looked at the other years involved and found that to be essentially a consistent pattern for all 3 years. So we don't believe that there has been a consistent policy of upgrading and promotions through these conversions.

Mr. YATES. Let's look at Chapter 2.

"The Smithsonian general counsel position is an outstanding example."

There you are, Mr. Powers, you are an outstanding example of how the system can be worked "to achieve otherwise questionably attainable objectives. The authorizations of Executive Level positions is a congressional prerogative. Notwithstanding, in fiscal year 1974 the position of General Counsel was ungraded from GS-15, paid from appropriated funds to Executive Level 5 paid from trust funds, skipping over all of the intervening supergrades. As best the Investigative Staff could ascertain, the Congress was not informed about this action, prior to its accomplishment, nor was the Board of Regents, which is normally kept abreast of higher level personnel change."

Do you want to respond to that statement?

Mr. POWERS. I actually don't think the promotion is a "questionably attainable objective." I have been nearly 14 years in this job, during 10 of which my salary was frozen by the action of this body. It was something that was waiting to be made up.

On page 15 of our response, there is a short description of what actually happened.

Mr. YATES. Let's look at page 15 of the response. I will be glad to read that into the record too.

Which paragraph do you want me to read?

Mr. POWERS. It is paragraph 2.

Mr. YATES. "The position of General Counsel was first established in fiscal year 1965 and has become one of the more important jobs in the Institution" rather than most "since it involves final responsibility for advice on all legal matters to 60 or more organizational units, to the Secretary, and to the Board of Regents. The General Counsel is also, like the Treasurer and the Assistant Secretaries, a member of the Executive Committee, which has the primary responsibility for administrative, policy, and planning functions in Institution management."

"As the trust fund activities of the Institution increased during the 1960s, it became apparent that the Institutional responsibilities like those of the Treasurer could properly be made a trust position in furtherance of Institution's objective of staffing administrative functions in proportion to overall program expenditures. The grade level 5, comparable to that of other members of the Executive Committee, was discussed and approved at the Regents meeting in May 1971."

Was that approved for the counsel or was it approved for the museum head?

Mr. POWERS. Counsel.

Mr. YATES. There had been only one grade level 5 established, and that was for the head of the National Museum, isn't that correct, by Congress?

Mr. POWERS. There are two which were approved in 1966. The other was the director of SAO.

Mr. YATES. They are by Congress, and only those.

In 1973 when it was deemed that adequate funds were available, the position was established on the trust fund rolls at an increase in compensation of \$1,029. The position of General Counsel as a trust fund employee has been shown on lists of positions provided to the Appropriations Subcommittees.

So you got that munificent increase.

Now what happens to your pension fund, your Civil Service pension? Do you have Civil Service pension status?

Mr. POWERS. No, we have a parallel system called TIAA at the Institution.

Mr. YATES. But you were a Federal employee until the transfer.

Mr. POWERS. That is right. I chose to withdraw my Federal retirement.

Mr. YATES. Are you considered grade level 5 as a trust employee now? Is that a description that the staff has given, what you are called as a trust employee?

Mr. POWERS. It is the equivalent of a level 5.

Mr. YATES. You don't have level 5?

Mr. POWERS. No, but that is the equivalent compensation.

PAY SCALE PARITY

Mr. YATES. The Regents can pay anything they want to then, can't they?

Mr. POWERS. Yes.

Mr. YATES. For the record, your answer is yes?

Mr. POWERS. Yes. They don't, unfortunately.

Mr. YATES. As a matter of fact, they do. They pay you what they want to pay you.

Mr. POWERS. It is their determination.

Mr. YATES. But they could pay you anything they want.

Mr. RIPLEY. But they intend to maintain parity between the trust fund employees and the Federal Civil Service employees.

Mr. YATES. Is there that rule?

Mr. RIPLEY. We try throughout as best we can.

Mr. YATES. What is the policy?

Mr. RIPLEY. The policy is that a trust fund employee will be paid at the same equivalent salary rate as a Federal Civil Service employee.

Mr. YATES. What would be the comparable level in Civil Service?

Mr. RIPLEY. Level 5.

Mr. YATES. Of the general counsel of Smithsonian Institution? Is there no such comparable level? Is there? What do you compare it with?

Mr. RIPLEY. You have to determine it on a de facto basis, based on the amount of work, and the determination would be equivalent to a Civil Service determination.

Mr. YATES. What did you compare it with?

Mr. RIPLEY. In other words, it is determined on exactly the same basis that a Civil Service determination would be. The Civil Service considers all these categories and criteria of the degree of responsibility, the degree of comparability throughout, let us say, Federal agencies.

Mr. YATES. Maybe I don't understand you correctly, Mr. Ripley. Could you make a request of the Civil Service Commission?

Mr. RIPLEY. No.

Mr. YATES. To find out what a comparable position would be paid?

Mr. RIPLEY. We have that available through our personnel division. Yes, they are in touch with the Civil Service all the time about determinations of this sort, yes, indeed. I mean personnel does that as part of their normal activity.

Mr. YATES. Did you want to say something?

Mr. POWERS. The things that we looked at back in 1973—

Mr. YATES. I see you are not paid as much as the solicitor is in the Department of the Interior.

Mr. POWERS. That is what I was going to say. Among the things we looked at in 1973 were other general counsels in Washington, and there were a dozen in level 4, quite a few in level 5. It was felt that this was an appropriate comparison.

Mr. McDADE. How many lawyers are there in your shop?

Mr. POWERS. I have seven assistant general counsel.

Mr. McDADE. Are they all on appropriated funds?

Mr. POWERS. No. One is on the trust fund roll and six are on the appropriated funds roll.

Mr. McDADE. Why?

Mr. POWERS. We have an approximate balance. I think we run about 70 percent/30 percent.

Mr. WHEELER. 60/40.

Mr. POWERS. We just appointed one of the secretaries on the trust fund rolls to keep this balance.

Mr. McDADE. To keep the same balance in the Institution generally.

Mr. POWERS. Yes, because my mandate covers everything.

Mr. McDADE. What do you mean "everything"?

Mr. POWERS. All legal matters in the Institution. It is very broad.

Mr. McDADE. Do you enjoy it?

Mr. POWERS. Yes.

Mr. YATES. Turn to page 25 of the investigative report, paragraph 4.

PROMOTION OF AN EMPLOYEE

Another case illustrates how the private payroll can be used to avoid having to comply with corrective actions directed by the Civil Service Commission. In this instance the Commission found that a Federal employee had been improperly promoted and directed to be put back in the lower grade position. Instead of demoting the employee, the Smithsonian switched him to the private payroll at the same grade and without any change in duties and reported to the Commission that no action was necessary as the employee had been separated.

After serving a year as a private payroll employee, the employee was switched back to the Federal payroll but this time at still a higher grade.

Let's see what is said on page 16, No. 4.

The actions referred to in this paragraph of the Report were taken with due regard for the rights of the employee involved.

What does that mean?

Let me finish this statement and then I will go back to the question.

The specific concerns of the Civil Service Commission evidenced in its directive were satisfied through the Institution's acceptance of its responsibility to the employee involved. The employee eventually returned to Civil Service status on his own initiative through the competitive Civil Service process.

Do you want to tell me what you mean when you say "The actions referred to were taken with due regard for the rights of the employee involved"?

Does this mean that the statement by the investigative staff is correct?

Mr. JAMESON. It is my opinion, Mr. Chairman, that it simply wasn't handled very effectively administratively.

Mr. YATES. By the Smithsonian?

Mr. JAMESON. Yes, by the Smithsonian. We felt the particular obligation to the employee to protect him in terms of his relationship to the Institution.

Mr. YATES. Are there other instances where employees moved from Federal employment to so-called trust employment?

Mr. JAMESON. Yes, sir. That is shown in the table on page 24.

Mr. YATES. And were they moved back again?

Mr. JAMESON. I am sure there have been cases where employees have gone from one system to the other and then back over a period of time.

Mr. YATES. How do they do that? Do you approve of that? Do they ask you for permission to do it?

Mr. JAMESON. Our employment or recruitment procedures, both for employees paid from appropriated money and those paid from trust

funds, are open processes. People can apply. We select at the time the best qualified person. Everybody that we select who is to be paid with Federal money is hired in accord with Civil Service procedure, and those who are selected through trust fund employment are employed in accord with our trust fund procedures and policies for hiring. It is a competitive process.

Mr. POWERS. As an example of that, for the secretarial trust fund position that we filled this week we had six applications from trust fund employees, and six applications from Federal employees. By chance, at the end of that, the best person was someone who was transferring from Federal to trust fund employment at their own request.

FUNDING OF PERSONNEL

Mr. YATES. How do you decide when you recruit whether the employee should be Federal or trust fund?

Mr. JAMESON. In our administrative functions at the Institution covering such activities as the office of the secretary, accounting, generation. Consequently, we have maintained for many years, what we believe into recognition that those units are indeed serving the entire institution. Consequently, we have maintained for many years, what we believe to be an appropriate balance of employees paid from appropriated moneys and paid from trust funds. This is approximately the 60/40 percent ratio that Mr. Wheeler mentioned. It has a rather close relationship to the expenditures of the Institution in total.

Mr. YATES. What does that mean, "has a relationship to the expenditure"? You have got 90 percent Federal money coming into your institution. Does that mean that 90 percent of your employees are Federal employees?

Mr. JAMESON. Looking at the expenditures.

Mr. YATES. That is what I thought you meant.

Mr. JAMESON. We are talking about approximately \$150 million in total gross expenditure.

Mr. YATES. \$150 million. That is the 60/40 you are talking about.

Mr. JAMESON. Approximately, yes.

Mr. YATES. This is gross.

Mr. JAMESON. Yes, we have maintained for many years that this balance should reflect this relationship of funding, and that in support of our trust fund activity, including Federal grants and contracts, the auxiliary activities, restricted or unrestricted funds, that we should have a staff who are paid out of overhead recovery or administrative fees working side by side with Federal employees. We have not come to the Congress for all our administrative technical people. We have not said there is a need for X people. Please fund X. Please fund the entire amount.

In the appendix to our response to the staff's investigative report, we tried to enunciate our policies and procedures with regard to the use of various categories of funds. In the middle of page 5 of the appendix, there is a section which broadly describes the staffing arrangements of these units.

Mr. YATES. Is this a statement of policy? I will read it into the record if it is.

Mr. JAMESON. Yes, it is.

Mr. YATES. This is your proposal.

Mr. JAMESON. And as the Secretary said in his opening remarks, we would certainly appreciate the opportunity to work with your committee and other committees of the Congress to see how good this is, and to see if it can be made stronger, if it can be clarified.

Mr. McDADE. Mr. Chairman, might I ask one question there?

Would you kindly tell me how many people work for the Institution who are on appropriated dollars? And would you also right after put the number of people who work for the Institution who are on trust fund?

Mr. JAMESON. As of the count on the 31st of January, there were about 3,400 Federal employees, and about 1,300 trust fund employees. We can be more precise for the record.

Mr. McDADE. If you need to, yes. That is good enough for me.

Thank you, Mr. Chairman.

Mr. POWERS. Maybe we should add that in this administrative area, we are talking only about 400 employees approximately.

Mr. McDADE. You are talking about paragraph 5?

Mr. POWERS. The ones that are referred to there, a relatively small number, about 10 percent.

CONVERSIONS OF PERSONNEL

Mr. YATES. Does it make sense to allow switches by personnel from trust status to Federal status or back again?

Mr. JAMESON. I can give you an opinion.

Mr. YATES. That is what we want.

Mr. JAMESON. As a single institution, we feel an obligation as part of EEO and other things to allow employees to compete for jobs that may become open in the Institution, whether they are Federal jobs or trust fund jobs.

Mr. YATES. Do you have a breakdown of what jobs are Federal and what are trust fund that you intend to adhere to?

Mr. JAMESON. We have given the committee, I believe, sir, a list of positions for the current year showing both Federal jobs and trust fund jobs. These positions are a direct reflection of the budgets that have been approved by the Congress and the Regents.

Mr. YATES. And when you approve those jobs, the people who apply know they are applying for a Federal job or for a trust job?

Mr. JAMESON. Yes, sir, by all means.

Mr. YATES. How many switches are there back and forth from one to the other?

Mr. JAMESON. The table on page 24 shows the number for 1974, 1975, 1976, and 1977.

Mr. YATES. Is that accurate?

Mr. JAMESON. We corrected it in our response. For one year we had given a figure to the investigators that was off by four. We had said 52 and we corrected it to 48.

Yes, that is a correct figure.

TIAA RETIREMENT SYSTEM

Mr. YATES. What are the advantages, if any, of your pension system over the Civil Service pension system? What do you call it, TIAA?

Mr. POWERS. They are intended of course to be comparable, but in my personal view, having been in both, the Federal system is perhaps

slightly better when you are younger, because it has an insurance feature for disability and is a larger system. Perhaps the TIAA system is more advantageous as you get older because it is a vested system. Whatever you have contributed and your employer has contributed you own, whereas in the case of the Federal system, as you know, your pension is graded to the salary you happen to be earning at the time that you retire. I think one is better at one time and the other is better at another time.

Mr. YATES. What is the status of your relationship to the Civil Service Commission and to the Department of Labor, as to whether or not Smithsonian employees are Federal employees subject to coverage?

Mr. POWERS. Our response to comments on page 26 of the investigative report is laid out on 16 of the response.

Mr. YATES. It is not very clear, Mr. Powers. I read it over carefully and then I read it again carefully and I still don't know what the answer is.

What is your status with the Civil Service Commission? Do they consider your employees to be Federal employees, all of them?

Mr. POWERS. No.

Mr. YATES. Then how is it, if that is not true, that any of them can be covered under Civil Service pension?

Mr. POWERS. There is in our response, perhaps it is too briefly explained. There is quite a history going back to 1946 when the Pension Act coverage read much more broadly. We went to the Justice Department, asked them what they thought. They said at that time they felt that the language of the Pension Act at the time was broad enough to cover the trust fund employees, which were very few at the time, I may say, notwithstanding the fact that they were not in the Civil Service System.

Then this paragraph explains what has happened since. First, the Commission agreed, then later changed its mind, and then even later changed its mind again.

At this point that coverage is being phased out, because since that time we have developed an adequate and complementary pension and insurance plan for the employees.

I should point out one thing. Those trust fund employees who participated in the Federal system made their own contributions, and the employer contributions were not made from appropriated funds but from trust funds. The Institution paid its way in that system. I should think within another 10 years that will have come to an end, with the two systems separate once again.

SI PERSONNEL AS FEDERAL EMPLOYEES

Mr. YATES. What about the suggestion of the investigative staff "While source of funds may at one time have been an appropriate basis for determining the status of an employee, it is no longer adequate. The Smithsonian is so heavily supported by Federal appropriations and has so many Federal functions that in fact to all intents and purposes it is a Federal institution."

As a matter of fact, the Regents' own investigator called it a Federal institution.

Mr. POWERS. Right.

Mr. YATES. Differing I think from Chief Justice Taft.

Mr. POWERS. I covered that in Chapter 16. I don't think there is really any disagreement at all, but on the question of personnel, I think they really did get that wrong. In fact, the source of funds is the only valid legal distinction. All employees paid from appropriated funds have, since 1896 been required to be civil servants, and they are, and all others cannot be civil servants.

One thing, Mr. Chairman, I would like to mention in that connection, particularly in this legal area I urged the investigative staff to come and see me to see if I could be of any help to them, and they never showed up.

Mr. DUNCAN. Would you yield, Mr. Chairman?

Mr. YATES. Mr. Duncan.

Mr. DUNCAN. Since you are talking about a legal matter, there is a legal question that bothers me.

At the bottom of that page 16 of your rebuttal, you talk about "In the 1960s the Commission re-examined the question and noted that although the coverage may have been proper at the outset, the language on which the Justice Department opinion has been based was substantially changed in the codification of Title V in 1965."

The codification of the law isn't supposed to change the substance of it.

Mr. POWERS. That is right. Section 7 of that codification says that it does not change the substance, but they changed the language.

Mr. DUNCAN. Then to find the law don't you go back to the original public law?

Mr. POWERS. That is right.

Mr. DUNCAN. So how could the codification have changed the Justice Department's opinion?

Mr. POWERS. It didn't change the Justice opinion.

Mr. DUNCAN. I just don't think that codification is a change in the law. That is my question.

Mr. POWERS. I agree.

Mr. DUNCAN. So your sentence loses its validity, doesn't it?

Mr. POWERS. No. There was strange language in the Pension Act about whether an organization was "in or under" the Executive branch, and this Justice opinion, to my astonishment, came to the conclusion that the Institution was not in, but it was under, or maybe it was vice versa. In any event, it was hardly a clear matter.

Mr. DUNCAN. Will you please be more precise?

Mr. POWERS. It took them 25 pages to reach this conclusion, and everyone is gone that was involved in that. I think it really had not been clear from the start. Considering the lack of clarity in the Act, and the difficulties that the Civil Service Commission had had with it, the Regents and the Civil Service Commission agreed it was the proper thing to phase this out. However, there were people with vested rights. It wasn't fair for somebody to say "Oons, we made a mistake for 20 years. You are all now out in the cold." So it will come to an end, as I say, in the next—

Mr. DUNCAN. They weren't vested if they weren't legal in the first place. You may have been estopped to assert the illegality. Be precise.

I yield back my time.

Mr. RIPLEY. We had two parallel opinions on this, one by outside counsel for the National Gallery employees that were covered under the same principle, one by internal counsel with advice from outside for our own employees, and we decided to phase it out.

ARCHIVES OF AMERICAN ART

Mr. YATES. We have talked about personnel moving from trust fund to Federal positions or vice versa.

When do you decide whether a project or a program that started out as a trust program or project should be federally funded? Take, for instance, the Archives of American Art, page 16.

Mr. RIPLEY. Perhaps Mr. Blitzer could respond to it.

Mr. YATES. I remember Mr. Blitzer talking about the Archives of American Art for a long, long time, but then it started out being funded out of the trust funds, and now lo and behold, it is in Federal funding.

How does it happen that you have given us the benefit of this funding?

Mr. BLITZER. Mr. Chairman, it has always been mixed from the beginning. The Archives before it joined the Smithsonian was a private institution, supported by its trustees and by people who believed in what it was doing. When the Smithsonian Regents at three discussions of Regents meetings decided that this would be a valuable acquisition, an agreement was signed under which both sides pledged their best efforts to secure funding for the Archives.

We said at the beginning, correctly I think, that in the short run it would be possible to support this out of existing levels of appropriation. The trustees of the Archives pledged to continue their best efforts to provide private support, and indeed they have done so. It is a remarkable group of people, centered in Detroit where the Archives came from, who have used all sorts of enormously ingenious devices to raise funds for the Archives over the years.

After about 2 years, we decided that this was a promising enough program so that we would like to come to the Congress and request funds. We came. We told the Congress, as you recall, about the Archives, and to our pleasure, the Congress agreed that it was worthy of Federal as well as trust support, and the combination has continued. There has been no change since the Archives joined the Smithsonian from a private to a totally Federal operation.

Mr. YATES. Are there examples of programs other than in the Archives which have moved from trust status to Federal funding?

Mr. BLITZER. I am trying to think if there is something that has moved from total trust status to totally Federal status. I must say I can't. Perhaps one of my colleagues can think of something.

Yes, the Anacostia Neighborhood Museum, Mr. Wheeler reminds me, was started largely with grants from foundations, but that now is also mixed receiving appropriated funds and nonappropriated funds.

Mr. YATES. What about Cooper-Hewitt? Do you propose to move that into Federal funding?

Mr. BLITZER. We have, as you know, Mr. Chairman, for several years requested Federal funds for the maintenance of the buildings and collections essentially at Cooper-Hewitt, and these have been granted to

us. The amount of nonappropriated funds that have been raised for Cooper-Hewitt since it came to the Smithsonian is something on the order of two or three times the amount of appropriated funds. Nevertheless, the appropriated funds have been absolutely central I think to getting the museum open and to its success.

FUNDING IMPACT STATEMENTS

Mr. YATES. Would you like to comment on the statement by the investigative staff that they believe other overly optimistic or omitted funding impact statements by Smithsonian Institution management to the Regents permitted the Board of Regents to make Smithsonian Institution program decisions based on inaccurate or incomplete data?

Mr. BLITZER. I think someone else should answer the whole question. I might say in our response we recognize, Mr. Chairman, that there have been instances when the staff of the Smithsonian has been overly optimistic about its ability to raise trust funds for particular operations, and in that case the alternative we face is either to cut back on them, abandon them, or to come to the Congress and request funds to support them.

Mr. YATES. With respect to the African Museum, Smithsonian has requested appropriate authorization to assume control of it.

Are there any other projects that are under consideration for assumption by the Smithsonian? I think it probably should be addressed to you, Mr. Ripley.

The question is, apart from the African Museum, are you thinking of taking on anything else, any other programs, any other institutions?

Mr. RIPLEY. That would be quite a lot to put on our plate at this point, Mr. Chairman.

OTHER FUTURE PLANS

Mr. YATES. Is there anything on the burners?

Mr. RIPLEY. There is, always.

Mr. YATES. That is what I am trying to find out.

Mr. RIPLEY. Please don't think me equivocal. There is always the possibility that I can go back to my office and open a letter.

Mr. YATES. You get multi-requests from people and institutions to take them over. I am just wondering whether there are any that you may look upon favorably.

Mr. RIPLEY. We almost invariably turn these down.

Mr. YATES. I know.

Mr. RIPLEY. And so we have a good record, and we can provide this record at any time to the committee of the proposed acquisitions we turn down. I am not aware of anything coming up.

Mr. YATES. I think you ought to put that in the record, don't you think so?

Mr. RIPLEY. Yes. I would be very happy to.

Mr. YATES. Because the Smithsonian is often accused of empire building.

I think perhaps you ought to show what you have had under consideration, and you have not thought you should undertake. There were a couple of California institutions as I remember it.

[The information follows:]

Representative Proposals, Projects,
Programs Declined by the
Smithsonian Institution in Recent Years

- San Francisco Mint, San Francisco, California (rehabilitation, custody, creation of museum)
- Mid-America Center, Hot Springs, Arkansas (comprehensive development of educational center, including exhibitions)
- Mayer House, New York City, New York (custody, suitable use and display)
- Living Historical Farms of the United States (legislative program to promote development of Living Historical Farms in the United States)
- National Oceanographic Bill/later became NOAA, Department of Commerce (legislative program for oceanography)
- American Film Institute, Washington, D.C. (custody, display, archival function)
- Environmental Data Bank (proposed legislation - broad assembly and dissemination of data)
- Folklife Foundation (legislative program, demonstrations nation-wide)
- Old St. Louis Post Office Building, St. Louis, Missouri (rehabilitation, creation of museum)
- Jefferson Patterson House, York, Maine (custody, exhibitions) .
- Pacific Science Center, Seattle, Washington (custody of an established local museum, educational center, successfully operating)
- Collection of Rare Books donor from Arizona (accession, with conditions)
- Franklin Mint, Philadelphia, Pennsylvania (custody, exhibitions)
- Center for Taxonomic Research, Beltsville, Maryland (broad custodial and referral responsibilities)
- The Textile Museum, Washington, D.C. (custody)
- WETA, Washington, D.C. (custody and operation of educational TV station)
- Chicago Regional Air Museum, Chicago, Illinois (custody, exhibition)
- Union Station/Visitor Center, Washington, D.C. (study developed on reconstruction)
- Cincinnati Railroad Terminal, Cincinnati, Ohio (rehabilitation, creation of museum)
- S.S. United States, proposal from T.J.D. Management Services Corp., New York, New York, for Smithsonian to take title and assist in developing exhibits
- Dodge House, Grosse Pointe, Michigan (custody of collections and maintain as museum)
- Children's Zoo proposed for National Zoological Park, Washington, D.C. proposal by donor to give \$500,000 to establish within the National Zoo
- American Type Culture Collection, Rockville, Maryland (collection of live colonies of virus, bacteria and fungi - pure strains used in research by various government agencies and private pharmaceutical companies)
- State of California Proposal for Smithsonian Western Bureau (establishment of a western bureau of the Smithsonian at Cal Expo in Sacramento)
- The above list is by no means complete but is representative of the proposals we have had in recent years, and those we continue to receive.

TARIFF COMMISSION BUILDING

Mr. RIPLEY. Right. I am aware, now that I am reminded of it, that since 1965 we have been in tentative negotiation with the GSA about the eventual use of what I think is generally called the Tariff Commission Building. This is now occupied by the International Trade Commission.

The reason for the origin of this discussion was that Lawson Knott, as the GSA administrator in the 1960s, recommended the Smithsonian try and take over this building because it is adjacent to the old Patent Office, now the National Portrait Gallery and the National Collection of Fine Arts. It has an underground connector with the Patent Office, and it is a historic landmark building. It was thought it would be an ideal solution eventually to turn it into a museum adjunct.

Now that conversation comes and goes over the years, depending on administration attitudes. We have currently, I believe, written to the committees to inform them that the discussion has been renewed recently, with the present GSA administrator, Mr. Solomon, because the International Trade Commission is seeking appropriate and different quarters in which to put their offices as they do not have enough room in the building. We think that this is a very appropriate subject on which to continue discussion. I am quite sure we would provide ample warning and ample notice to the Regents in the first instance, who already know about this, and to the committees, that I say we have written to recently, should any occasion of this sort occur, rather the way it did with the Renwick Gallery. In that case, the administration wished to give us the building, and it was about 3 years before we actually were able to establish an appropriations base for that building.

Another matter, let us say, is the Tropical Research Institute, where we have strong needs for a library, which we have discussed in the past with the committees. We have not been encouraged to seek appropriated funds for this library, so we have been out trying to beat the foundation and other bushes, as it were, to obtain trust funds or donations for the construction of this library.

It is conceivable that as the years go on and we cannot find any donor, we will come back, make our case to the committees again in due course, and see if, on its merits, we can interest the Appropriations Committees in helping us to support it. Those are the only examples I can think of now.

As you know, there is discussion in this report about the last site on the Mall. If it is clearly covered in the authorizing legislation that no plans for the Mall for buildings and so on would be undertaken without going back to the authorizing committees, let alone the Appropriations Committees.

C.B.A.-HOFFMAN CORRESPONDENCE

Mr. YATES. I just received a letter from a constituent dated February 15:

"Dear Representative Yates, I am calling your attention to a matter that you have expressed interest and concern about. We are writing a book and require research material from the Smithsonian."

"Following our visit to Washington for the selection material, we were informed by letter the cost of reproduction of the material was \$213. However, the cost apparently of doing business with a Dr. John Hoffman, curator of the particular area of Americana we are concerned with, was \$1,500. The check we were informed was to be made out to a C.B.A. Hoffman Fund. When we confronted Dr. Hoffman with this, he informed us that his salary depends in a large part on this fund. We found nothing like this in the Library of Congress or other collections in libraries where we are getting research material, only the Smithsonian.

"Please understand we are willing to pay for reproduction rights, the cost of transparencies, glossy photos. However, this is an outright request for a personal payment. We would appreciate your comments or any suggestions as to how we can do business with the government without contributing to the personal subsistence of an individual."

Who is Dr. John Hoffman?

Mr. BLITZER. There is a Dr. Hoffman who works in the Museum of History and Technology. If that statement is accurate, it is outrageous, I must say. I assure you I will look into it.

Mr. YATES. What is C.B.A. Hoffman?

Mr. BLITZER. I don't know. I was just looking through this printout to see if I could find it.

Mr. YATES. Do you pay any employees from its funds? You do obviously.

Mr. RIPLEY. In connection with contract employees perhaps that would be an interpretation.

Mr. YATES. Here we are. This is page 139, under the National Museum of History and Technology, Account 13539400, Collection of Business Americana Funds. Purpose, maintenance, conservation and restoration of the collection, John Hoffman. Open balance \$1,602. Apparently he is running out of money.

Mr. BLITZER. Dr. Hoffman is assigned to something which is called the Collection of Business Americana. We used to call it the Warshaw Collection.

Mr. YATES. The Warsaw Concerto.

Mr. BLITZER. That is a man's name. The collection is more than 1 million pieces of really fascinating material about the history of business, catalogs, and stray catalog labels that are of great interest. Dr. Hoffman was assigned a year or 2 ago to be in charge of this collection.

Mr. YATES. Do you think he was kidding?

Mr. BLITZER. As far as I can tell, the heading indicates, it is a special purpose fund.

Mr. YATES. Charles, suppose I give you this letter and ask you to file something on it for the record.

Mr. BLITZER. I will be delighted to.

Mr. YATES. I wouldn't say all my constituents are scholars, but this person I think seems to be and seems to know what he is talking about.

SMITHSONIAN AS A COMPLEX

Smithsonian Institution, a big business enterprise is what they call it.

Are you going to be a conglomerate, Mr. Ripley?

Mr. RIPLEY. No. I think we are called a complex, Mr. Chairman. We have no intention of being a conglomerate, unless the Regents advise us otherwise.

Mr. YATES. Where are you going? That is why I asked you what is under consideration.

Mr. RIPLEY. This is in the staff report, "a big business enterprise"?

Mr. YATES. Yes.

Mr. RIPLEY. I think that we are concerned, as we have demonstrated before in these hearings, to make sure that we live up to a precept which seems to me to be implicit in the Institution's charter, of attempting, as best it can, to maintain the trust fund, some appropriate trust fund balance, and not to require that all funds be directly appropriated to the Institution from the Congress. It is in these efforts that we have attempted to guard the endowments of the Institution; that we have attempted, when possible, to attract gifts both of collections and also of money, just as any similar institution would, and that we try prudently to administer these funds, so as to be able to bear our share.

I think history is very important in this respect, and I sense a certain distaste for history in the investigative staff's report. They speak of tradition almost disparagingly.

Mr. YATES. Oh, no, I don't think that is fair. I think perhaps what they want you to do is use tradition, but they also want you to observe certain parliamentary procedures, as far as the setting down what the Board of Regents has done here.

Mr. RIPLEY. I agree, Mr. Chairman. Perhaps I spoke too strong. What I do feel, though, is that history in this instance is very important, because it does come around to haunt you over the years. If we act imprudently, if we waste funds, if we run into major deficits, which has happened recently in the education sector of our Nation, then I think we would not be living up to the trust. It seems to me that the Regents are very sensitive and concerned about this, and that every effort that we have been trying to make to develop the associates, to develop public awareness of the Institution, tends to strengthen what I think is a fundamental American principle, and that is the principle of self-help.

It is not our intention, nor do I believe it is the intention of the Regents, for the Smithsonian Institution to go on the dole. It would not help the taxpayer in any substantial measure that I can think of.

Mr. YATES. What does that mean, going on the dole? You mean make yourself subject to Federal appropriations entirely? Is that what you mean?

Mr. RIPLEY. If we were to become total pensioners, and responsible to the appropriations process for every dollar that the Institution was able to spend for increase and diffuse knowledge among men, it would be an absolute betrayal, as it were, of the charter and the trust which was set up by the Congress in the first place.

Now there is a change, I think, in some Federal funding processes that occur today in this country which tends to encourage this assumption, that whoever you are, even if you are an endowment, you should go for all your funding to big brother or to Uncle Sam.

I don't think that that is what this trust is all about, and I think that anything that the Institution and its Board of Regents can do to strengthen the continuing preservation of the trust is of fundamental importance.

Mr. YATES. Mr. Duncan.

FUNDING SOURCES

Mr. DUNCAN. I think that is a good statement, and I support what you are saying in that respect.

Would it be possible, however, to eliminate the questions that are asked, I won't even say those that have been raised, because I don't think anyone questions the basic integrity of the Smithsonian's directors. As a matter of fact, most of us on this side of the table have a great deal of sympathy with you, because we have areas of our lives between which it is virtually impossible to draw lines of rigid demarcation.

When does the congressional business leave off and when does the political activity commence?

I think each of us have to differentiate, draw the line, just as I think you have here, but questions are raised constantly about us, and some have been raised about this.

Now without betraying in any way your trust responsibilities, and without impinging upon this philosophical self-help concept that you have so eloquently enunciated, would it be possible for you to lay out your budget with your requirements, then a source and disposition of funds statement, that out of these requirements this much is coming from private sources, and this much is required for a Federal appropriation, and then administer it from that point on as if you were another Federal agency, without the different employees in one category or another?

It seems to me that it might even be easier for you, and so long as you could establish that those funds were being spent for the purpose for which they were donated, you ought to have no legal difficulties, though perhaps the General Counsel might think otherwise.

Is this a practicable way to eliminate these questions?

I am not saying resolve them, but eliminate them.

Mr. RIPLEY. I am sure that the questions will never really be eliminated, because it is an oddity. The Smithsonian is different. It is sort of unique.

Mr. DUNCAN. But don't we restore some symmetry to it by an approach of that sort?

COMMUNICATIONS PROCESS

Mr. RIPLEY. I think what we are constantly doing and what the Chancellor and the Regents are particularly keen to do now is to refine this communication process so that the committee at any moment has an exact impression of just where those funds are coming from, just what we need.

Mr. DUNCAN. But, Mr. Secretary, aren't you always going to run into someone who, no matter how careful you are to allocate properly these two sources of funds between your two sets of responsibilities, is always going to differ in their judgment from what you have reached and from what the Regents have reached? Wouldn't that be eliminated if you budgeted at a single budget, hired all of our people under the Civil Service, indicated on your budget your source of funds, and the balance required to be appropriated?

Now why wouldn't that work? It would cut off some of the flexibility, I suppose, that has perhaps enabled you to achieve preeminence, but you wouldn't run into this switching people back and forth from Civil Service to private employment?

Mr. RIPLEY. We, of course, save the Government quite a lot of money in this process.

Mr. YATES. By doing what?

Mr. RIPLEY. By having a trust fund roll of employees representing about a third of our total employment. This is a measurable amount of money.

Mr. DUNCAN. So long as that private money is in your budget, and is to be spent, why would that cost the Federal Government any more? As a matter of fact, the committee suggests, the investigative report suggests, that it costs us more, because of one, as I recall it, who was on Civil Service and who was removed and later was reinstated at a higher rate?

Mr. RIPLEY. We don't think that that really is germane, because it may be one case out of a thousand or so. This is not a common practice. It is easy to get the impression that we are playing some kind of shell game here.

Mr. DUNCAN. Precisely.

Mr. RIPLEY. And nothing could be more distasteful to the committee, to the staff or to ourselves than to assume that we are. And we have no evidence that we are.

BUDGET PRESENTATION

Mr. DUNCAN. What I am suggesting is that the distasteful questions that are raised can be avoided with a little different approach in your whole budgeting process. I don't expect you to answer it right now, but I wish you would give it some consideration, perhaps insert your comments in the record at this time.

Mr. RIPLEY. Right.

Thank you.

Mr. YATES. If I might comment on your statement, I think it is a very good statement, and I don't think there is any intention on anybody's part here to do what appears on page 12, and that is to impose some procrustean pattern upon the institution.

Mr. RIPLEY. Is that our page 12?

I am afraid I am not in the habit of using that word. I thought you were, Mr. Chairman.

Mr. YATES. I wondered whose word it was.

Who knew about Procrustes? Who is your mythological character?

Mr. JAMESON. The eminent Mr. Blitzer.

Mr. YATES. Is that Mr. Blitzer's?

Mr. RIPLEY. This is the staff's, not mine.

Mr. YATES. It is Mr. Blitzer's way of putting your remarks in another way, I think.

Mr. RIPLEY. I am sure he said it in a much better way than I could.

Mr. YATES. I think we will go answer the quorum call.

[Brief recess.]

PROSPECTUS OF GROWTH

Mr. YATES. How big is the Smithsonian going to get? If in fact you don't want to be on Uncle Sam's dole, are you well launched for that, because you have a goal of a \$50 million endowment, which is going to pay you up to \$5 million a year, if you ever get your money. Interest rates being what they are, perhaps they will move up and let you make \$5 million.

Mr. RIPLEY. We are not that clever.

Mr. YATES. That is what the report indicates. The question comes up as to whether you are going into money-making activities other than the stock market, and other investments that have not worked so well for your endowments.

You launched yourselves into the Smithsonian Magazine and it turned out to be a roaring success. Is it \$4 million net that you put into your endowment this year?

Mr. RIPLEY. Yes, in that area.

Mr. WHEELER. \$5.5 last year.

Mr. YATES. Why \$4 million this year and \$5.5 last year?

Mr. WHEELER. Because we have in mind helping some programmatic things, which we mentioned to a total of a couple of million dollars.

Mr. RIPLEY. In our budget, on the trust fund side, we discussed setting up a \$2 million fund this year, \$1 million to be used for purchases for the collections, and \$1 million to be divided between what we call increase, that is research, and diffusion of knowledge, through publications and outreach.

Mr. YATES. Will you go into other money-making activities?

Mr. RIPLEY. We have no intention of doing so at this time.

REVENUE-PRODUCING ACTIVITIES

Mr. YATES. I remember about ten years ago one of your museum shops was a marvelous endeavor. You had oriental rugs that your buyers had brought from all the corners of Turkestan and Persia. You had marvelous African art sculptures. All of a sudden one day it was all closed out.

Mr. RIPLEY. Right. We couldn't renew the stock. We could not get more of these wonderful things. The person in charge was very talented, very imaginative, and had wonderful taste. He was a one-man buyer. He would travel, find the objects and bring them here. Then the stores, where they fitted into the discipline of that museum, would retail them.

This was very successful. But it just died out because there were not enough things to go around.

Mr. WHEELER. Mr. Chairman, the shops were being treated more as an exhibit than a shop.

Mr. YATES. He was losing money?

Mr. WHEELER. We were managing to lose almost \$100,000 a year in the shop.

Mr. YATES. I guess he lost some in my direction because I bought some of the objects. They were just beautiful.

Let's go back to money-making activities. Here you are. You have got a fine magazine that throws off a very lucrative gain every year. Why shouldn't you look for other money-making activities?

Mr. RIPLEY. We don't consider the magazine—

Mr. YATES. A money-making activity?

Mr. RIPLEY. Well, let me say, as I said this morning, Mr. Chairman, this is a vehicle for the associates. Now, if this vehicle turns in a profit, that is one thing. If it did not turn in a profit, we of course would be constrained to make it smaller.

Mr. YATES. Do what you did to your shop man. When you lost \$100,000 a year, he was lost.

Now, what would this ad be for? "Smithsonian's Million Five, Why They Are So Poor"? Are you looking for advertisers? You must be, because they show Business Week, Money, Scientific American, Psychology.

Look at the rise of Smithsonian. You have really got a bear by the tail. You are really going to town. That is quite a message. I think Mr. Smithson would call that the diffusion of knowledge.

Mr. RIPLEY. I drew the attention of the Regents to this ad. They said they didn't like it, and thought it was in poor taste. It really had nothing to do with serving the associates. I so advised our staff. But it is true that we started this magazine as a vehicle to reach the associates out of town, and to make them more conversant with the activities of the Institution.

That is the first principle. Now, it is true that the magazine has been financially successful—thank goodness—because we could not obviously continue to run it if it were not.

FOREIGN STUDY TOURS

Mr. YATES. But then Smithsonian also travels abroad. In order for me to take a trip with one of Smithsonian's able scholars, on one of its tours, I have to pay Smithsonian \$250, don't I?

Mr. RIPLEY. At least. There is a waiting list a mile long.

Mr. YATES. This is \$300—for a study tour of Thomas Jefferson in England and France. That should be very interesting. The general chairman is Dr. Richard H. Howland. Who is he?

Mr. RIPLEY. He is on the staff of the Smithsonian. He is, I must say, enormously skilled at conducting these tours. They are quite small, sort of personal tours, with a limited group. They are enormously popular.

Mr. YATES. Are these only for associates, too?

Mr. RIPLEY. These are for associates.

Mr. YATES. Limit to 34 members of the Smithsonian associates. The guest lecturer will be Professor Nichols of the University of Virginia, with Miss Schumann, Foreign Study Tours of Smithsonian as tour coordinator, and with travel arrangements by Waddington Travel Agency.

Who pays the expenses of Dr. Howland and the others?

Mr. RIPLEY. These are in-house trust fund accounts, that are self-liquidating.

Mr. YATES. Looks like a beautiful trip. Where else do they go? All over the world?

Mr. RIPLEY. Well, depending on the availability of the guest lectures, and on the director, Dr. Howland—he is retiring I think at the end of this year—to furnish the service required, they have essentially gone to the Middle East, to Eastern classical sites, Greece, Turkey. They have gone to, once or twice, South America as well as to Western Europe.

Mr. YATES. How many members are there in the Smithsonian associates?

Mr. RIPLEY. About 1.6 million.

Mr. YATES. All dues paying members.

Mr. RIPLEY. Yes, and from all States of the Union.

Mr. YATES. How much do they pay?

Mr. RIPLEY. \$12.

Mr. YATES. That is \$12 million a year.

Mr. RIPLEY. Gross, yes.

Mr. YATES. National tours to the domestic parks. Waiting list only. Why don't you run second sessions?

Mr. RIPLEY. Well, it is really contingent on the personnel available to manage them. It is a very critical need to make sure that you have exactly the right kind of people managing the tour day to day. Is a very tiring and demanding experience.

It is rather like being a teacher in a grammer school class sometimes—when the train is late or the bus hasn't come, or you have a flat tire.

Mr. YATES. More like a camp counselor.

Mr. RIPLEY. That is a good comparison, camp counselor.

Mr. YATES. How much money do you make on the tours?

Mr. RIPLEY. I think we have been netting something in the neighborhood of \$40,000 to \$80,000 a year. It has been a marginal operation as far as profit is concerned.

But we find it extremely popular. This is a great education experience. As you know, the Brooklyn Museum pioneered this concept. The Metropolitan has done it a bit. The Museum of Modern Art in New York has been enormously successful with its tours to Western Europe, particularly.

Now, a lot of the science museums are doing it. The Art Institute in Chicago does it. Los Angeles Museum of Science and Natural History does it. It is a kind of outreach service, for the membership of these associate organizations of the museums.

REGIONAL PROGRAMS

Mr. YATES. Are there other fund-raising activities that the Smithsonian associates engage in?

Mr. RIPLEY. The associates—we have these regional programs; that is, for example, an associate visit to a city. We will identify a city, such as Houston, where there are 6,000 associates, or San Francisco, where there are 15,000 associates, or some smaller city—Birmingham, Ala., or others—then identify a chairman and a local museum that wish to participate with us.

We will have a series of lectures, exhibitions, associate lectures for the associates and for the members of the museum staffs there. The museums themselves are very anxious to participate.

We are not in competition with the local museums, but rather we extend their horizon to people who may not really have been aware of their local museum facilities.

Of course, we also have some 47,000 resident associates in the greater Washington area, Mr. Chairman.

We have some 80 or 90 series of lectures, demonstrations, craft programs going on here in the Washington area.

Mr. DICKS. Would the chairman yield.

Mr. YATES. Mr. Dicks.

TOUR DIRECTORS

Mr. DICKS. Who makes a decision about the visiting professor who will be selected to head up these tours.

Mr. RIPLEY. The director of the tours are largely drawn from scholarly part of the Smithsonian. They are located with the assistance of other scholars. Partly by word of mouth and partly by letters, we try to identify, let us say, a specialist on Russian history, or something of this sort, who may be anywhere in the country.

Mr. DICKS. I assume availability is a factor.

Mr. RIPLEY. Availability, willingness to come is a key factor. If that person is a professor, if he is on a sabbatical that year, and has the time, or on a leave of absence he may come. The directors are carefully screened in the process, because of the problem of personality, and how they get on, do they get rattled by a flat tire on a lonely road, or waiting for a bus to make a plane connection.

Mr. DICKS. How is their compensation determined? Does it depend on the individual?

Mr. RIPLEY. No. We have specific fees; that is, we give consultant fees to these participants, out of this revolving trust fund account for the purpose of the trip.

Their way is paid, their ticket is paid. They also get this small fee, rather small for the whole time. But it is based on knowledge that enthusiasm is generated by the scholar who is a teacher for this moment, and that he has a chance to see these places and see colleagues if he is a specialist in archeology, or something, and they are going to Greece. The tour is very rewarding for him and develops a kind of mutual enthusiasm.

Mr. DICKS. Thank you, Mr. Chairman.

REQUESTED INCREASES FOR CENTER FOR STUDY OF MAN

Mr. YATES. The investigative staff says that, in its opinion, increases in Federal funding will be sought for the several Smithsonian Institutional activities identified in Chapter 17.

The Federal appropriations will replace or supplement the funding of activities now supported with private funds. We turn to Chapter 17 and see listed there the Anthropological Film Center, which is already receiving Federal funds.

I think we started that last year, didn't we?

Mr. RIPLEY. Yes.

Mr. YATES. And you want more money this year.

Mr. RIPLEY. We have a budget presentation for that center. It is very modest. It does not comprise any money that I can think of in addition.

Only necessary pay, \$5,000. There is no increase in program funds.

You asked me about the forward look of the Institution, Chapter 17, and the request for increased Federal funding.

Mr. YATES. Yes. I became bogged down in the Anthropological Film Center; the Center for the Study of Man; the Handbook of North American Indians; the Research Institute on Immigration and Ethnic Studies; the Urgent Anthropology Programs; the Cross-Cultural Research Program; and the Anacostia Neighborhood Museum.

Mr. RIPLEY. I would say, Mr. Chairman, this would be covered in our five-year plan. You will have a much clearer idea of things which really are worthless to speculate about at this point.

Mr. YATES. Sure. All right.

ACCOUNTING PROCEDURES

I read, "The Investigative Staff, in its review of Smithsonian Institution activities, did not learn of any current, significant misuse of Federal or private funds or property of the Institution for personal benefit. The Investigative Staff believes this observation is more reflective of the integrity of Smithsonian Institution employees than the effectiveness of the Smithsonian financial and management controls."

The point I am making is man is mortal, and we better make sure that the financial and management controls go in to protect the Institution.

Mr. Wheeler wants to comment.

Mr. WHEELER. Yes. That is a point which I wanted to correct for the record.

Mr. YATES. You mean the statement is not correct, that the group doesn't have integrity?

Mr. WHEELER. No, sir. I have the greatest admiration for the group. But as far as our controls are concerned, by citing two small cases—and they were minuscule—of fraud that we have detected in the years I have been here, I think I gave the wrong impression.

In the first place, one of those cases was caught by our regular procedures. Basically we do have very good policy and procedure controls. We have policies and procedures manuals that dictate the procedures to be followed.

There are no requisitions issued without checking the availability of funds. There are no purchase orders issued without having a requisition. There is no payment without having a proper receiving report. Many of our bureaus complain that we cause delays in the payment of bills because we followed the policies I just mentioned.

In addition, we have regular reports issued on all these funds. We have regular reports that are reviewed monthly by our finance committee. These reports would cover, of course, the larger items rather than the small details that might possibly escape attention.

Finally, we have an internal audit group that goes over all of our programs and bureaus as frequently as they have the time to get to them.

So, I think I could safely say that we could stack our accounting and control system up with any organization that I know of.

I would like to make one other correction for the record, and that is in the listing of these accounts, I said they did not contain construction accounts or the foreign currency account. It does indeed contain that, a record of those.

DISCLOSURE OF FUNDING SOURCES

Mr. YATES. All right.

I would like to have your comment on this, Mr. Ripley—from the report.

I read from iii:

Additionally, under the terms of enabling legislation, the Smithsonian Institution has the responsibility to advise the Congress of its private fund activities so the Congress can assess its own responsibility in administering the Smithsonian trust.

These responsibilities are distinct from those associated with appropriated funds. The accountability of the Smithsonian to the Congress is for the whole of the organization, both privately and federally funded.

It is, therefore, imperative for necessary Congressional oversight that the Smithsonian present its budget justification as a whole to the Regents and to the Congress for consideration and understanding.

The private funds and the Federal funds should be cast as two parts, comprising the whole, so the Congress can view the entire Smithsonian effort when considering an appropriation request.

What do you think?

Mr. RIPLEY. We entirely agree. I said this morning in the beginning of my testimony, Mr. Chairman, there are many of these important points brought out by the Investigative Staff with which we are wholeheartedly in agreement, and which help us to refine our own point of view about our current management practices in an immeasurable way.

We are very delighted to have this kind of scrutiny, and this kind of statement.

Actually, for all of these funds—the Smithsonian staff and management are fully accountable to the Board and to the Congress, and we are required by law to make annual reports.

In addition, our budget justification now contains full information, especially in this current budget justification before you on the sources and applications of all operating funds of whatever types for the current and budget years.

We are trying to make a 5-year projection, as you know, so that there will be certain aspects of the finances which will come into that five-year projection, which I think will be very helpful to the committees.

Neither the Office of Management and Budget nor the Congress is obligated, of course, to approve Federal funding unless they are, during the process of appropriations discussions, convinced this should be done.

If the Office of Management and Budget or the Congress decides not to fund such activities, the Smithsonian will have to struggle to maintain the ability to stop or reduce such activities, or operate them only with trust funds.

This is the best we can do. We stand ready to provide to the committees all information of any kind regarding our finances.

Similarly, we stand ready to supply the Congress full information about the substance and management of all Smithsonian programs and activities.

Mr. YATES. Is there objection to providing the Congress with the sources of your funding?

Mr. RIPLEY. No.

Mr. YATES. The so-called restricted funding?

Mr. RIPLEY. Not in the least. These are all open to scrutiny.

Mr. YATES. That has not been provided.

Mr. RIPLEY. Yes, we have this available.

Mr. YATES. No, I think Mr. Wheeler will tell you it hasn't been. In the print-out you have certain individual funds listed, but then there are other where the source is not listed.

Mr. RIPLEY. All the restricted funds, as far as I know, are listed. Isn't that right?

Mr. WHEELER. Yes. But we don't show the exact source of the funds in all cases. We do show some. There is no objection to showing them.

Mr. RIPLEY. We would be happy to. I don't know why there is any distinction maintained.

Mr. YATES. I wondered about that.

Mr. RIPLEY. The restricted funds are essentially ones given to us by gift, bequest. They are not necessarily anonymous, shall we say, although occasionally gifts are given anonymously. But that is an understood function in museums and collections.

ASSISTANT SECRETARY FOR SCIENCE-UNRESTRICTED FUND

Mr. YATES. All right. Here, for example, P.G. 33, program science. Assistant Secretary for Science, discretionary funds. Support funds for science bureaus. Assistant Secretary Challinor has an open balance of \$3,300. That doesn't indicate what the source is.

Mr. WHEELER. It is an allocation of unrestricted funds.

Mr. YATES. Allocation of unrestricted funds. I thought you had done away with discretionary funding. Wasn't that your 2 percent thing that we talked about?

Mr. WHEELER. It is entirely different.

Mr. YATES. Would you tell us what a discretionary fund is, please.

Mr. CHALLINOR. Mr. Chairman, the Assistant Secretary for Science is allocated \$2,000 or \$3,000 a year from unrestricted trust funds of the Institution.

Mr. YATES. Is that for entertainment?

Mr. CHALLINOR. These funds are primarily used to support emergency requests from scientists generally in the field. I can give you a precise example how they were used last year.

The ice was late breaking up in Northern Labrador. The research party, therefore, had its total season reduced to get to this field site in which they were working. They needed \$1,800 to charter a helicopter for two flights to take eight people in the field to the site at which they were digging.

Mr. YATES. What were they digging for?

Mr. CHALLINOR. They were digging for artifacts of Eskimo and Indian cultures about 1,200 to 1,300 years ago. In other words, about the time the Vikings landed there. They found these sites. They found

places where the paleo-Indians and paleo-Eskimos had quarried for flint to make arrowheads.

Mr. YATES. Where would the money have come from? Unrestricted funds? From where did the unrestricted funds get it?

Mr. RIPLEY. Well, we have to authorize an allocation out of unrestricted trust funds to—

Mr. YATES. Where do the unrestricted trust funds come from?

Mr. RIPLEY. Well, they are a collection of funds. Some of them are actually endowment income which is given for unrestricted purposes. There are specific funds, let's say, which are simply in the endowment for an unrestricted scientific purpose which may be used at the discretion of the management of the Institution.

They are quite limited, and quite small. But they do exist. We have to scrutinize the source to determine how we can make a valid allocation to a staff member, such as the Assistant Secretary of Science, to give him a discretionary allotment.

SOURCE AND APPLICATIONS OF ALL FUNDING SOURCES

Mr. YATES. Let's turn to page E-1. We note from page E-1 with respect to the 1978 budget, the net funds which will inure to the Smithsonian from the unrestricted sources will total \$10,412,000. How do you distribute the \$10 million? How do you know where it goes? Who decides where it goes?

Mr. RIPLEY. The Regents have a budget for the unrestricted trust funds.

Mr. YATES. Is that distributed in this chart somewhere?

Mr. JAMESON. The following page, sir.

Mr. YATES. The \$10 million is on the next page.

Mr. RIPLEY. The \$10 million carries over.

Mr. YATES. Mr. Wheeler says only a part of it, Mr. Jameson.

Mr. WHEELER. We only distribute part of it to those bureaus, sir.

Mr. YATES. How much of it do you distribute to the bureaus?

Mr. WHEELER. \$3.7 million.

Mr. YATES. What happens to the other \$6.3 million?

Mr. WHEELER. \$4 million is going into the endowment fund.

Mr. YATES. That is for the \$50 million endowment fund?

Mr. WHEELER. Yes, sir.

Mr. YATES. \$550,000 goes to plant fund.

Mr. WHEELER. Yes, sir.

Mr. YATES. And \$1,759,000 goes for current funds. What does that mean, current funds?

Mr. WHEELER. Those transfers are—let's see, a large part of them goes to the special purpose funds. If you look on that same line at \$1,759,000—\$1,609,000 are transferred to the special purpose funds.

Mr. YATES. OK. Let's come back at 10 o'clock tomorrow.

INTRODUCTION OF SPECIAL WITNESSES

Mr. YATES. The hearing will be in order.

We are pleased this morning to have with us the head of the Smithsonian's Regents Executive Committee, who has a long and distinguished record in government affairs, Mr. James Webb.

I couldn't begin to recite all the positions in government he has held, and all his private positions. I remember him when he was Director of the Budget. I remember him when he was with NASA. I don't know what other positions you have held.

Mr. WEBB. Under Secretary of State, and my first job up here was with the Rules Committee of the House, when Mr. Edward Pou was the chairman, back in 1932.

Mr. YATES. Obviously the most distinguished job of all.

We are glad to have you with us, Mr. Webb.

Accompanying him is Mr. Phillip Sam Hughes, who also has had a very distinguished career in government, and who was appointed by the Audit Review Commission of the Board of Regents to conduct their review of the operations of the Smithsonian, and who wrote a very good report.

Mr. Hughes, we are glad to have you here, too.

Mr. YATES. Do either of you have a statement? Is there something you would like to say beforehand, or would you like to sit back and relax?

Mr. WEBB. I would like to be available to you and the committee for anything you wish. I have no opening statement.

Mr. HUGHES. Similarly, Mr. Chairman. I will respond to any questions.

Mr. YATES. Very good.

FURTHER REVIEW OF REGENTS ROLE

Let's review in some measure the questions which I raised for Mr. Ripley yesterday.

It seemed to me, and a number of members of the committee, that the Smithsonian does have a very distinguished Board of Regents, both civilian and noncivilian representatives from the various branches of government.

We wondered, in view of the tremendous scope of the activities of the Smithsonian, whether three meetings a year by the Board of Regents permitted the Regents to exercise the statutory review and control over the operations of the Smithsonian that we think is contemplated by Mr. Smithson's will and by the legislation that was enacted in 1936 and 1946 which created the framework for the administration of the Smithsonian.

Mr. Ripley, of course, could not speak for the Regents in that respect, but he did give his opinion. It was clear to me, at least, perhaps as a result of having been a Regent for a brief period, the difficulties he has faced in finding quorums of the Regents with which to do business.

Perhaps that is one reason why there are not more meetings than there are.

I know that the Executive Committee of the Board of Regents meets each month and reviews the operations.

I think I would like to have your view on that, inasmuch as you have been on the Board of Regents and you are chairman of the Executive Committee.

In measure you are responsible—in great measure—for relating to your fellow Regents the affairs on the status of the Smithsonian Institution, so that they are advised of what goes on.

The question that I should like for you to address yourself to, if you would, is whether that is an adequate communication so that the Regents themselves are in a position to exercise their responsibilities.

Mr. WEBB. Thank you, Mr. Chairman.

DISSEMINATION OF INFORMATION TO REGENTS

I think rather than the number of meetings per year—and I am sure you know the Regents are considering adding a fourth meeting—the importance is the kind of men you have on the Board, the interest they take, and the various interests which they represent in participating in the decisions of the Board, and giving guidance to the Secretary.

Now, the Chief Justice, who is Chancellor, has taken a great interest in the improvement of administration in the courts.

My first contact with him was when he wanted to form the Institute for Court Management, which is now out in Denver, Colorado. This was originally started by a small grant from the Johnson Foundation of Johnson Wax fame.

He learned from the Academy of Public Administration that I had been quite active in this field—I had been one of the founders of it—and asked if I would become one of the founders and take an interest in seeing that this was set up in such a way as to train court administrators.

He was very anxious that the strength of the judicial system, the strength of the courts, clerks of the court, and the normal administrative activities of the courts be increased substantially through professional and trained court administrators who would then be made available to any courts who wished to employ them.

This we did. I spent a number of years doing this, which brought me in quite close touch with him.

As you may imagine, with lawyers as independent as they are, with clerks of the court operating very much in many cases as they have for generations, this was not an easy thing to do.

But we were quite successful in it. I was able to depart after helping get it set up on a basis that would last. It has lasted, and is still doing an excellent job.

Now, when I was asked to serve as a Regent of the Smithsonian, he had this background. He and Mr. Ripley both asked if I would get into a framework where in a sense living in Washington, and not doing any practice of law before the government, I didn't find a lot of conflicts of interest, whether I and Caryl Haskins, who also lives here, who is a distinguished scientist, could form a sort of local unit that would be available to foster a better approach to the problem of growth.

When I joined the Smithsonian in 1970, it was about one-half the size it is now. We all have gone through a learning process. But this attitude of the Chancellor, and this attitude of Mr. Ripley toward regarding this as a learning process to do things we hope in the future better than we have in the past, I think is one of the ways you should think about the relationship between the Regents' Executive Committee and the staff of the Institution.

Now, what do you mean by a learning process? One thing is how you handle the finances of the Institution. We had a large number of quite specific grants. In the case of the Freer, an endowment of about

\$1 million was given, and a provision was made that only one person could add to the Freer collections as long as she lived, and that was Mrs. Agnes Meyer.

You had quite a strong feeling that while this had been given to the Smithsonian as a part of its trust activities, it was nevertheless something to be regarded as something very different, very special, and to be preserved very much in the form that it was originally given except for these possible additions by Mrs. Meyer.

I may be a little off base, Dillon, but I think I am not very far off base with respect to the problems that the administration of the Smithsonian faced.

EXAMPLES OF REGENT INVOLVEMENT

Now, the second problem in handling the finances was how did we merge for investment purposes a very large number of trust funds which were given for specific purposes that had to be accounted for as a trust responsibility and apply it to the specific purposes for which they were granted.

There again, Mr. Chairman, I believe is one of the keys to the problems that we have faced, and indeed the successes we have had in meeting those problems.

The fact that you cannot really invest a very small trust fund effectively—you cannot hire a manager for a small trust fund. So, we were able to get into action, against the opposition of some Regents, but with the strong leadership of the Chancellor, to merge the funds for investment purposes, and to allocate back to each trust fund the income applicable to that portion of the total that was invested on a total return basis.

In addition to this kind of question, of relationships between the Smithsonian Regents, you have the professional staff of the Smithsonian also concerned with investments—Mr. Ames Wheeler had been the financial officer of an important private company before coming to the Smithsonian. You have a strong feeling on the part of the people, the curators and others, charged with the forward motion of the programs, that each of them should have more funds than are available to them, either through your generous action or the private trusts or the income from the money available to us.

So, there is this sort of complex situation in which we have learned, I think, to find a pattern of action that represents a great deal of knowledge on the part of the Regents, and more knowledge on the part of certain specific Regents, like Mr. Bill Burden, who is the chairman of the Investment Advisory Committee, and who takes this very seriously.

We meet in New York. We have several financial advisors over and above the Regents. The Regents on that committee are now Mr. Burden, myself, and Mr. Thomas Watson. But we have advisers, Mr. Harold Linder, who was head of the Export-Import Bank here; Mr. Charles Mott, one of the more brilliant younger financial managers in New York, and several others.

We have three paid managers. We have divided the funds into three parts, and you put the three paid managers in competition with each other.

We are now emerging from a five-year period in judging this competition, and are about to make some changes because some have done better than others.

So, I think this gives you the flavor that the Chancellor is in reasonably close touch with Mr. Burden at our meetings and between time. I am in fairly close touch with both Mr. Wheeler and Mr. Ripley, and with Mr. Burden as matters go forward from day to day. We evaluate the performance of the machinery we have set into motion, and also find that the Smithsonian itself is always pressing for us to do the things that will get more return because they need the money.

In another area, I think it is fair to say that we have had some cases where our most optimistic feelings did not work out.

Mrs. Post left Hillwood to the Smithsonian, and left the proceeds of an endowment of, I think, \$10 million to support it. She had very strong views as to how it should be supported, how its appearance should be preserved and so forth. Naturally the Smithsonian, with its experts in the artifacts that were in Hillwood, were very anxious to find some ways to make those artifacts available as exhibits, as museum pieces, and to let them contribute to the total of the Smithsonian.

As it turned out, the endowment was not sufficient to maintain it, and we had real problems, Dillon, with respect to the protection of those very valuable artifacts in a different location than where we normally had our guard forces.

We finally had to return the Hillwood gift to them, and the artifacts that they needed for their own display in the Post Foundation.

But this is a case where we were not able to succeed in doing what we hoped in the beginning. There have been other cases where we have succeeded through this kind of interaction.

REGENT TASK FORCES

But more specifically to your question, I have taken it as a responsibility to understand what Mr. Ripley and his people were trying to do, to moderate it in some cases because I knew it would not be acceptable, either to the Chancellor or to some particular one or more Regents who had knowledge and concern in that field, and to keep abreast of his thinking as to how we could bring to the total of his operation the views of the Board of Regents and the Executive Committee, the knowledge necessary to feel confident that we were going ahead.

For instance, he has suggested certain particular Regents go and personally visit different parts of our operations around the world. He has then invited other Regents who had an interest to accompany them if they wished to.

In most cases those who had been selected to go and make the report, coming back, like Mr. Greenewalt has on several occasions, added a great deal of confidence to the Regents, and gave me a certain amount of guidance as chairman of the Executive Committee in performing this role of interfacing with a larger number of Regents and a professional staff.

EXECUTIVE COMMITTEE

But by and large, I do want you to know that the Chancellor has invested a great deal of time in this. His role doesn't appear in public very much, but he comes to the meetings. We always have a meeting with him and Mr. Ripley, and the three members of the Executive Committee, several days before the Regents meeting.

We go thoroughly through each item that is to come up at the Regents meeting. We discuss it, approve it, or modify it, or delete it from the agenda, saying it is not ready.

So, when the Regents meet, they can have a very efficient and effective utilization of time, because there is in their books in front of them, which have been sent to them in advance, a discussion of a subject that they know that the Chancellor, the Secretary and the three members of the Executive Committee have gone over very carefully with a resolution in the book on which they are expected to vote when they come to the meeting.

I cannot guarantee you that every one of them reads all of that. But I can guarantee you that those who are most interested will, for instance, Judge Higginbotham, has certain particular areas of interest, yet he will read every page in that book, and will have strongly expressed views, even where they differ with some of our most distinguished members of the Regents, even though he is a relatively recent Regent.

Does this sort of give you what you are asking for?

FORMALIZATION OF COMMUNICATIONS

Mr. YATES. Yes, it tells me what you do, and that you do have serious and apparently comprehensive discussions of the Smithsonian affairs in the Executive Committee, and that the members of the Executive Committee try to make available to all the Regents who are not on the Executive Committee a summary of the important business that the Board of Regents should consider at their meetings.

Mr. WEBB. And act on formally, because the wording of the proposed resolution is there.

Mr. YATES. Fine. I am glad you used the term "formally" because part of the criticism addressed to the Regents has been the fact that the communication between the Secretary and the staff, perhaps the Executive Committee, has been not incorporated in formal action by the Board of Regents.

The Smithsonian itself has told the Appropriations Committee investigators that while the minutes of the meeting did not reflect a formal action, after a discussion of a subject by the Board of Regents, nevertheless there was the possibility that they had been informed of the particular subject by means of a newsletter that the Smithsonian puts out, by means of telephone communications, by letters, by other means of communication.

My own view is I don't think that is enough. I think that the Board of Regents ought to act formally on the very important things that are considered. I see Mr. Hughes nodding assent on that.

I am sure even though it may not have happened in the past, if this series of reviews that we have undertaken serves a useful purpose, at least henceforth there will be a greater formality in the actions taken by the Regents respecting the important decisions that have to be made.

Mr. WEBB. For myself, I will certainly expect to try to carry out that feeling on your part. I do think there has been a constant increase in the formality.

But, there have been cases where the Board of Regents have felt that since I was chairman of the Executive Committee, and lived in Washington, that I should be the person to agree to an action that the Secretary is preparing but not quite ready to formally recommend at the board.

For instance, we were recently left an apartment building that was appraised at a couple hundred thousand dollars. We ultimately sold it for over \$1 million.

Mr. YATES. In Washington?

Mr. WEBB. Yes. The Secretary was authorized to make the sale on the best possible terms, but subject to my concurrence as the chairman of the Executive Committee. The Regents have slowly moved in this kind of procedure where they want at least two judgments. Who knows whether we couldn't have gotten \$1.5 million if we waited longer. But our judgment was this was the proper bid to take and we did take it.

But I was authorized by the Executive Committee by formal resolution to approve the best deal we could get if I thought it was good enough. I did. Now, these kinds of actions are taken.

SELECTION OF AGENDA ITEMS

Mr. EVANS. Mr. Chairman.

How is the agenda made up for the regular meetings, these three meetings of the Board of Directors?

Mr. WEBB. The agenda starts with the staff, headed by Mr. Ripley, making a list of the items they believe should be on the agenda. Frequently, if he has any doubt about whether the Regents themselves want to get into a particular matter, he will call me and say, "What do you think, should we put this on?"

I have sometimes told him, "I don't believe I would do that. I don't believe the Chancellor and some of the other Regents"—besides the Executive Committee—"are ready to take up that matter. So, I would suggest we don't do that now."

Or I would suggest to him I would join with him in urging it be done, even if someone felt maybe they would like to postpone that.

This list is reviewed by me, as chairman of the Executive Committee, in advance of a meeting with the Chancellor, and with the Secretary.

You see, we have a rather strange situation, since Mr. Burden, Mr. Haskins and I are the three members of the Executive Committee. But there is another formality called the permanent committee that includes the Secretary and the Chancellor.

So, since the Chancellor is willing to meet, we just call the Executive Committee meetings, and he sits in the chair.

He has a very firm opinion on each of these items. We go through it item by item, hear reports, particularly on the finances, and then agree on the agenda for the future meeting of the Board of Regents.

Mr. EVANS. Does the Board itself every suggest items that should be included on the next meeting of the full Board?

Mr. WEBB. Absolutely. At the very last meeting we had, last Saturday, Judge Higginbotham requested specifically that we go further into two things.

One was the report on the handling of minorities in the Smithsonian. The second was the personnel question. He had serious doubts in his mind as to whether we had done all we should do to meet the criticisms of the staff of this committee, and Mr. Hughes' criticism, on handling personnel.

Now, there are several different points of view about how you handle personnel when you have got all the Federal regulations, and you have got Civil Service regulations, and you have specific requirements in a trust fund to do certain things—how do you find the personnel that can do them under the restrictions of the Civil Service, and otherwise.

So, there are several different opinions as to exactly how you could get all of this done within the personnel ceilings, and in a satisfactory way.

He is very strongly of the opinion—if I can speak for him—that we must do more in the field of handling the personnel management. He is very concerned about this thought that we switch people back and forth at convenience, on which I think the Secretary probably can satisfy you.

But this is not just the rule of the game—it is not a whimsical thing. It is really done with careful thought as to how to get the work done, which is our main concern. But this is just an example. I could give you others.

Mr. EVANS. Thank you.

Mr. YATES. You have indicated what the Executive Committee does to make available to the full Board of Regents the items that the Executive Committee thinks the Board of Regents should know about.

How do you determine which items they should consider? You don't bring before the full Board of Regents everything you have considered or do.

Mr. WEBB. No, we do not. We discuss the whole pattern of things that need to be done, decide what we can put before the Board where formal action is needed at this time, and consider to some extent whether one or more Regents have a pretty strongly held view about a matter, and are not ready to talk about it.

We are very anxious to reach agreement in the Board to go ahead, rather than to just keep putting items on the agenda that we know are not mature in the mind of a person who has an objection to it.

MINUTES OF EXECUTIVE COMMITTEE MEETINGS

Mr. YATES. Are minutes kept of the meetings of the Executive Board?

Mr. WEBB. Only in some cases. I don't think we have a formality.

Now, what happens is that the minutes of the Executive Committee are written up as a proposal to the full Board of Regents, and in that

sense they are written for the formality of having recommendations to the Regents, including resolutions.

But everything we discuss is not necessarily put in.

Mr. YATES. Is it too burdensome, do you think, for the Executive Committee to keep minutes of its meetings, comprehensive minutes of its meetings, so that if a member of the Board of Regents wants to be advised of everything that the Executive Committee has considered, he or she will be in a position to do so?

Mr. WEBB. I would think it certainly could be. I would say there is somewhere between 10 and 25 percent more things we discuss that we don't recommend that the Regents act on. Maybe it is in preparation for something that you would go to two or three meetings later.

Mr. YATES. I would think that procedure might be desirable for the Executive Committee for its own protection and purposes, so that some Regent at some future time, if he were so inclined, might not say, well, we didn't know about this, if it were to come up.

NOMINATING PROCEDURES FOR NEW BOARD MEMBERS

If it is in the minutes of the meeting, at least those who are members of the Executive Committee can say, "Well, it is available for your consideration. We thought that perhaps other things should come up."

Mr. WEBB. The thing I am thinking about is when you discuss a fairly intimate question like which one out of three possible Regents should you recommend for election as a Regent. These become personal questions. I have a little hesitancy about spreading on the record a comparison of one person with another, when you may not have all the information you should have to do a complete job.

Mr. YATES. How do the other members of the Regents know about the nominees?

Mr. WEBB. We say we considered the following five names and recommend this one, but you don't put in the full discussion of the Regents with respect to the pro and con of anyone.

Mr. YATES. Are there such things as confidential parts of the minutes that you could have? I don't know. I assume that is a possibility at any rate. Do you discuss those qualities of each of those under consideration with the Regents at the meetings? Or, do you just make your nomination and let it go at that?

The question that comes to my mind is because it is important to know—if I were a Regent, and the Regents do make the appointments to the Board—

Mr. WEBB. They recommend to the Congress.

Mr. YATES. That is right, for consideration by the Congress. I would like to know who you considered and who you cast out and why you did that.

Mr. WEBB. I think I can answer you by saying basically we would say to the Regents—we have considered the following names, and we recommend this one because he is a scientist, and Mr. Greenewalt was a scientist, and he is going off the Board.

Or, we might say now we want to depart a little bit from the past pattern. We believe this man should be the choice because he represents a certain geographic region—in the case of Mr. Paul Austin we were very happy to have a Regent in Atlanta, Georgia, some years ago.

Mr. YATES. I would assume if you have all the names under consideration, and of course the Regents of their Board can add names for consideration—they can ask the Executive Committee why they thought this person was preferable to one or more of the others.

Your fellow Regent, Mrs. Boggs wants to make a comment.

Mrs. BOGGS. Mr. Chairman, the Regents also appoint a nominating committee to consider the names of the Executive Committee as talked about. I recently served on the nominating committee.

All of the qualifications and all the extenuating circumstances of discipline, of geography, et cetera, are very well considered by the nominating committee, as well as by the Executive Committee.

Mr. WEBB. We have tried to appoint a Congressional Regent on the nominating committee because we were very anxious not to put forward a man that would not be acceptable to the Congress for one reason or another.

Mr. YATES. You have described what the Executive Committee does in its relationship with the Board of Regents.

NUMBER OF BOARD MEETINGS

Do you feel that three meetings a year, now to be four, are adequate for the consideration by the board of the affairs of the Smithsonian? What they have before them, of course, is the comprehensive presentation prepared by the Executive Committee.

Those are presented three times, to be four times, a year. Is that adequate for a thorough consideration by the Regents of the affairs of the Smithsonian?

Mr. WEBB. Mr. Chairman, I do not feel uncomfortable about what I have done and been able to do as a sort of interface between the Chancellor and other Regents, and the staff, Mr. Ripley, over the last several years.

I am getting to that point when I will be completing my duty, as I am doing now in a number of public corporations.

The question in my mind is how do you find someone willing to invest the time and effort that I have put into this. I do not regard the situation we have had over the several years as inadequate with respect to knowledge of the Regents. I have been responsible for making sure that if a Regent calls me and says, "I have an interest in the following matter and I want you to know about it," that his interests are followed up and taken care of I have no feeling that I have not done what I should do to fulfill this responsibility.

But now I am somewhat concerned about the future. I don't know whether four meetings as against three will do that. I think the real question is how do we get someone, or a small group, knowledgeable who can consider the wide diversity of matters relating to the Institution—maybe the next period won't be one of such rapid growth.

Mr. YATES. Even if it is not, you have a big Institution, whose affairs require careful consideration by the Board of Regents.

Mr. WEBB. Some Regents believe we ought to meet every two months. I myself would support the four meetings a year.

Mr. YATES. Would you go beyond the four meetings a year?

Mr. WEBB. The problem is how do you get these busy men to come. For each meeting you start out with a book this thick with respect to all the matters to be discussed. I am not so sure that six meetings would

be better than four, if they will do their work thoroughly with the materials in advance of the meeting.

Or if, as has been the case with a number of senior Regents—they said, “We have known you a long time, we appreciate what you are doing, you know our point of view, I am completely satisfied with what you are doing, to make sure my point of view is taken into account.”

How do you achieve that again for the future?

EXPANDING MEMBERSHIP OF BOARD

Mr. YATES. Question. The overseers of Harvard I think number 30. I don't know what they are at Yale. As I have read through the composition of various boards, I have noted that most of them are greater in number than Smithsonian's.

In 1970 the Congress, I assume at the recommendation of the Smithsonian, thought that it ought to increase the number of civilian Regents by three.

Is that an adequate increase? Should we give consideration to further increasing the number of Regents in view of the fact that you say these are all men of affairs, they have their fundamental activities to be considered.

Perhaps it would be well, then, either to find other Regents—these are very distinguished people, and they are talented—but they are men of considerable affairs, and they do have other things to think about.

Perhaps it makes more sense to find people who are qualified, but who don't have these essential, very distinguished positions that qualify them for the Regents, who are willing to give the time to the Smithsonian as a Regent that it deserves.

What is your feeling about that?

Mr. WEBB. I find it harder and harder to get dedicated people who will take the time out of this busy life, as the jet airplane takes you here and there, to really put in the time and effort needed.

Now, if the Regents are going through a learning process, and the Executive Committee is, so is the staff of the Smithsonian. As we got into these commercial type enterprises, the staff was kind enough to say to me, “You have been in private life, will you come down and look at these contracts?”

I actually went down and spent considerable time going through the proposed contracts with the motion picture people, and so on, and pointed out from a Regent's point of view that the contract could not be exactly to both sides, that the Smithsonian could never sign a contract that didn't say: overriding this contract is our public interest requirement, and we must not sign a contract that says you can ask us to do something that is not in accordance with our public interest mission.

Now, this is one kind of subtle activity that has to go on. You have to have that total confidence in the staff, which I think the Board now has—they have developed a tremendous amount since those early days of considering these commercial applications. But I personally did as a Regent.

Mr. YATES. I can understand that. The question that comes to my mind is how many Regents have done that? How many Regents have been able to visit the installations and activities of the Smithsonian?

FAMILIARITY WITH OPERATIONS

I have made it a point myself to go to the various museums, and take a look at the operations of the Smithsonian, so I can familiarize myself more fully with Smithsonian activities.

I am sure members of our committee have done that as well. How many of the Regents have done it? I would not expect the Regents to have engaged in the kind of detailed supervision in which you have engaged.

Have most of the Regents done what I think might be done; that is, take a look at how the Smithsonian is operating?

Mr. WEBB. First, let me say I haven't thought of my work as supervision. It is more facilitation, coming together with able people and finding the best answer. Mr. Ripley could probably answer that better than I can.

I know a number have taken the responsibility of going out to the installations. As a group, the Board has visited the Fort Pierce Bureau, Cooper-Hewitt Museum, and a committee has gone to the Tropical Research Center down in Panama.

I have gone through a number of the museums here in Washington. I have never been to the Anacostia Museum. I don't really know how many times the Regents have been to the installations.

Mr. RIPLEY. We made a point, Mr. Chairman, of having one of the meetings a year in a different bureau of the Institution, as I described yesterday.

For example, recently we had a meeting of the Regents in the Natural History Museum in the Learning Center, which is a new public education center, set up in that building just to make absolutely sure that everyone had been there.

I think, however, that every member of the Board had already been there. I also described to you that we have certain Regents who are chairmen of commissions of particular bureaus, or active in commissions of particular bureaus of the Institution.

So, obviously they know that particular bureau very well.

Mr. YATES. Could you put into the record which of the Regents does something like that?

Mr. RIPLEY. Yes, sir.

[The information follows:]

BUREAU BOARDS AND COMMISSIONS ON WHICH REGENTS SERVE

National Armed Forces Museum Advisory Board, Chairman, John Nicholas Brown.

National Board of the Smithsonian Associates, Thomas J. Watson, Jr., First Chairman and Member.

National Portrait Gallery Commission, Chairman, John Nicholas Brown, Ex officio, Chancellor of the Board of Regents.

Smithsonian Council, Member, Murray Gell-Mann.

National Gallery of Art Board of Trustees, Ex officio, Chancellor of the Board of Regents.

Freer Visiting Committee, Chairman, Hugh Scott (former Regent).

Hirshhorn Museum and Sculpture Garden, Ex officio, Chancellor of the Board of Regents.

Executive Committee (Permanent Committee) Board of Regent, Chancellor of the Board of Regents, Chairman, James E. Webb, William A. M. Burden, Caryl P. Haskins, S. Dillon Ripley, Secretary.

Regents Search Committee, Chairman, Caryl P. Haskins, Lindy Boggs, Barry Goldwater.

Committee on the Museum of African Art, Chairman, Caryl P. Haskins, Barry Goldwater, Lindy Boggs, A. Leon Higginbotham, Jr.
 Audit and Review Committee, Chairman, Henry M. Jackson, Elford A. Cederberg, J. Paul Austin, Murray Gell-Mann.
 Investment Policy Committee, William A. M. Burden, Chairman, James E. Webb, Thomas J. Watson, Jr.

HUGHES REVIEW OF REGENT MEETINGS

Mr. YATES. Let me ask Mr. Hughes a question.

Mr. Hughes, you were in the Bureau of the Budget, and you have just reviewed the activities of the Smithsonian very carefully. You have pondered over the relationship of the Regents to the Smithsonian.

What is your feeling about the number of meetings the Regents should have, and whether the membership of the Board of Regents should be increased in order to do their job adequately, or thoroughly?

Mr. HUGHES. It seem to me, Mr. Yates, that neither the number of Regents nor the number of meetings is as important as the structure, the preparation, the backgrounding, if you will, for meetings.

I think three or four meetings is adequate if the groundwork is laid for those meetings properly. I think that involves a range of things, some of which I tried to address in my report.

It involves some of the matters of formality, to which you have already referred. It involves the development in more formal terms of Smithsonian plans, of a budgeting and planning process which is a continuum, which sets directions and identifies program areas, so that the Regents can more easily perceive changes or departures from whatever the plan might be.

I think it also involves some closer attention to the internal workings of the Smithsonian, the inside management which I recommended to be undertaken by a new actor in the drama who would be of considerable stature and importance, and who could address questions of process—

Mr. YATES. You are talking about the Under Secretary.

Mr. HUGHES. Yes, sir; address questions of process and formality, and could serve as a challenger in a sense of the museum directors and assistant secretaries, with regard to particular kinds of operations, with regard to the total planning and budgeting process, and so on.

I think extra numbers of Regents would not necessarily be beneficial. I guess I would not recommend that.

With regard to extra meetings, it seems to me four meetings a year is an adequate number of meetings if buttressed by a functioning Executive Committee, and the possibility at least of special meetings, at the call of the Executive Committee.

There needs to be more executive underpinning and preparation, however.

Mr. YATES. More extensive than that described by Mr. Webb by his Executive Committee for the Board of Regents?

Mr. HUGHES. I think Mr. Webb didn't describe some of the processes that I tried to address in my report. To the extent he didn't, my answer is yes. I think the formalization of the program structure within the Smithsonian, the development of some planning tools and so on, are important adjuncts of the Regents' decision process.

RELATION OF REGENTS TO ADMINISTRATORS

Mr. DUNCAN. Mr. Chairman, I guess I was going to address the same point. Mr. Webb, as I recall it, suggested to us or advised us that the agenda for these Regents' meetings was in the first instance probably prepared by the staff, Mr. Ripley, or someone under his direction.

Then he consulted with you about it, at which point you might have a suggestion as to something else which should be added or something which perhaps should be deleted, because as I recall it you said one or more members of the Board of Regents might have strong views, and yet not be prepared to address that problem at that meeting.

Mr. WEBB. Or you might not want the meeting to develop into a hassle over something.

Mr. DUNCAN. Now, it is important, I think, to avoid friction. But I am not certain that it is always desirable, even, to avoid it at the expense of having the Regents both informed and have an opportunity to express themselves.

As I sit here listening to this, I can think of corporations that I have represented, very successful corporations—the manager, the president, a very strong, honest, dynamic individual, but who has a Board of Directors that is composed of busy men and women, as is yours; which meets infrequently, and which he really conceives to be more of a hindrance to his proper operation of that company than an aid and an adjunct.

Now, if it is a closely held corporation, and he and his wife and his youngster are the board, I suppose you can get along with that. But the bigger the company becomes, the bigger, broader the group of stockholders, the more the responsibility is on that board, and the more the responsibility on the president to consult and advise.

I wonder, as I look at the staff report here, and the criticisms which they have, if the restrictions on the agenda aren't a part of the problem.

Again, let me say that I don't see here any real deviousness. I see no lack of integrity. But, I do see some opportunities, and when we have a corporation with a stockholders group that encompasses all the taxpayers of this country, some additional responsibilities.

Perhaps we ought to be broadening this agenda rather than restricting it. I say so particularly with respect to these criticisms.

Let me say for the record that I have not had an opportunity to go through this justification in the detail that our chairman has, but I see in here the criticisms, for example, of the requirement for start-up funds for the Smithsonian Magazine.

Now, they suggest that perhaps the Board was misinformed. Again, I think inadvertently; that it was suggested in the first instance no start-up funds would be required, except those from private sources.

Subsequently, there was an obligation incurred. I see a criticism here with respect to the oceanography. I am talking about page 13 first, and now page 14 of the staff report.

Here again, they suggest that the Board wasn't fully informed of the conditions of the gift offered in the October meeting.

Now, that October meeting was a meeting in which the board was informed that this gift had been accepted, and that there were commitments involved which apparently the Board was not fully informed.

Mr. RIPLEY. Mr. Chairman, I referred to this yesterday.

Mr. DUNCAN. Yes, I know you did.

Mr. RIPLEY. I did say this was in effect raw data, this staff report, and that we did have responses to this, and we would submit them for the record.

In fact, we considered both those allegations in the staff report to be incorrect.

Mr. YATES. If I may interrupt, he is referring to the original report to which you did file a response.

Mr. DUNCAN. Yes.

Mr. RIPLEY. They were reiterated, then, in the follow-up report.

Mr. DUNCAN. I don't want to get into an argument of the merits of these charges. I am willing to concede that they are disputed.

LIMITED NUMBER OF AGENDA ITEMS

I am saying, however, that there are indications that the drafting of the agenda might very well have been too narrow to either protect the staff by giving them an informed opinion of the Board of Regents on which to rely, and protecting the Regents in their obligation to act in an informed manner.

Mr. WEBB. May I ask, Mr. Chairman, if this could be answered by making a list of items that might have been included in the agenda but were not, so the Regents can see those items that were not included.

I for one would certainly have no objection to that. Although I think—

Mr. YATES. That, I think, would be helpful.

Mr. WEBB. I think we pick those that seem to be the most important, the ones needing attention, but I certainly would have no objection to having any Regent see those items that were marginal, might have been included, or put off for another meeting.

Mr. DUNCAN. I assume it goes without saying that anything a particular Regent wants on the agenda is put on the agenda.

Mr. WEBB. Absolutely.

Mr. DUNCAN. The problem there, of course, is as busy as they are, there may be things going on at the managerial level where the Secretary has to make a decision as to whether this is an item of management decision or whether it is something that ought to be referred to the Board.

Of course, the crux to any system that we work out is the basic integrity and judgment of the people that are going to staff this organization.

Mr. WEBB. May I say just a word about that.

Mr. YATES. Of course you may, Mr. Webb.

Mr. WEBB. When your report came out three of the Regents called me long distance. They were quite disturbed about it. I was not a Regent at the time the oceanography deal was made or at the time the magazine was started. I came in somewhat after that.

But, one of the Regents called me and said, "I remember, I made a substantial personal underwriting because I felt that if the staff of the Smithsonian were willing to enter this period of seeing what it could do with these activities like the magazine, I was willing to support them with my vote and with my money."

He said, "While I could not be sure of success."

Actually, the underwriting—I think \$50,000 this particular Regent contributed personally—I do not really believe the spirit of the Secretary's view that the magazine would go was violated.

I mean, you can look at the record. But this was discussed, as I understand it, very extensively in more than one Regents' meeting.

There was a serious difference of opinion. One Congressional Regent was opposed to starting the magazine. He felt it was not a wise thing to do. But with this indication from one quite substantial man that he was prepared to back it, because he thought the Institution ought to have a chance to see what they could do with it, approval was given.

Now, the deficit you mentioned was not an actual contribution by the Smithsonian to the magazine from its private funds, but was rather a shortage—there was a period of time when the subscriptions didn't come in as rapidly as was hoped, but they did later come in, and there was actually no period in which money was invested from the other Smithsonian accounts.

Mr. DUNCAN. The question there, I think, is that as these circumstances change, is the Board of Regents informed so that if they deem it desirable, they can make an alternative judgment, reverse what they've done, change or reaffirm what they've done? That is the question.

Mr. WEBB. I think so. But I think you have to go back to what you originally said.

The Board and the Executive Committee are very heavily dependent on what the staff calls to their attention. But the staff is very responsive in saying as the Regents tell us more and more of what their concerns are, we are more alert and active in coming forward with the things that we believe they think they should know about.

FIVE YEAR PLAN AS SOURCE OF INFORMATION

Mr. DUNCAN. A lawyer deals with this every day. If he is dealing with debentures, for instance, and it is a question of redemption, or a question of conversion, it is very important that the man or woman that holds that debenture knows precisely what the status of the company is.

If there is a change of any material consequence, they must be informed. As we go and get subscribers, sponsors for legislation—I have always felt it incumbent, as I get four or five signatures, and then come to Sid Yates, and he says, "I will support it if you can change so and so," and it seems all right to me; I have to go back to the other four, before I can conscientiously put their name on that bill.

That is where I think the weakness of this organization has been, if there is any validity to the staff investigation.

Mr. WEBB. I think the idea that the Smithsonian is now going through a five-year planning cycle once a year, and will present that five-year planning cycle to the committee and to the OMB and the Regents, that the Regents must approve that five-year plan before it comes to OMB or to the committee, is moving in the direction that you would like to move.

The omission of an important thing from a five-year planning cycle can be seen. When I went into budget I started exactly the same

procedure. We did the budget once a year, and you never could get comparable figures one year to another. You did not know which year you put the money in.

I started a five-year planning cycle, but I made them do it every three months for a while until they learned to do it.

Mr. YATES. I think what Mr. Duncan is talking about is the question of a chain of communication, from the staff, to the Regents and so on.

Mr. DUNCAN. It is difficult to argue with success. It is difficult to argue with the strong manner of a corporation that is making money.

I think the Smithsonian is fortunate that these questions have been raised during a period when everyone can really be proud of the Institution's expansion, and what the Board of Regents and management of the Smithsonian has done.

I am really amazed at the equanimity with which the Secretary and his staff and the Regents have accepted this criticism. I am not sure my skin is that thick if I had been on the other side of the table.

ROLE OF CHANCELLOR

Mr. YATES. I am not sure of the equanimity.

Mr. WEBB. We are really trying to learn. I want to say, if I may, Mr. Chairman, none of you are more concerned about where this revenue raising activity is going to take the Smithsonian than the Chancellor and a number of the Regents.

As a matter of fact, the Secretary—I am not sure whether he feels too hampered—but the Regents, by formal resolution said, "We don't want another book undertaken until we approve the title."

This is a pretty strong move in the direction that you are suggesting.

Mr. DUNCAN. Yes. And that is a reductio ad absurdum, isn't it? But what we would like to do is to set this machinery, or help you to set the machinery up in such a fashion that if Mr. Ripley and Mr. Webb are replaced by Robert Vesco and Billy Sol Estes—

Mr. WEBB. It has to be a congressional vote in both Houses on that.

Mr. DUNCAN. It is still going to work—that is what we want to do.

Mr. WEBB. I don't know you can have that guarantee, unless you have men who want to make it work. I believe honestly you will never find a Chancellor who puts in more time and effort and has stronger opinions than our present Chancellor.

Just as an illustration, when he saw the plans for the Air and Space Museum, he was very unhappy. He says this looks like a military bunker. He required them to go forward and redesign the museum.

This amount of attention is being given by a lot of outstanding men to the Institution.

I do want to say one other thing, Mr. Chairman.

ACTIVITIES INITIALLY FUNDED FROM TRUST SOURCES

Mr. WEBB. I found in the Bureau of the Budget in starting the financial management program of the government and in the engineering activities we had in NASA that you could not forecast precisely what would succeed and what would not succeed.

Remember the phrase, "mid-course correction," launching a rocket toward the moon or any other major objective frequently requires correction. You can't do it absolutely perfectly the first time.

In the financial management program we started back in the 1940's our problem was some of the departments had methods of accounting that would not reveal the carryover funds, and the argument frequently became not what is a good program but who is the scoundrel hiding the money in the desk drawer?

In NASA we found engineers would promise much from a new system, rocket system or new spacecraft system, and frequently, when unforeseen difficulties were encountered, you could work most of the things they wanted to do out of the system, but it took a very complicated process.

Now, the use of private funds in the Smithsonian to start a number of activities which can be judged later by the OMB and by the Congress on the basis of some experience is not a bad system. There is an implication which I feel is wrong in the reports, both of Mr. Hughes to some extent and of the committee staff, that there is something very reprehensible that Congress may later be faced with the necessity of considering funding.

I think Congress has a much better chance to decide whether they really want to fund that activity if some activity has gone on ahead of time, if you know whether you have something that has a much better chance to succeed than you could know just on theoretical argument. So I hope the committee will take this into consideration in considering how the Smithsonian does, in fact, initiate new activities such as the Magazine.

ACCOUNTABILITY TO CONGRESS

Mr. YATES. We do that. You raise a question, and that is what should the relationship of the Smithsonian be to the Congress?

Now, indeed Smithsonian staff has argued in the past that because the Board of Regents does have Congressional Members on it that Congress is advised of what the Smithsonian is doing. I don't think that is true, and in spite of the fact we have such outstanding talents as Mrs. Boggs and Mr. Mahon and Mr. Cederberg and Mr. Jackson and Mr. Goldwater in the Senate, and Mr. Mondale and the Chief Justice, I don't think that that is a notice to the Congress itself. I think that perhaps it's a notice to those Congressional Members who in turn have a responsibility perhaps to notify the Congress, but I think there is still the fundamental responsibility on the part of the Smithsonian to notify Congress. I think Mr. Hughes makes that point in his report where he refers to the origins of Smithsonian in the 1846 legislation and points out that, I think it was Mr. Hughes' report, points out that President Andrew Jackson in his message to Congress forwarding the Smithson will said the Executive had nothing to do with it, it was the Congress to which the responsibility went in reviewing the actions of the Smithsonian.

So while we do have distinguished Congressional Members on the Board of Regents, the Congress as a body is not notified by that kind of a procedure.

Mr. WEBB. If I can interject, I agree with you. I think you have a formal action by OMB to submit a budget to you, and I think you have to act on it just as if there were no Congressional Regents and the five year planning cycle gives you a splendid base from which to decide how you regard one year's activity against a four year projection.

Mr. YATES. Of course, that is the general framework, however, and

we were talking about what happens through the plan in the course of this.

Mr. Hughes has recommended and I read: "Improving the accountability of the Institution to the Congress.

"The Regents and the Secretary should adopt the policy of seeking specific authorization for all significant new programs or projects involving the use of Federal funds."

You limit it to projects involving the use of Federal funds, and your second recommendation, "The Regents and the Secretary," both, not just the Secretary, or the Executive Committee, the Regents, which is the whole Board you are talking about now, "Should adopt the policy of discussing with the Appropriations Committees any proposed use of trust funds which may involve the future expenditure of Federal funds."

There is no doubt about that, but what about the expenditure of non-Federal funds? And Mr. Webb raised a question a few moments ago of the bequest of an apartment building, which the Congress didn't know about, and I assume the Board of Regents knew about it. The sale subsequently of that apartment building without notice to the Congress for a profit of \$1.2 million. I think at least he sold it for over a million dollars.

Mr. WEBB. That is right. There was no profit, because it was a gift.

HUGHES INTERPRETATION OF SMITHSONIAN ACCOUNTABILITY

Mr. YATES. Yesterday we discussed the possibility of selling off the Chesapeake installation, no Congressional appropriations, an investment only out of Smithsonian trust funds, and I don't know whether Judge Powers and I have agreed upon what the authority was, but we have the burden, we on the committee, have the first step in the long Congressional fund providing process of deciding how much money is to go to the Smithsonian.

Should we not know as well how much money they have available in their restricted funds? I mean the trust funds, how much, how they propose to spend it, do we have a decision then of deciding, knowing what their proposal is, could we then say you are going to have so much profit money available, therefore, we are going to cut down on the amount of Federal funds that we make available?

As the Smithsonian pointed out in its response, both private and trust funds are to be used together in carrying out the mission of the Smithsonian.

If you agree that this is true, I will ask you, can you see the point?

Mr. HUGHES. Yes.

Mr. YATES. If that is true, and they are going to sell Chesapeake for \$10 million because of the value of the land, should we know about that?

Mr. HUGHES. It seems to me, Mr. Chairman, the question has several parts. First, on the matter of accountability, clearly to me, in my judgment, the Institution is accountable to the Congress as to how it uses trust funds, as well as to how it uses Federal funds.

Mr. YATES. May I interrupt you just to say we have to go answer the quorum and we will be right back.

[A short recess was taken.]

Mr. YATES. Mr. Hughes, the quorum stopped you in mid flight. Go ahead.

Mr. HUGHES. I really was barely off the ground, I think.

I think, the fundamental question you wished me to talk about was the relationship between the Institution and the Congress.

Mr. YATES. In the budget process.

Mr. HUGHES. Yes. I did attempt in my report to address that question. My conclusion was first of all it's a Federal institution, and that it seemed to me that some of the talk of a private versus a public institution was inappropriate. It's difficult for me to see the Smithsonian other than as an entity which Mr. Smithson and the Congress back 140 or 150 years ago desired to establish as essentially a Federal entity. Mr. Smithson gave his property to the United States of America.

Mr. YATES. If he wanted it to be a private institution you said he would have made it a private institution.

Mr. HUGHES. Yes. Therefore, it seems to me the Institution is accountable as an institution of the Government to the Congress. Then I attempted to deal with the very important, but more complicated, question of the specific relationship of the Institution in the budget, the appropriation and expenditure processes. It seemed to me that the confusion as to the nature of the Smithsonian has arisen because of the several kinds of funds that it has or may have at its disposal.

First of all, there was the Smithsonian trust, and over the years that trust has been augmented both by other donations of a general nature, and by in more recent years, particularly, by earnings of the Institution. But, also very early on within a decade or so of 1846, the first Secretary of the Institution found himself unable to cope with the "museum," the national collections problems, of the Institution and he sought Federal funds to meet those needs. Traditionally, therefore, most of the "museum" or national collections needs of the Institution have been met, as I understand it, through the use of appropriated funds.

In the last decade or so, the development of the shops within the museum, the activities at the Zoo and persons associated with and supporting the Zoo, and I think most particularly the Magazine in the last decade or so, have provided a very significant source of funds which are treated as augmentations of the trust funds.

The fundamental question that I kept coming to, and which I believe your committee is struggling with is how your committee ought to relate to these funds.

Mr. YATES. That is my question.

Mr. HUGHES. It seemed to me it was the purpose of Mr. Smithson and of the Congress at the time of the '36 and '46 acts—

Mr. YATES. Thirty-six and '46?

Mr. HUGHES.—thirty-six and '46 acts, to put those funds in a somewhat unique status. The Congressional actions over the years since then seem to me to have supported that status. I think that gets us to the fundamental distinction between the Smithsonian and most Federal establishments or institutions or agencies.

Because of the trust and the early legislation and as reflected in Congressional practice since then, it has dollars which are, within the purposes of the trust, at the disposal of the Regents. Trust funds have been treated over the years as under the auspices, under the control of the Regents.

It seems to me therein lies the basic distinction between the Smithsonian and a garden variety government department, the Department of Energy, for example.

There is a subtle but important distinction here, I think. Over the years the Institution has used Federal funds extensively for museum purposes, for construction and so on. It is therefore heavily reliant on the appropriations process, on the Congress, and on the Federal government in general. This reliance has subjected it to a substantial amount of Federal control. In terms of power, therefore, it seems to me that the Congress has the capacity, by withholding or threatening to withhold funds, to exercise very substantial control over the trust funds, the degree of that power depending on the circumstances.

STATUS OF TRUST FUNDS

But, it would seem to me that if the trust funds were regarded as, in effect, Federal funds, subject to all of the budget and appropriation actions, that would bring about a rather fundamental change in the character of the Institution.

It would certainly affect the attitude of private donors to it. It would affect the staff attitude.

Mr. YATES. In what ways?

Mr. HUGHES. It would restrict the Institution and change its character to make it less flexible, to give it less opportunity to do the kinds of things that have most recently been done with the Hirshhorn Museum and to prevent, to deny in a sense, or I believe such a change would at least reduce the confidence of potential donors.

Mr. YATES. Why? I don't understand that point.

Mr. HUGHES. Many donors of the Institution—Mr. Ripley or perhaps Mr. Webb can address this—many donors, as I understand it, and Mr. Hirshhorn, notably, because the Hirshhorn legislation covers that, have been deeply interested in having control over their donations in the hands of an entity somewhat different than the usual Federal agency. The reasons for that are subtle. Probably Mr. Hirshhorn would have to address the question from his own perspective. Clearly, however, the legislation makes the distinction.

Mr. YATES. What do you mean by that? How does that affect what Congress does? They retain control over whatever funds are made available either by Mr. Hirshhorn, by Smithsonian or by the Federal government directly.

The Board of Directors, subject to the Board of Regents in the case of Hirshhorn still has control over that, and I have trouble getting the distinction you are making because after we appropriate it is then up to the Board of Regents to have the responsibility for administering those funds, in the same way as Smithsonian administers the Trust Funds.

Mr. HUGHES. But the nature of the Federal budget process is to constrain the Regents.

Mr. YATES. Afterward?

EFFECT OF INCREASED CONGRESSIONAL OVERSIGHT

Mr. HUGHES. Both before and afterward.

Mr. YATES. I can understand before, when they come in and request the funds that they are making certain representations. But still, even

in your own report you talk about Congressional oversight of the Institution. Even if there were no Federal appropriations, Congress still would have an oversight responsibility over the Smithsonian. Therefore, what additional oversight responsibility does Congress have, if it makes Federal funds available?

Mr. HUGHES. It seems to me it starts a whole new chain of events.

Mr. YATES. All right, what?

Mr. HUGHES. And the chain starts with the budget process in the Executive Branch of the Government.

Mr. YATES. Wait a minute. We are talking about post-appropriation. Mr. Ripley comes in and Mr. Webb and now the Regents come in and ask for a certain amount of money to carry out the functions of the Institution.

They will then have the trust funds and they will then have the Federal funds. They then have a trustee's responsibility with respect to all of the funds within their grasp and their control. How is there a different control with respect to the trust funds at that point or the Federal funds?

Mr. HUGHES. Because at that point the trust and trust generated funds have become a part of the evaluative process through which the total funds of the Institution are determined. The Regents have effectively, at least as I see it, lost the control of the trust funds. The control has been placed in the same processes and through the same procedures as appropriated funds go through. They would then submit a budget, subject to review within the Bureau of the Budget, and so on, which would be based in part on self-generated funds and in part on appropriated funds.

Mr. YATES. That is right, but the fact remains though it's one fund for them after they receive the fund, isn't it?

Mr. HUGHES. Yes.

Mr. YATES. That is all I am saying, and they make the point in their response, and I read to you. Perhaps you have not read it, but I will read to you what they say. I read it yesterday: p. v of their response:

"Another concern is the perception that seems to exist—based in part on the conclusions of the staff investigators and in part on past practices of the Institution", and apparently on your part, Mr. Hughes, "—that there is a vast irreconcilable difference between appropriated and non-appropriated funds, that they should never be spent for the same purposes. This conclusion, in our opinion"—this is Smithsonian speaking—"overlooks an essential fact, that all Smithsonian funds, while accounted for separately and never comingled, are dedicated to a single purpose—the fulfillment of the Smithsonian trust as accepted by the Congress in 1836."

You have one fund you are dealing with then. You have the trust, so-called trust funds and you have the Federal funds, and the Regents have the same responsibility with respect to trust funds as they do to the Federal funds, do they not?

Mr. HUGHES. Yes, but the process through which they receive trust funds, if they are subject to the appropriations process, removes the flexibility of the Regents with respect to trust funds.

Mr. YATES. In what way?

Mr. HUGHES. Because the trust funds would then go through the same process as would appropriated funds, moving through the reg-

ular budget process, through executive and legislative review. I think the Congress has the power to make this change if they wish, but the process—

Mr. YATES. Maybe Congress does not have to change it, maybe we are finally coming to an understanding, which was the purpose of our investigation really, maybe we are coming to finally an understanding of what the responsibility of the Regents is, that perhaps it's the same with respect to appropriated funds as it is to private funds, and that the oversight responsibility of Congress is not only to the appropriated funds but to the trust funds as well.

STATUS AS FEDERAL ESTABLISHMENT

Mr. HUGHES. I think the oversight responsibility of the Congress, the accountability of the Institution to the Congress, is the same for both. It seems to me though, that if, in effect, the trust funds became a part of the total resources of the Federal Government and are dealt with accordingly in the appropriations process—

Mr. YATES. You say it's a Federal establishment?

Mr. HUGHES. Yes, it's a Federal establishment with two sources of funds.

Mr. YATES. Are not its funds Federal funds?

Mr. HUGHES. Some of them are trust funds.

Mr. YATES. They are Federal trust funds.

Mr. HUGHES. And they are dealt with separately under the terms of the '36-'46 Acts and the Smithson will.

Mr. YATES. Is that true with respect to unrestricted funds?

Mr. HUGHES. Unrestricted donations, as I understand it, yes.

Mr. YATES. Why?

Mr. HUGHES. That is the way it has been done, in accordance with the Smithson will and the '36-'46 Acts.

Mr. YATES. That is the way it has been done, yes, but that does not make it right.

Mr. HUGHES. Also, the treatment is consistent with respect to the Comptroller General's decision regarding miscellaneous receipts and so on.

Mr. YATES. Maybe the Comptroller General has been wrong or he has not thought it through.

You know, Judge Powers gave us a brief some time ago in which he recited the statement of Chief Justice Taft in which he said that the Smithsonian is a private institution.

Mr. HUGHES. I have read that.

Mr. YATES. You don't agree with that?

Mr. HUGHES. That is right.

Mr. YATES. Okay. Maybe you don't agree with the GAO, but apparently you do. Many people don't disagree with GAO, let me put it that way. GAO is the Supreme Court usually for most Federal funding questions.

Mr. HUGHES. I think the point I would make, Mr. Yates, first of all is that regardless of the past, Congress can change what it wishes to change here, I think it can do that.

Mr. YATES. Lindy, did you want to say something?

Mrs. BOOGS. I just want to read the codification of section 55 that specifically relates to this.

Mr. YATES. All right, Mr. Hughes, will you read that?

Mr. HUGHES. Indeed: "The Secretary of Treasury is authorized and directed to receive into the Treasury on the same terms as the original bequest of James Smithson such sums as the Regents may from time to time see fit to deposit, not exceed" and so on, "this shall not operate as a limitation."

Mr. YATES. Okay. Thank you.

Mr. HUGHES. The point, my point——

Mr. YATES. Let me go into the next question.

Mr. HUGHES. I would like to say one more thing. It seems to me Congress can change the past practice. My point would be, Mr. Yates, that the removal of the Regents——

Mr. YATES. This has been the practice?

Mr. HUGHES. Yes, my point is that the removal of the Regents' flexibility with respect to the trust funds would fundamentally alter the character of the Institution.

Mr. YATES. You are assuming we are removing their flexibility and I am not sure we are. But, I want to pose a question to you, and you answer whether that removes the flexibility.

Mr. WEBB. May I say one thing?

ENDOWMENT FUND

Mr. YATES. In just a second, Mr. Webb, and you may want to address yourself to this, too. We are now faced with knowledge in this committee of what the Smithsonian has been doing. I don't know whether we were told about this previously, but my research brought it very glaringly before me.

The Smithsonian Regents approved a \$50 million endowment fund in January of 1977. And it is taking part of the earnings of Smithsonian Magazine and of its other enterprises to fulfill that goal, that \$50 million goal.

If it does so, will not the Federal Government have to make up, as a result of the shifting of those funds to that endowment, through appropriations the money that is necessary for carrying out Smithsonian's functions? Point number one.

Point number two, is the Congress warranted in taking cognizance of the fact that it is removing the earnings of its various enterprises and putting and segregating it so that Congress is warranted in saying no, you should not take this money from the taxpayers? I don't want to put it quite that way. You are not using the opportunity of helping the taxpayers by using those funds in carrying out the functions of the Smithsonian. Why do you need a \$50 million endowment?

Yesterday Mr. Ripley said he did not want to be on Uncle Sam's dole, that he did not want to come hat in hand; that he wanted to have some funds available for a rainy day. But the Congress and the United States are charged with carrying out the trust of Mr. Smithson, and if a rainy day comes and the activities of Smithsonian require additional funds, shouldn't Congress have the responsibility of making those funds available?

Did you want to speak to that, Mr. Webb?

Mr. WEBB. I was thinking of a slightly different point.

Mr. HUGHES. I would like to respond to that question.

Mr. YATES. Respond first.

Mr. HUGHES. Taking up first the question whether the Congress must make up whatever deposits are made in the endowment: the answer depends on what the Institution would have done with those dollars otherwise. If it would have used them for purposes for which the Congress would not have appropriated, there obviously is no effect.

With the augmentation of the trust funds through earnings, it seems to me it is a reasonable assumption that there is no drain on the Treasury. To use those funds, to appropriate them, or to use them for ordinary operation of the Institution would tend to discourage some of the entrepreneurship, if you would, that went into the Magazine.

Some of that came about because the Institution regarded those funds as available within the Institution, at the discretion of the Regents.

Mr. YATES. Yesterday we were told that the Magazine was an instrument for the diffusion of knowledge among men.

Mr. HUGHES. I think it is, and it seems to have been profitable.

Mr. YATES. You are saying it isn't sinful to make a profit at the same time?

Mr. HUGHES. I don't think so.

Mr. YATES. Okay. I agree with that.

The question is whether the taxpayer should receive that benefit.

Mr. HUGHES. And at what point.

Mr. YATES. Okay.

Mr. HUGHES. And the question also is again, the relationship of the Regents to the Congress in this process.

Who makes the judgments?

Mr. YATES. That is right. That is the point. We are now notified that there is a \$50 million endowment goal, that certain funds, millions of dollars, go each year toward that endowment, and to that extent those funds could have been used for cutting back on the amount of money.

Mr. HUGHES. Offset the ordinary operating expenses of the Institution.

FLEXIBILITY OF INSTITUTION

Mr. YATES. That is correct, for which Congress appropriated funds. The question is if Congress takes that step, is it destroying the flexibility of the Institution?

Mr. HUGHES. It seems to me there is a distinct reduction in flexibility because the Institution then does not have those funds at its disposal to use as it wishes. The Congress has made the choice that they will be used to operate the Museum of Natural History, for example.

Mr. YATES. Is that Congress' function?

Mr. HUGHES. It seems to me, as I read again the Acts and history, it has not been, that the Congress intended something different for those funds.

Mr. YATES. What you are saying fundamentally is this: That with respect to the so-called trust funds Congress ought to keep its cotton picking hands off of it?

Mr. HUGHES. No, sir.

Mr. YATES. All right, what are you saying then?

Mr. HUGHES. I said the Institution is accountable to the Congress for its handling of those funds.

Mr. YATES. As it sees fit, and that all Congress can do is look at it and see whether or not as reasonable men they expended the funds as reasonable men?

Mr. HUGHES. No.

Mr. YATES. How much of an oversight does Congress have with respect to those operations then?

Mr. HUGHES. I think it has the kind of oversight it is exercising right here. It can meet and talk and discuss—

Mr. YATES. But, you are saying that if the Regents say we are going to go ahead with those funds and make an endowment and increase those funds, as a matter of fact, the Regents can meet at their next meeting and say, well, \$50 million isn't enough, we ought to make it \$100 million, and put more money into this discretionary fund, or whatever they want to do with it. But, and then Congress, under the ancient practice would have nothing to say about that except to say this is a reasonable expenditure of the funds, and, therefore, it being reasonable, it being the way in which reasonable men would act as trustees of the Institution, there isn't anything for the Congress to do.

Mr. HUGHES. It seems to me Congress can also say it's not a reasonable expenditure of the funds and can exercise its—

Mr. YATES. Then you are abusing the discretion of the trustees, are you not?

Mr. HUGHES. I don't think so.

Mr. YATES. I thought that is what you said a few minutes ago.

CONGRESSIONAL GUIDANCE

Mr. HUGHES. No. I think Congress has the right and the opportunity to, through the accountability process, to tell the Regents and tell the Secretary what it thinks of the policies, to attempt to guide those policies, and so on.

Mr. YATES. But, that is not what the ancient practice has been. The ancient practice, ask Judge Powers, the ancient practice has been not to tell the Congress anything. Isn't that right, Judge Powers? He is shaking his head no or yes, which? Do you want to answer that question?

Mr. POWERS. I think this committee has given a lot of guidance in the past in a great variety of areas.

Mr. YATES. Give us an example of what we have done with the trust funds?

Mr. POWERS. We came and asked you for money for the Chesapeake Bay Center three years running; three years you said, no.

Mr. YATES. Three years we said no?

Mr. POWERS. Yes.

Mr. YATES. What does that have to do with your discretion on the way you operate the Chesapeake Bay trust fund? It has nothing to do with that, does it?

Mr. POWERS. There was no activity.

Mr. YATES. That is what Mr. Hughes and I are talking about.

Mr. POWERS. There were no trust funds at that time.

Mr. YATES. We are talking about what happens to the use of trust funds and the ancient practice has been—we have nothing to do with that, and I yield to Mr. McDade.

Mr. HUGHES. I think you can have, and, I was trying to say in my report, that it seems to me you should have—

Mr. YATES. What you are saying then is the ancient practice should be amended?

Mr. HUGHES. I think a variety of steps which I recommended in my report should be taken to improve the accountability of the Institution to the Congress.

Mr. YATES. Mr. Hughes?

Mr. HUGHES. The steps taken should all be short—

Mr. YATES. We may wind up saying we think the Smithsonian, having done such a good job and worried about its funds and the vagaries of Congress in its attitude toward appropriations, may say we have to protect this Institution, and, therefore, we are not only going to have a \$10 million endowment, we should have a \$25 million or \$100 million endowment. As Judge Powers points out, the Smithsonian came to us and asked for money for the Chesapeake, and we said no; so they are going out and they are going to set the money aside in the endowment for taking care of those necessary expenses.

Mr. McDade?

INFORMATION TO COMMITTEE

Mr. McDADE. It's my impression, in the new spirit that we are meeting here after this important exercise, that we have all agreed, under the new practices, we have all agreed that the Smithsonian is going to make detailed information available to the committee on every bit of its money, public and private, and I sit here under the complete impression that if the Smithsonian comes up with projected use, which it has been agreed through the five year planning process and the rest of it, that we are going to be kept informed about what your future plans are; if we object to the use of those private funds we have the right to do so, and we have the means, as Mr. Whitten indicated his experiences with an agency that refused to have itself audited, they simply adjourned the committee until the institution agreed to be audited, and it promptly agreed to be audited.

As a practical matter, this committee, with roughly 80 percent of the support of the operational expenses of the Institution coming through appropriated funds, has the right, indeed the duty, to look at the five year plan, to look at the prospective uses of trust money, and if we disagree to so notify you, and the power is inherent in our committee practice to stop you. It seems to me it is that clear.

Do you disagree with that, Mr. Secretary?

Mr. RIPLEY. No.

Mr. McDADE. Do you, Mr. Webb?

Mr. WEBB. No. This is what I was going to say, you have said it better. But, also the OMB is in there.

Mr. McDADE. I said it better because I learned from you, because I remember you when you used to justify the NASA budgets, and you never lost a dime of it.

Mr. WEBB. You are paying me a little too much of a compliment.

Mr. YATES. But OMB has no jurisdiction over the trust funds.

Mr. WEBB. We are going to supply them with a five year plan that shows what we are going to do with the five year hoped for private funds as well as the public funds.

Mr. YATES. That is fine. OMB can ask for that, perhaps, but OMB is part of the Executive Branch, and as Mr. Hughes so well pointed out in his Regents review, the Congress is the one that has the responsibility under the Smithson will for reviewing those funds, and if OMB does not allow you money, we could put the money in, in spite of the fact that OMB didn't allow it.

Mr. WEBB. May I say what I had in mind to say?

UNIQUE CHARACTER

There is one point I think is extremely important. I am not able to place an evaluation on the National Collections, some of which have come from government departments and many from private sources, but they are very, very valuable. As Administrator of NASA I do not believe I would have made a contract with the Department of Defense to receive all of the NASA space artifacts and put them on display. But there was in the Smithsonian a unique capability, this mixture of public and private funds, this knowledge of how to use for educational purposes the artifacts, so we broke precedent and we provided to the Smithsonian all of the artifacts, not just the historical artifacts, and they now have in the Air and Space Museum an indication of the value of this. It seems to me that even if a government official would take some time to consider seriously whether he would provide all of the artifacts from his program to another government department, this is an item that might make us want to go a little bit slow in changing this unique characteristic of Smithsonian to get hundreds of millions of dollars worth of collections put to them under the trust.

Mr. YATES. You were not here yesterday.

Mr. WEBB. I had to be in New York, sir. I am sorry.

REVENUE-PRODUCING ACTIVITIES

Mr. YATES. Of course, I am not criticizing. All I am saying is that we had an exercise. The Smithsonian is a fine money-making institution, with a rather small investment in a Magazine which gives a fine return. It has captured the imagination of many people throughout the country. It has membership in the Smithsonian Associates of over a million people, and this will probably grow, and its funds will grow.

I asked the question yesterday. Mr. Hughes and Mr. Webb, if the Smithsonian wants to take its \$50 million and buy a TV station for the diffusion of knowledge among mankind, why couldn't it do it?

Mr. Ripley pointed out, and at this moment I think correctly, I want to think about it, though. He said that it was carrying out the purpose of Smithson's will, the diffusion of knowledge to mankind through the Smithsonian associates, but why must it be limited to the Smithsonian associates; why can't you diffuse knowledge among other people than the Smithsonian associates and make money in the process?

Why should not we have TV programs, possibly a station? Why should not Smithsonian have a publishing house? It has a magazine, why not a publishing house, and put out books that would be fascinating?

It has some of the greatest outstanding experts in the country in some fields.

Mr. RIPLEY. We have a publishing house, Mr. Chairman.

Mr. YATES. You have a publishing house?

Mr. RIPLEY. It's called the Smithsonian Institution Press and it appears in your budget every year.

Mr. YATES. Of course it does, but I didn't realize you were as large as Random House or Viking or Knopf.

Mr. RIPLEY. I am glad you think we are. No, we are not.

Mr. YATES. No, but you could be, and it may be carrying out the purposes of Mr. Smithson's will to do that. After all, what are the limits, if there are any limits, for a mission that proposes to diffuse knowledge among mankind?

Mr. HUGHES. Isn't some part of the limits question with respect to the trust funds in the hands of the Regents?

Mr. YATES. Yes, sure.

Mr. HUGHES. And including the fact that when the '46 Act put by any standards, a rather distinguished group of Regents together, including representatives of the Legislative, the Judicial and Executive branches.

Mr. WEBB. Mr. McDade has made the point, the Regents cannot move beyond what this committee is willing to support, provided you are given full information, and we are undertaking to give you full and complete authority.

Mr. YATES. Exactly.

Mr. WEBB. May I also say one other thing?

Mr. YATES. Would you yield to Mrs. Boggs?

Mr. WEBB. Indeed, always.

Mrs. BOGGS. Thank you, Mr. Chairman.

PROPOSED USE FOR ENDOWMENT INCOME

I wanted you to know about the new pooled income fund that all of us, Congressional Regents as well as citizen Regents, discussed in great detail before deciding upon it. As you know revenue that comes from the Magazine or from the films at the Air and Space Museum or from the parking at the Zoo, et cetera, are all devoted back to those purposes: to improving the parking facilities, to buying more films, et cetera. Only moneys that are over and above and beyond the regular operating expenses and improvements of those areas could possibly be put into this fund. It would be put there as a hedge against inflation, and hopefully, if we build it up within a number of years to \$50 million, we will have some flexible funds for large acquisitions. Of course, there would be a ceiling put on the amount. But, in no way is this fund to take away from the payment of regular operating expenses out of revenues received from certain activities. Contributions to the fund are to come from surpluses.

There is a ceiling put on the amount we may spend at any one time. For instance, as far as publications are concerned, even though we could conceivably have our publishing house—

Mr. YATES. I am not concerned, perhaps they should do these things.

Mrs. BOGGS. No, but the diffusion of knowledge within the boundaries of what the Institution is able to afford, both by trust funds and by appropriated funds, is what we are to consider. So, if there is a diffusion of a certain type of knowledge, as in your example of a

scholar, in a certain discipline, in need of a book that is already being taken care of outside of the Institution, there is no point in the Smithsonian duplicating previous efforts.

Mr. YATES. Well, Lindy, as we pointed out yesterday, we did not want to be procrustean about this. As Mr. Webb pointed out, Smithsonian has moved forward since 1970, and it has doubled its activities, and done an excellent job in the museum and establishments.

I think it is extraordinary. I am sorry; did I cut you off?

Mrs. BOGGS. No. I just wanted to make the point that, as I see it the taxpayer benefits from whatever expenditures of whichever of these funds the Smithsonian happens to make.

Mr. YATES. That is right. You suggested the question of being able to afford what they were able to afford. A \$50 million endowment should permit the Smithsonian to afford a great deal. I just don't know at this moment. It's something we have to think about as members of this committee, knowing now the Smithsonian is going forward toward the collection of private funds which are going to be put into that endowment rather than toward reduction of the Federal budget for Smithsonian, whether that is satisfactory to the committee.

We have that decision now. Perhaps we had it last year, but we were not quite aware of it, but we are now aware of it, we will have that decision to make, I think.

I am not sure I agree with Mr. Hughes when he says that what will happen as a result of that will be a diminution of desirable flexibility on the part of the Smithsonian. I am not sure. That is something we have to take into consideration as well.

ROLE OF CONGRESS IN COLLECTIONS ACQUISITION

Mr. RIPLEY. Mr. Chairman?

Mr. YATES. Mr. Ripley?

Mr. RIPLEY. May I just make one point?

You know better, I think, than most people, probably including myself, the value of a Jackson Pollock painting.

The Smithsonian's Hirshhorn Museum—

Mr. YATES. The government of Australia was willing to pay \$4 million for "Blue Poles" by Jackson Pollock.

Mr. RIPLEY. The National Gallery recently purchased one also with trust funds.

Now, the Hirshhorn Museum lacks a large Jackson Pollock. If on its merits one were to decide, with the Curators Committee, and Trustees and all the appropriate safeguards that a Jackson Pollock was to be acquired at the price of \$2 million, should the painting come available, it is hardly likely to be achieved by an 18-months projected budget process, and we would come to the Congress and say, sorry, we wanted to get a Jackson Pollock, we were going to apply \$2 million to get it, but we have already lost it to the Kimball Art Museum in Fort Worth, shall we say.

In any case, if we had that income from a sizable amount of endowment, which the Metropolitan Museum has and Cleveland Museum has, the Hirshhorn Museum would then have the money to buy the Jackson Pollock. Now, \$50 million, let us say, would produce about \$2 million conservatively speaking, a year. We would then be able to buy a Jackson Pollock.

I merely wanted to cite that as an example of the efficacy of having trust fund income.

Mr. YATES. I could reply by saying many people thought the government of Australia was kind of silly to spend \$2 million for the Jackson Pollock.

Mr. RIPLEY. That is neither here nor there, because the Congress is not—

Mr. YATES. The question is whether the Congress should be brought into a purchase and at what point it should be brought into a purchase. Suppose that you were spending the full endowment for a Jackson Pollock. Should it be the decision of the trustees at that point or should Congress know about it?

Mr. RIPLEY. I would suspect in the case of the Jackson Pollock, the Congress would be happy to abnegate having to make a decision.

Mr. YATES. I don't think so. I think Congress has moved to the point of where it, too, appreciates Jackson Pollock.

Mr. WEBB. The point I wanted to make is in this learning process, the Smithsonian doubling in the period I have been on the Regents, there are many of these factors.

With respect to the Magazine and its profitability, we still have the problem of the Internal Revenue Service that all nonprofit institutions have that engage in business-like activities as to possible taxes on the advertising.

This is something that the Executive Committee and the staff have looked at with great care, and we have a process under which this is going to be determined, and we have set up a reserve. But there is no assurance that the Magazine will continue to be as profitable as it has been.

It is a total process of pushing as far as you can to see what you can do best for the Institution.

With respect to the endowment, it is the same thing. We have no assurance that we can get \$50 million for the endowment. We are willing to go out and try on the assumption that people will give money to an endowment when they would not contribute to the daily operating expenses of the Institution.

Mr. YATES. May I interrupt you for a second to say that with the confidence or with the approval of the Congress in the way the Smithsonian has come forward with this excellent magazine, Mr. Whitten to the contrary notwithstanding, perhaps, the Congress might supply the funds even if you didn't have the funds with which to carry it on. Just as Judge Powers has come to us for money for Chesapeake because they didn't have the funds to carry that. We said, "No, continue to do as you are, take it out of restricted funds."

Go ahead.

Mr. WEBB. My hope is that Congress would say, "We want to give you the chance to raise the \$50 million endowment if you can on the basis that we are going to look at how you are doing with it and how the income comes in and how you apply the income in each year's budget, whether or not we agree this is a proper thing." And in a sense this is the process we are suggesting to you.

I would like to say, on the Magazine, just to repeat, the risk to the Smithsonian was really minimal, if any, because one strong Regent was willing to say, "I think it is so important I am willing to back it with my own money."

It seems to me this is something Congress ought to encourage.

Mr. YATES. You mean encourage the appointment of wealthy Regents?

Mr. WEBB. No, sir—to encourage the process of experimenting with what you can do with minimum risk that will benefit the Institution.

Mr. YATES. Okay. Let's come back at 1:30.

Mrs. BOGGS. Mr. Chairman, we would all welcome the contribution of any speaking honoraria that the members of this subcommittee may wish to make to the endowment fund.

Mr. YATES. Let's come back at 1:30.

AFTERNOON SESSION

BEQUEST OF BUILDING

Mr. YATES. The hearing will be in order.

Mr. Webb, you wanted to make a comment about that apartment building.

Mr. WEBB. Yes. I understand from some discussion we had at lunch that the donor of the apartment building gave this in 1962 with the specific understanding that it would be sold and the funds would be applied to certain scientific publications and other activities in the Smithsonian that the donor wished to support.

Mr. YATES. Thank you.

CLARIFICATION OF C.B.A.-HOFFMAN CORRESPONDENCE

Before Mr. Hughes returns, perhaps we can have a report from Mr. Blitzer on the Margolin letter.

Mr. Blitzer, would you come to the table and tell us about what you learned in connection with the CBA-Hoffman fund?

Mr. BLITZER. Thank you, Mr. Chairman. I am happy to have a chance to get this in the record.

Mr. YATES. All right. The record is happy to receive you.

Mr. BLITZER. I can give you these later. I have here now a memorandum from Dr. Hoffman to the Treasurer of the Smithsonian in 1974, requesting approval for the establishment of a separate fund for donations received from individuals outside the Smithsonian who use the collection of Business Americana, the Warshaw Collection, and saying the monies received are to be used solely for maintenance, preservation and other purposes, annually approximately \$1,000.

That was approved, and the fund established in 1974. I have two letters from Dr. Hoffman to a lady in Chicago, who I suspect is a research associate of your constituent.

Mr. YATES. Would you tell us her name, and where she lives?

Mr. BLITZER. Mrs. Vivian Brichta, 1 East Schillan.

Mr. YATES. I don't know that street.

Mr. BLITZER. The main letter of February 2, 1978, is from Dr. Hoffman to Mrs. Brichta, saying he has been getting the negatives together for the photographic order, and thought he ought to check before the order is started.

According to his count she is requesting 62 eight by ten glossy prints, \$2.50 each. A check for this should be sent to the Smithsonian

to Dr. Hoffman, so he can attach it to the order which then goes to our photographic service division.

Under the conditions of the use of this collection, when reproductions are published, there is a \$25 publishers charge, "and your order amounts to \$1,525. A check for this should be made out to the CBA-Hoffman fund and mailed to me."

Mr. YATES. What was the \$1,500 for?

Mr. BLITZER. There is a later letter which indicates he is not clear they want to reproduce all of the 61 photographs. But that sum would be the fee of \$25 per photograph for reproduction in a commercial publication.

Mr. YATES. In a commercial publication.

What does that mean, Mr. Blitzer. I can understand Mr. Margolin, or Mrs. Brichta, being charged \$3.50 per glossy for a sum total of \$213. But I don't understand the \$1,500 charge.

Mr. BLITZER. \$25 per—

Mr. YATES. Per picture?

Mr. BLITZER. Per picture charge.

Mr. YATES. For what?

C.B.A. FUND RESTRICTIONS

Mr. BLITZER. For the reproduction rights for use in a commercial publication. It is not charged for students, teachers, and nonprofit organizations.

Mr. YATES. I see. In other words, if Mr. Margolin or Mrs. Brichta is writing a book and the photographs are used in that book, then there will be this additional charge which will go to the fund.

Mr. BLITZER. Right. Unless the use is by a student, teacher, or a nonprofit educational organization. Our understanding in this case is that it is a commercial publisher. It is not at all clear that they propose to reproduce all 61 photographs.

Mr. YATES. Has Dr. Hoffman made clear to Mr. Margolin or Mrs. Brichta the purpose of the fund—the propose of the \$1,500.

Mr. BLITZER. I have spoken to Dr. Hoffman. Neither of us can understand how Mr. Margolin could have gotten the impression from anything he said that his salary depended on this money.

As we saw in the printout yesterday, this is a Smithsonian special purpose fund which can only be used for the expenses of this collection of Business Americana. Specifically, it is used for buying storage boxes, envelopes, and so forth.

Mr. YATES. Is Dr. Hoffman paid from this fund?

Mr. BLITZER. Absolutely not. He is a regular Civil Service employee. He has been at the Smithsonian much longer than the collection has.

I don't have the printout here. The total amount, I think, \$1,600 in the fund.

Mr. YATES. Did Dr. Hoffman say his salary depended in large part on the fund?

Mr. BLITZER. He tells me not. I can't conceive he did. It simply would make no sense. It is not true.

Mr. YATES. Could he have said without this kind of charge for reproduction rights the funds might be dissipated?

Mr. BLITZER. He again says he said nothing even remotely connected with that. Again, it is not true. His assignment at the moment—

actually, he is in a different part of the Museum of History and Technology—his assignment at the moment is to work on this collection.

Mr. YATES. Apparently there is some kind of a misunderstanding in connection with it. I will go back to Mr. Margolin and try to get additional information.

Mr. BLITZER. I regret this happened. But, I think it is a genuine misunderstanding.

Mr. YATES. Okay. Thank you.

SOURCE OF FUNDS IN SMITHSONIAN FUND REPORT

Mr. YATES. Now, can we go to the printout and try to get some understanding of what these things mean. As we learned yesterday from Mr. Wheeler, in many instances in the printout the sources of the funds are unknown.

What if a Regent wanted to know where the money comes from for a particular fund? Can he receive that information?

Mr. RIPLEY. Certainly.

Mr. WEBB. If it is known. You may have an anonymous donor. There are a number of anonymous donors.

Mr. WHEELER. Mr. Chairman, we have complete detail on all the sources.

Mr. RIPLEY. This is the first time this computer printout has been performed at the request of Mr. Whitten last year. Of course, it is kind of shorthand, but this bears no reference to the details in the office which are present in every case.

Mr. YATES. May I ask that we turn to Pg. 13, the Office of the Secretary restricted funds, research in biology, is apparently a fund received from Mr. Addison T. Reid. Is that correct? Pg. 13.

Mr. WHEELER. Excuse me. I didn't get the page number.

Mr. YATES. Pg. 13, item number one, under "Other Restricted Funds."

Mr. WHEELER. Is that 1976 or 1977?

Mr. YATES. 1976.

Mr. WHEELER. I am sorry, I don't have that with me.

Mr. YATES. You have 1977. Let's turn to 1977, then. This is Pg. 236.

Mr. WHEELER. Yes, sir.

Mr. YATES. Purpose, research in biology, \$1,299, \$2,174 income, leaving transfer of \$179 plus, which I take it was added to the fund, right?

Mr. WHEELER. Income was \$2,174, yes, sir.

Mr. YATES. Yes, that is right.

Mr. WHEELER. There is an opening balance of \$1,299.

Mr. YATES. All right. Then we turn to the next item, which is the Smithsonian Agency account. What is an agency account?

Mr. WHEELER. It is an account the income of which is used to pay an agreed upon annuity payment either to the former Under Secretary or to the Secretary after his retirement.

Mr. YATES. I see. Where does the money come from?

Mr. WHEELER. The principal, approximately \$250,000 in the endowment fund, which has been put in there over a period of years.

CONSOLIDATED ENDOWMENT FUNDS

Mr. YATES. In the endowment fund. Which endowment fund, the \$50 million endowment fund? What do you mean by the endowment fund?

Mr. WHEELER. Yes, sir, the endowment funds, consolidated endowment fund which Mr. Webb spoke about this morning, which is invested by the three management firms.

Mr. WEBB. This is an existing fund, not the contemplated fund.

Mr. YATES. You have an existing endowment fund now.

Mr. WEBB. Yes.

Mr. YATES. Could you tell us what the principal amount of that is?

Mr. RIPLEY. We have those in the financial reports, the sums of the endowments. These go back to the initial Smithsonian gift. There are a collection of endowment funds, the consolidated fund, the special purpose fund.

Mr. YATES. You mean in the back of the justification? What page?

Mr. WHEELER. F-28, the last section of the book.

Mr. YATES. Consolidated endowment funds have a principal of \$46,920,201, right?

Mr. WHEELER. Yes, sir.

Mr. YATES. And they have a market value of \$46,878,828. The net income is \$2,089,723. The unexpended balance is \$621,554. Does that mean that the amount you have left in that fund is \$5 million—

Mr. WHEELER. No, sir.

Mr. YATES. Of the \$2,089,723, \$621,554 has not yet been expended, is that right?

Mr. WHEELER. That is right.

Mr. YATES. So roughly \$1,350,000 has been expended for various purposes.

Mr. WHEELER. Actually, I believe the \$621,000 is the amount still remaining from all income that has been put into the endowment funds from prior years as well as this year.

In other words, the unexpended balance of the funds benefiting from the endowment—

Mr. YATES. Is this a consolidated net income figure showing what the income has been since the origin of the fund?

Mr. WHEELER. No, sir. The net income shown is the income for the current year.

Mr. YATES. For the year ending September 30, 1977?

Mr. WHEELER. Yes, sir.

Mr. YATES. Then what is the \$621,554?

Mr. WHEELER. Of the income from the endowment fund, of the total income over the years from the endowment fund, the amount not yet expended.

Let me give you an example. The Freer fund is up here, and shows an unexpended balance of \$193,664.

Mr. YATES. Yes, I see that.

Mr. WHEELER. That is the balance remaining in their operating account that came from these funds.

Mr. YATES. Perhaps we are not on the same line. I would have thought that the unexpended balance would have been related to your net income.

If the net income for a year is \$2,089,000, how do we find out how much of that net income was expended?

Mr. WHEELER. You would have to go to individual funds to find out how much was expended.

UNEXPENDED BALANCE OF CONSOLIDATED ENDOWMENT

Mr. YATES. Isn't that kind of illogical, to say the least—where you have the net income for the year, and then you have the unexpended balance, one would gather the impression it was the unexpended balance from that net income, wouldn't one?

If that net income is for one year, why wouldn't that be the remaining unexpended balance for that one year?

Mr. WHEELER. I think we put that column in there because the people interested in those funds—

Mr. YATES. Have you seen this?

Mr. WEBB. I am just looking at it now. I think I can help you. I am not absolutely sure of this, Mr. Chairman, because I haven't had a chance to look at this until right now.

But I think you need to keep in mind that we have, among the 40 million odd dollars, a total return concept, so that we in a sense draw for the budgets of the Smithsonian 4.5 percent per year, whether it is more or less than the income, and make it up out of capital gains.

Now, in addition there are certain restricted funds where income has accumulated. Some of them do not permit any expenditure from the income until such time as the corpus reaches a certain level.

A great many of these funds have specific restrictions. This is the accumulated amount that is available for expenditure when all the conditions that permit its expenditure have been met.

Ames may have a different way of saying it. Is that correct?

Mr. WHEELER. Yes, sir, I believe so. I was looking at—

Mr. YATES. Don't say, "I believe so." Speak more positively. Otherwise we are still in doubt.

Mr. WHEELER. What I said before, sir, was correct. It is the amount remaining of the income from an endowment fund—the income from an endowment fund—the remaining amount from all the amount drawn from that endowment fund in previous years.

Mr. HUGHES. May I try, Mr. Chairman. I am not familiar with the numbers. But I think the problem is the same one as in the Federal accounts where there is an unexpended balance at the beginning of the year against which expenditures can be made as well as against income during the year.

The number there at the end is the residual amount including the unexpended balance at the beginning of the year.

Mr. RIPLEY. It is no year money, in effect, carried over.

Mr. WHEELER. For example, Mr. Chairman, I have a list of the budget for these funds for the year. It shows a beginning balance of each fund, which corresponds with the figures shown in that last column there. So that the budgets for fiscal 1978 starts off with these balances.

Mr. YATES. Well, there is no direct relationship, then, between the column "Net Income," and the column "Unexpended Balance."

The column "Unexpended Balance" may contain the amount received for the year in interest. But then it is added to what was there before.

Mr. WHEELER. That is correct.

Mr. YATES. Okay. So that when you turn to Freer and you see a net income of \$754,806, that is what was earned on the principal of the Freer endowment. Why is it suddenly so much lower when you move that over to the last column?

Mr. WHEELER. \$193,000.

Mr. YATES. You paid salaries and expenses of the Freer Gallery out of that. After having made those expenditures at the end of the year, and the start of the new year, which would be October 1, 1977, you had a beginning balance of \$193,664.

Mr. WHEELER. Yes, sir.

Mr. YATES. Okay.

SMITHSONIAN AGENCY RESTRICTED TRUST FUND

Now let's go back to the 1977 printout for a minute.

The Smithsonian Agency account shows the retirement annuity for the Secretary and the Under Secretary starting with an open balance of \$1,198,000, income of \$9,574,048 and expenses of \$827,254. Then you added a transfer of \$1,130,210. Your net balance is \$3,630.

MARSH BIRDS RESTRICTED TRUST FUND

Let's go down to the item, 158307, the item "Marsh Birds". This is a 1977 printout of all the trust funds of the Smithsonian.

Mr. WHEELER. All the Federal funds, also.

Mr. YATES. It is the printout of all the funds in the Smithsonian? Are there any that don't appear in this printout? Do contract funds appear here?

Mr. WHEELER. Yes.

Mr. YATES. Then it is all funds.

Mr. WHEELER. It is all funds, except some balance sheet accounts.

Mr. YATES. All right. Let's turn to marsh birds. What would that item be? What is that?

Mr. RIPLEY. I can answer that, Mr. Chairman. That is a bank account that was set up a number of years ago with donations from myself and from friends of mine to get a book published which is published this year, which you have seen, called "Rails of the World."

Mr. YATES. Rails are the same as marsh birds?

Mr. RIPLEY. Yes, sir. It is entirely published with donations from that fund. In order to pay the bills out of a central place, we simply put it up and set it into an account. The initial contractual thought was that it should be published or might be published by the Smithsonian Press.

It was decided later that as I am the author of it, it would be better from a conflict of interest point of view if the Smithsonian Press did not publish the book. The account remained there merely to settle the payment of the bills to the printer for the publishing of the work. That has now been done.

I am happy to say I have raised enough money to pay off the debt. So, it is presently zero. This was a convenience to myself to act as a kind of bank account in one place where I would know what the accounts were for that book.

Mr. YATES. Were these set up as trust funds?

Mr. RIPLEY. No—in a sense that they came in as donations for the book. In other words, a friend of mine would say, "I think this book is a meritorious thing. I would like to give you some money to help you get it published."

Mr. YATES. All right. So it was a gift.

Mr. RIPLEY. That is right.

Mr. YATES. A gift.

Mr. RIPLEY. All gift accounts are in here, too, in these general accounts.

Mr. YATES. Why would it be in the Smithsonian?

Mr. RIPLEY. Because the initial plan was that it was going to be published by the Smithsonian Press. When there appeared to be, on advice of counsel, a possible conflict of interest that I, as the Secretary, should have a book of this sort published by the Press, we changed and had it printed in such a way that it is not by the Smithsonian Press. But the money remained here and paid for the bills of getting the book printed and published.

Mr. YATES. Is it a part of the Smithsonian Institution?

Mr. RIPLEY. No.

Mr. YATES. It is your personal account.

Mr. RIPLEY. Yes. As such, it had to be listed. I could have, I suppose, withdrawn all the money—

Mr. YATES. Why would it be listed?

Mr. RIPLEY. Because all these accounts are listed as gift accounts.

Mr. YATES. But they are a gift to you, not to the Smithsonian.

Mr. RIPLEY. Yes, but when I came here in 1964 I had various monies for this book which I had already accumulated. I had various bills to pay. It was the first thought that the Press was going to publish it. Then it was decided that it would not be a good idea if the Press, which is run by the Smithsonian, would publish a book of this nature written by me. So, the money remains. It is money that I brought along with me, accumulations of money.

SMITHSONIAN AUTHORS

Mr. YATES. Okay. Let me ask the next question.

You are one of the scholars of the Smithsonian. Are there other employees of the Smithsonian who write books for the Smithsonian?

Mr. RIPLEY. There may be an author who writes a book that is published by the Smithsonian Press, certainly.

Mr. YATES. Is an account set up for that person?

Mr. RIPLEY. I am not sure whether it is set up under that person. In some cases, yes, there may be, I suppose, a fund accumulating which would help the Press to publish the book. I suppose so.

Mr. YATES. Can you tell us who would do that? Who in the Smithsonian has written a book, other than Dr. Ripley?

Mr. RIPLEY. Can you think of an example, Ames, in which a person might bring together funds, let's say, in the mineral area and so on,

which then would be used to give to the Press or a publisher? Mr. Goode? We have examples we would be happy to supply for the record.

[The information follows:]

SMITHSONIAN AUTHORS PUBLISHED BY SI PRESS

Other Smithsonian employees who have raised financial support from outside sources to fund publications of their books by the Smithsonian Institution Press are Margaret Klapthor (*Official White House China*) and Herman Viola (*Indian Legacy of Charles Bird King*).

Mr. YATES. Are there accounts for them in here? Were those written as individuals or as part of the Smithsonian?

Mr. WHEELER. If they received a gift that was given to help the Smithsonian Press publish the book, there would be an account in here.

Mr. RIPLEY. You see, a grant might come in to help, for example, Mr. Goode—I can think of his work on lost houses in Washington. He is an architectural historian who has written one book on the sculpture of Washington and now is working on one on lost houses in Washington.

He may have been given a grant to help accomplish the publication of this book, which would then eventually be published by the Smithsonian Press, as I had hoped initially that my book would be published.

In my case, as the Secretary of the Institution, it may be deemed inappropriate for me to have a book published by the Press, whereas in the case of the staff man, the Smithsonian Press reserves the right, as they did with me, of course, to determine whether they wish to publish it or not, and then if they do, then money contributed towards that book may go into an account.

Mr. YATES. All right.

ACCOUNTING PROCEDURES

Mr. Wheeler, I don't understand the account. Will you explain it to me, as to how that works. There is at the start an open balance of \$3,369.99. The minus means a plus?

Mr. WHEELER. Yes, sir.

Mr. YATES. Then you have added \$33,806, right, which makes a total of \$36,000, right?

Mr. WHEELER. Yes, sir.

Mr. YATES. All right. And then we see expenses of \$65,000, right?

Mr. WHEELER. Yes, sir.

Mr. YATES. What is that figure at the end? Is that a plus or a minus?

Mr. WHEELER. That is—well, the \$65,000 was part of the publication costs. The \$27,000 is—

Mr. YATES. That is listed as a balance. Is it a plus or minus balance?

Mr. WHEELER. Negative balance—which has now been closed out. This account no longer exists.

Mr. RIPLEY. In other words, receipts keep coming in and they may not be registered in the computer at the moment the printout is made. So that may establish a negative balance at any period of time for an account.

Mr. YATES. I don't understand. Is this being handled by the Smithsonian, the receipts?

Mr. RIPLEY. No.

Mr. YATES. Towards the payment of the deficit?

Mr. RIPLEY. What is the book?

Mr. YATES. I assume it is the rails. "Marsh Birds of the World."

Mr. RIPLEY. Yes, sir.

Mr. YATES. I had understood you to say that this was taken out of Smithsonian—at least it wasn't to be published by the Smithsonian Press, but by an outside press.

Mr. RIPLEY. Right. At the time the decision was made not to publish it through the Smithsonian Press, we still had that account. So, the account rested until we finished paying the bills.

Mr. YATES. Why didn't you close out the account when the decision was made?

Mr. RIPLEY. Well, I don't know. Maybe we should have.

Mr. YATES. I don't know.

Mr. WHEELER, when that decision was made, why wouldn't you close out the account?

Mr. WHEELER. It took longer than it should have.

Mr. YATES. OK. What is the status of the account now?

Mr. WHEELER. It is no longer an account.

Mr. RIPLEY. It is zero. In other words, all the bills have been paid.

Mr. WHEELER. The negative balance has been eliminated.

SMITHSONIAN PRESS PUBLICATIONS

Mr. YATES. Can somebody in the Smithsonian give us some explanation about the other authors on the Smithsonian staff? Mr. Goode. How is his book set up?

Suppose Mr. Blitzer or Dr. Challinor wants to write a book. Suppose Mr. Challinor wants to write a book about—what was that animal?

Mr. CHALLINOR. Sipunculid.

Mr. YATES. Suppose he wants to write a book about that animal carousing among the hard rocks in Florida, or Dr. Reed wants to write about his pandas. What do you do? Are they allowed to go to a private press and make a contract for the publication of a book on their own?

Mr. WHEELER. If they did it on their own time, yes.

Mr. YATES. Okay. They work evenings and lunch hours. Then they could do it. Or if they took a leave of absence, they could do it then.

Suppose they were doing it for the Smithsonian. How would it be done? Has this been done? Has anybody done it for the Smithsonian?

Mr. RIPLEY. Yes, certainly.

Mr. YATES. Who has done it for the Smithsonian—Mr. Goode?

Mr. WHEELER. Mr. Page brought about a new book which was done for the Smithsonian.

Mr. YATES. Who is Mr. Page?

Mr. JAMESON. Mr. James K. Page is the head of a small publishing task force. If I might give some background on our publishing efforts, we have about 400 to 500 members of the professional research staff, including scientists and historians.

Mr. YATES. You have imminent scholars, that is right.

Mr. JAMESON. Almost all of them do research and they write, sometimes simply to disclose the results of basic research, sometimes as a result of preparing an exhibition.

The Smithsonian Press that was mentioned earlier is the usual vehicle for Smithsonian publications. There are within the Press a number of scholarly series—there is one on astronautics and aeronautics, there are several in natural history, one in the Museum of History and Technology, nine series in which publications of the staff normally appear. Those are funded with Federal appropriations available to the bureau or office in which the author works.

Mr. YATES. How are those funds set up in your printout?

Mr. JAMESON. The Federal dollars, salaries and expenses dollars show up in this printout as part of the Federal allotment to bureaus and offices.

Mr. YATES. Would Mr. Page do his work with Federal funds, or would he do it with private funds?

Mr. JAMESON. Mr. Page is producing a series of books reflecting the collections and knowledge of the Institution. You may have seen, "The Smithsonian Experience," which is the first book he produced.

His activity has been set up as a trust fund cost center, as an auxiliary activity, to produce one, two, or three books each year pertaining to the Smithsonian, and generally speaking of a popular general audience nature.

Mr. RIPLEY. And not done with Federal funds.

Mr. JAMESON. They are not done with Federal money.

Mr. YATES. How did you get into Federal funds with Mr. Page?

Mr. RIPLEY. He is not in Federal funds.

Mr. YATES. I thought I understood you to talk about the Federal allotment.

Mr. JAMESON. I was speaking in general how the Smithsonian professional staff get their research and exhibit catalogs published.

Mr. YATES. With Federal funds?

Mr. JAMESON. Predominantly, yes, sir.

Mr. YATES. Let's turn to page 4 for 1977. We find James Page, SI Popular Publishing. Purpose—allotment for start-up costs for publishing task force. Open balance, zero; income, zero; expense, \$68,931.84; transfer, which is a plus, \$68,931.84. And then a balance of zero. Would you explain that item, as to what happened there?

Mr. WHEELER. My book is arranged differently than yours. I would have to search for it.

Mr. YATES. I am trying to understand how these funds operate. That is the reason for these questions.

Mr. WHEELER. This item is unrestricted purpose trust funds which were expended in fiscal 1977 toward the start-up costs of that book. In other words, Mr. Page was allowed to go ahead and hire a certain number of people. His own salary is charged in for part of the year—to draw up a plan for this book. He got Regent approval of it, Mr. Ripley's approval.

This is the amount that was spent in preparation for the publishing before we actually got into the costs of printing it and so forth.

Mr. YATES. And the printing costs would be added to that.

Mr. WHEELER. Yes, sir.

Mr. YATES. And they would be expended, I assume, in fiscal year 1978.

Mr. WHEELER. Yes, sir.

Mr. YATES. Now the books are printed—let's talk about the Page enterprise now. The books are printed and sold. I assume at least for a cost that covers the expense.

Mr. WHEELER. Yes, sir.

Mr. YATES. And possibly a profit.

Mr. WHEELER. Yes, sir.

Mr. YATES. Which of my conclusions is more appropriate?

Mr. WHEELER. For a profit.

Mr. YATES. Now, what happens to that money. What happens to the profits? First of all, the funds go to paying the original expenses, right?

Mr. WHEELER. Yes, sir.

Mr. YATES. Until all the expenses are paid in full. Then the amount above that is a profit. What happens to that?

Mr. WHEELER. It becomes a part of our unrestricted general trust fund.

REGENT APPROVAL OF PUBLICATIONS

Mr. RIPLEY. It then has to come up for a decision by the Regents as part of the budget, about what to do next. In other words, should this be a kind of revolving fund to be used for the publication on occasion of a public interest book to do with Smithsonian expertise or not?

It is very important, Mr. Chairman, that we all understand the preparation of the budget includes further decisions, step by step, as we go along about what to do with any income of this sort, which then is used, as it were, to revert back to the people who helped make it possible for the publication of another educational book or another public interest book.

Mr. YATES. Would the Regents pass on the question of publication?

Mr. RIPLEY. Yes.

Mr. YATES. Would the Regents have passed upon the publication of "Marsh Birds of the World?"

Mr. RIPLEY. When I came to the Smithsonian in 1964, I spent that summer discussing with the Regents what my role should be as Secretary—we had a full discussion of what my role should be as a research man under the principles established for the preceding Secretaries of the Institution.

I described particularly to Mr. Greenewalt and Dr. Haskins, who were interested, and the Regents approved the long-term projects which I had, which I commenced many years before and which would make a difference in my scholarly productivity, in my sense of contribution during my career at the Smithsonian.

One of them was this "Marsh Birds of the World." Another one was the "Handbook of Birds of India."

Mr. YATES. And then you went forward with that.

Now, that book has been published, and I must say I bought a copy, and it is a beautiful book. I paid \$73 for it. It is very much worth it because the artwork is so beautiful.

Mr. RIPLEY. I hope you got a deduction from the Smithsonian book shop.

Mr. YATES. I don't know whether I did or not, but it is a beautiful book.

Now, is that considered to be an individual book, your book, or is that considered to be the Smithsonian's book? What happens to the profits?

Mr. RIPLEY. I brought it with me. I published it with dollars which I raised, including my own. It was an approved project as part of my research.

I intend to give the revenues accruing from that book to a fund which, like the other Secretaries—four of the Secretaries so far—which when I die will be part of the restricted endowment funds of the Institution.

Mr. YATES. Okay. You said the previous Secretaries.

Mr. RIPLEY. There is a Henry fund, a Baird fund, and a Wolcott fund.

Mr. YATES. Is this the tradition of the Secretaries to do this?

Mr. RIPLEY. Shall I say it is a nice tradition.

Mr. YATES. I wasn't commenting on whether it is nice or not nice. But is this the tradition of the Secretaries, to do this sort of thing?

Mr. RIPLEY. The tradition of the Secretaries is to continue to indulge in scholarly work while they are Secretary.

Mr. YATES. So the funds from "Marsh Birds of the World" will go into the endowment fund for Smithsonian research in your will?

Mr. RIPLEY. Right. Actually, they are already set up as a special account.

Mr. YATES. Okay. That is in keeping with the tradition of the other Secretaries.

Mr. RIPLEY. It is not an obligation of the Secretaries to do it. That is why I call it a nice thing to do.

Mr. WEBB. And not all have done it.

Mr. YATES. I thought Mr. Ripley said all had done it.

Mr. RIPLEY. I said three. I am the fourth. I am the eighth Secretary.

Mr. YATES. Three have done it. Were there any of your predecessors who wrote books of this kind with the Smithsonian and kept the funds for themselves?

Mr. RIPLEY. I don't think so. I am not sure under what conditions—

Mr. YATES. I thought that is what Mr. Webb was saying.

Mr. RIPLEY. No. An author has the choice—if you wish to write on your own time, as Mr. Wheeler said, you can sign a contract—I could on my own time, if I had any time.

Mr. WEBB. Not all of them have written books, and not all of them have had the financial wherewithal to endow future research. I think that is the way to say it.

Mr. RIPLEY. That is a nice way of saying it.

Mr. YATES. I think it is a nice tradition, too.

Mr. RIPLEY. It is a voluntary tradition. It is not an incumbent requirement.

Mr. YATES. As I say, it is a beautiful book. It has received outstanding critical acclaim. I think that your intention that the funds go for the continuation of the Smithsonian research is a most creditable one.

Now, a few other items that I struggled through.

SPENCER F. BAIRD RESTRICTED TRUST FUND

May we turn to page 11, 1977 Secretary Res Lab.

Mr. WHEELER. Yes, sir.

Mr. YATES. We see Baird, Spencer Fullerton, scientific exploration, and research. What is the purpose of that fund?

Mr. RIPLEY. The Baird fund is one of the restricted funds of the Institution for scientific research.

Mr. YATES. Is that particular scientific research or general?

Mr. RIPLEY. No. It is particular in the sense that I think it is for zoology and it is a relic, shall we say, Mr. Chairman, of some 46 to 48 restricted funds which were entirely under the name of the Secretary.

When I came to the Institution—my predecessor kept a small book in which all the restricted funds of the Institution were listed, and he was the sole arbiter of how those funds should be used under the terms of the restriction.

What I did shortly after I came was attempt to diversify these restricted funds and hand out the arbitration and the decisions of their use under the terms of the restrictions to the Assistant Secretary for Science, if it were a science fund, to another Assistant Secretary with that responsibility, if it was another fund, or to the bureau directors, the director of the Museum of Natural History, for example, or even in some cases to the divisions within the museum.

So, there are very few left in which my name appears. If my name appears, it is not that I am the recipient of this income every year, but merely that I have the residual charge over certain funds.

Now, these funds may be restricted endowment funds. They may be gift funds as in the case of "Marsh Birds of the World," which I brought with me, which you have cited. Or they may be temporary purpose funds.

Mr. YATES. What do you mean you brought it with you. I don't see the big volume here. Is it here?

Mr. WEBB. He brought the money with him, to the Smithsonian.

Mr. YATES. I am sorry. I thought you brought the book.

Mr. RIPLEY. I wasn't going to do any self-advertising.

Mr. YATES. Well, I will bring it down. I will show it to the world.

Mr. RIPLEY. Thank you, Mr. Chairman.

So, there are these funds. As best I could, I have attempted to divest myself of the day-to-day responsibility. But they may appear from time to time.

Now, the Baird fund appears. That is available for research in zoology. It is not just available to me, although my name appears in it. It may be available for additional work in zoology.

Mr. YATES. What I am trying to find out really is what do the Regents know about these funds. For example, we have listed certain funds—there are certain funds listed here. Your name does appear. Let me read some.

The Baird fund, Edward Nelson fund, William Abbott fund, the Richardson fund, International Council for Bird Preservation fund, Tucker Foundation fund, World Wildlife fund, Charles Merrill trust, et cetera.

At what point is there a supervision by the Regents of expenditures of this fund. The Regents don't get a printout, do they?

Mr. RIPLEY. No. They get a listing of all the restricted funds. In those cases a particular gift, \$5,000 for the work of something is a write-off item after it is used because it is the result of a proposal that went in from somebody, including myself, for support of, for example, a conservation organization of which I am the president of, in addition to my other work.

The Regents know in general that I am conducting research, they approve of the idea of my conducting research, and I conduct it out of a research laboratory, mostly over the weekends when I can.

But I have then the ability to accept small gifts and grants to support that work.

Mr. WEBB. Could I say a word on that.

SOURCE OF FUNDS

Mr. YATES. I was just going to lay an additional foundation for you, Mr. Webb, if I may. I think it is important that the record show how the Smithsonian sets up these funds. When it gets a bequest, or a small gift, as is itemized by the designations that I have just read from the printout, a file is set up.

Mr. Wheeler, would you correct me if I am wrong?

Each of these printout items represents a separate file.

Mr. WHEELER. Yes, sir.

Mr. YATES. And it represents a special fund that has been set up, except for contract items for which a printout item is set up, too, and except for unrestricted funds, for which a printout is set up, too.

So, you have a file somewhere, either on a computer or in a drawer, is that right? Which do you have?

Mr. WHEELER. Both.

Mr. YATES. They are in drawers and put into this computer right?

Mr. WHEELER. Yes.

Mr. YATES. The source of those funds you have in another filing system, as I understand, so that if Mr. Webb, as the Regent, wanted to know about International Environmental Science Programs, Item 87314, appearing on Pg. 31—how would Mr. Webb be given the information as to whom or what was the source of that fund?

Mr. RIPLEY. He would probably call the Treasurer's office.

Mr. YATES. How would the Treasurer know? I want to get the procedures.

Mr. RIPLEY. He would have the filing system in operation.

Mr. WHEELER. On page 31, those are Federal appropriations.

Mr. YATES. All right. Then you would tell Mr. Webb that is a Federal appropriation, wouldn't you?

Mr. WHEELER. Yes.

Mr. YATES. OK. Then are all those Federal appropriations?

Mr. WHEELER. Yes.

Mr. YATES. There is an unrestricted special purpose fund listed on pg. 28: Dr. David Correll, fluid research grant, 13278900. What would you tell Mr. Webb, if he were to inquire what the source of that was? Where would you go in the first place? Would you go to a file, if you see that number? Or would you send your assistant to find out?

Mr. WHEELER. I would call the appropriate administrator and ask for it, then check the file on the purpose of that research grant.

Mr. YATES. Where did the money come from?

Mr. WHEELER. The source of the fluid research grants is from unrestricted funds.

Mr. YATES. And that might be from the sale of Mr. Page's books.

Mr. WHEELER. The funds are all fungible, the money becomes all the same.

Mr. YATES. You can do the same with a restricted fund, too, couldn't you? You would go to that number and tell Mr. Webb this fund comes from a gift of such and such a person.

Mr. WHEELER. Yes, sir.

Mr. YATES. Okay. That is the system, isn't it? That is the way it works.

Now, Mr. Webb.

REGENT OVERVIEW

Mr. WEBB. The way I look at it is as a Regent, and also in terms of my responsibility to other Regents to sort of keep in touch with things that may affect them, first of all, as Regents, is to learn what we need to know and from the statements that we are given. We do know there are a large number of these funds, both restricted and unrestricted.

We know that if an important gift is in the offing or about to come up, we will be told by the staff the circumstances and decide whether we would be willing to accept money from that source, or is it not a source from which we would be willing to accept money.

So, on important gifts we are in on the initiation.

Now, our basic feeling is that with this large number of accounts, and with an internal audit system, the internal audit system will reveal where the restrictions have not been met.

In other words, if there is any effort to go around the restrictions established by the donor, this will show up through an audit trail that will determine whether the restricted fund has been spent for the purposes for which the fund was established.

In addition, we will look at the trends of these materials, we will look at the overall consolidated statements to see how the trends are going in terms of the overall management of the Institution.

But there is another very important matter.

We have a number of Regents interested in particular areas, like Mr. Haskins. They go through the list from the standpoint of finding how much work is being done in the fields they are interested in, where is the money coming from. They frequently give comments in the Board of Regents meetings with respect to their feeling as to the work that is going on, and whether the funds are coming from the right place, and whether the obligations of the Institution are being fulfilled.

So, we rely very much on the alertness of Regents who are expert in a field to have an opinion they would give other Regents, rather than that every Regent approves every item.

Is that fair?

Mr. RIPLEY. Yes. I think the Regents do depend on the audit function also to make sure that these accounts are being properly maintained. As you know, Mr. Chairman, at the request of this particular committee, in 1967 and 1968 we did develop our internal audit capacity for the first time. This is part of our ongoing process of trying to refine our accountability, and improve the communications back and

forth between the Regents, the staff, and of course the committees themselves.

CONSULTANT FOR LAST MALL SITE

Mr. YATES. May I ask you about an item that appears in Pg. 234. Unrestricted general. An item—the third item—consultant for last Mall site, Schwartz contracted October 1, 1976, allotment for last Mall site study, \$26,612.

Apparently Mr. Perrot was in on that one. What was that contract for?

Mr. RIPLEY. Mr. Schwartz was retained—

Mr. YATES. He is an architect?

Mr. RIPLEY. He is a mixture of a number of things. He is an architectural historian in a sense. He is trained as a lawyer. He is very much interested in city planning.

Several years ago, I would say it was in 1974 or 1975, we came into touch with him and he volunteered that he would like to do such a study because of the critical nature of the space. He was given a contract at that time which was completed last year, about the time that I recall this committee had its wind up, and that they hoped that we would not—in fact, they requested we not spend any restricted funds or trust funds on even discussing the last Mall site.

As you will recall, the original authorization of the last Mall site included the fact that we had to go back to the authorizing committees with any plan before we could go forward, let alone to the appropriation process.

So that it seemed prudent, if we ever were going to go back to the authorizing committees, that we at least begin to have some sort of a plan. The plan was only in a thematic sense and not in an architectural sense.

Mr. YATES. Then I take it—

Mr. RIPLEY. That is complete. We have the report.

WOMEN'S COMMITTEE DISCRETIONARY TRUST FUND

Mr. YATES. Then on Pg. 235, Women's Committee Discretionary Fund, unrestricted general. It shows an opening balance of \$3,150, income of \$52,570. Expense of \$12,989. Transfers of \$16,387. And a balance of \$26,349. What is the Women's Committee?

Mr. RIPLEY. As far as the figures are concerned, I cannot give you the details. But I can describe what the Women's Committee is, Mr. Chairman.

Mr. YATES. This is in addition to the associates.

Mr. RILEY. The resident associates include a Women's Committee as a function of the resident associates. They determine particular areas of concern or interest—schools, school scholarships, support for public education at the school level.

They usually have an annual benefit. They attempt to return that money for worthy projects within the Institution which in their estimate are not being fulfilled with appropriated or trust funds. Very dedicated group, I may say.

Mr. YATES. Are there any other groups that work to raise money for the Smithsonian, other than the Associates, or within that group, the Women's Committee? Is there another group that we don't know about?

Mr. RIPLEY. No. Essentially all this organization has to do, attempting to do good and raise money for the Smithsonian, comes through the associates.

We, of course, may open a letter in the mail with a donation that has been sent in. We have no control over that. Or a bequest may come, someone may die.

Mr. Forrest, who left the land and money which is the genesis of the first land of the Chesapeake Bay Center was someone we had never met.

Mr. WHEELER. In the case of the Womens Committee, there is an opening balance of some \$3,000; it took in \$52,000 in income, mostly from the dance that they put on about Christmas time, expenses of which are shown here as approximately \$13,000.

They have transferred out some \$16,000 for various projects that they approved of and wanted to assist in, and they have a remaining balance of \$26,000, which is available to them to make further contributions.

ACTIVITIES INITIATED WITH TRUST SOURCES

Mr. YATES. Do you know how many previously privately funded programs are now Federally funded either in whole or in part? How many have made the transition from trust funding over to public funding?

Mr. RIPLEY. I would like some support and help in answering that question, Mr. Chairman. I can think of characteristic examples where perhaps shall we say the Freer Gallery of Art which has essentially private funding support or trust funding support from its endowments has at a certain period of time developed a list of positions within its staff which are supported from Federal funds and also from time to time funds for restoration and renovation of the building.

I well recall—I think it was the first appearance I made before this committee in 1964—considerable discussion about whether or not a sidewalk in front of the Freer would be repaired at the cost of \$15,000. As I recall, this was finally awarded to the Smithsonian by the committee and considered a justifiable appropriated sum.

But there are sums in the Freer budget as a line item bureau which are federally appropriated, although the corpus and the original gifts pretty well encompassed its support through trust fund endowment.

Mr. YATES. Chesapeake is not at all Federally funded.

Mr. RIPLEY. Chesapeake Bay has a line item now for support essentially entirely for personnel, salaries, maintenance of the staff. I think we testified last year before the committee that in the total history of the Chesapeake Bay some \$180,000 had been spent on small maintenance items, upgrading the security system, and emergency bulkheading and as I testified yesterday, at the suggestion of these committees, we are coming to you this year with an OMB approved request for rehabilitation of an existing rundown building on the property to support the scientific work of our staff as well as consortia members supported by Federal grants.

Another item is the Cooper-Hewitt Museum which has an exhibition now with public exhibits now open, has a line item of support from the Federal appropriation for staff essentially, and some small renovation work.

We have the Anacostia Neighborhood Museum, the director of which is here with us in the audience today, Dr. Kinard, the Museum started after I had notified the Congressional committees of our hope to start a neighborhood museum in an area of the city, and had at least notified the committees of the existence of this plan, but we had not received Federal appropriated support in the beginning.

We started with grants from the Carnegie Corporation, the Meyer Foundation and Stern family funds in this city. In ensuing years, I think virtually in the second year or so in which we described the activities of the museum, we were enthusiastically welcomed on to the Federal payroll, shall I say, by an appropriation from this committee to help support the work of the Museum. In effect, it's a good example of the fact that the Smithsonian, because it has trust fund responsibilities, can initiate something which later on the Congress of its own volition can deem to be worthy of appropriated fund support.

Mr. YATES. Mr. Wheeler?

Mr. WHEELER. I could add our traveling exhibition service was originally—

Mr. RIPLEY. Was entirely started with trust funds. This now has a Federal appropriation, that is true, and is immensely popular across the country. We view it as the second arm of the Smithsonian along with the associates for outreach, because its visitation record shows some 4 million people a year, in addition to those who visit Washington, see the Smithsonian traveling exhibition.

FONZ AND ZOO CONCESSIONS

Mr. YATES. I would like to have a comment on the paragraph appearing on page 43 of the investigative staff's report which says:

The investigative staff learned in 1974, 1975 and 1976, the Smithsonian Institution auditor revealed zoo concessions earned a total of \$1.1 million, none of which was reported to the Congress. The audit report indicated evidence of conflict between the Office of Audit, which is in favor of full disclosure and the Treasurer who stated a policy of more limited reporting to the Congress on private fund matters.

Would you like to comment, Mr. Wheeler?

Mr. WHEELER. I certainly would.

Mr. YATES. Enthusiastically.

Mr. WHEELER. There is no conflict with our internal audit office on this question. There was a legal question as to the necessity of our reporting income of the FONZ organization itself as opposed to the amount of benefit we received from the FONZ, the Friends of the National Zoo.

That question was settled by our Office of General Counsel, and as a matter of fact, in our reply I deal with this question.

Mr. YATES. What page of your reply?

Mr. JAMESON. On page 30, Mr. Chairman.

Mr. WHEELER. I think the staff investigators said I had an expressed policy of not reporting fully, and I would like to have it stated that that is the exact opposite of the truth.

Mr. YATES. You are in favor of full reporting to the Congress?

Mr. WHEELER. Yes, sir. As a matter of fact, I wrote a letter, a memorandum at that time about this audit report which is quoted in here, and it says:

I do agree it would be prudent and responsible at this time for the section of the National Zoological Park in the Smithsonian yearbook to contain comments on FONZ activities in support of the Zoo, and should direct attention as will the Treasurer's Financial Report to FONZ financial statement which should be included in the appendix of the yearbook.

That has been included, that reference has been included.

Then I went on to say:

More information about the assistance received by the Zoo from FONZ can, of course, be included in the Smithsonian's appropriation request, if desired.

Actually, I think we have demonstrated over a period of a number of years we have been trying to give more and more information to the Congress as shown by the fact we have expanded our financial reporting on the results of our activities for the year from two pages in 1968 to 45 pages in 1976.

Mr. YATES. Mr. Jameson would like to comment.

Mr. JAMESON. Page F-13 of our budget book cites FONZ information.

Mr. YATES. That is appropriately noted, Mr. Jameson.

HUGHES ASSESSMENT OF ENDOWMENT FUND

Let me get a comment now from another section and maybe from our friend, Mr. Hughes. Page 43, last sentence "the investigative staff believes that the stated Smithsonian goal of \$50 million unrestricted fund endowment," increased emphasis, "could"—not would, but "could be placed on accomplishing similar activities to the detriment of other Smithsonian Institution activities and an increase in Federal appropriations."

What do you think?

Mr. HUGHES. I will be glad to comment. I did observe that comment. I think it is equally accurate to say the reverse could be true. My assumption, as an ex-budgeteer, is that missions within the range of the purposes of the Smithsonian Institution, which raise funds, are worthwhile from a financing standpoint. They tend to relieve the burden on the Federal Treasury rather than otherwise.

Mr. WEBB. Could I add just to the other comment I made this morning, that in a sense the objective of \$50 million is a hope, it's a feeling of desirability for such a fund, but the process by which it will be raised will take a number of years.

The objective has been stated as ten years in which we will be in very close association with the committee, and I am sure the Regents will insist if it isn't done automatically by the staff this be given attention and the attention is not diverted from the other more important things.

Mr. HUGHES. Mr. Chairman, I would like to come back, if I might, to the question of budget and planning process, with suitable accountability. With such a process, the trend of events and the plans of the Institution are reviewed, and there is opportunity for exchange of information and opinion on what are the right things to do. It seems to me that this is the best way to deal with problems of judgment we have been talking about.

Mr. YATES. We are talking about questions of judgment.

Mr. WEBB. While you are on the Zoo, could I make one other comment?

To show you how the Regents have been involved, we received a grant from the Continental Oil Company to do the film in the Air and Space Museum, called "To Fly." We had previously set aside some money to do it, but then did not have to spend that money. We have been charging a dollar admission to that film which has yielded a good sum of money designed to do another film. We now find that there is a company interested in furnishing the money for the second film, so we have had a question raised right to the Regents' level by the staff as to whether we should continue these collections.

The first action was to reduce the dollar to 50 cents a person with the thought we would encourage more people to go through. Several of the Regents expressed a strong desire not to reduce it, but said this dollar is a good fee, it's cheap, we have to have more ways of raising money through the museum activities, because all over the country museums are in trouble; we should keep it at a dollar. So we have now actively before us this very question, and this I think will give you the best indication that the Regents are looking very hard at these questions of fund raising activities and not leaving it to the lowest level activity in the organization.

Mr. YATES. I will vote and be right back.

[A short recess was taken.]

GRANTS FOR SCIENTIFIC RESEARCH

Mr. YATES. Mr. Challinor, I cannot put my finger on it, but I seem to remember somewhere where you have almost dictatorial control over certain research grants.

I think the investigative staff somewhere in the report said on the basis of their examination of certain films there were little slips of paper in there.

Is my memory correct?

Mr. CHALLINOR. Yes, Mr. Chairman.

May I answer that by just referring to our response, page 32 and 33, particularly paragraph 4 on page 32?

Mr. YATES. Were they told about this?

Mr. CHALLINOR. They were not told about it because we were not quite clear what they were looking for.

Mr. YATES. They were looking for whatever they could find.

Mr. CHALLINOR. I might mention, Mr. Chairman, that I had about not more than twenty minutes with the investigative staff.

Mr. YATES. By their desire or yours?

Mr. CHALLINOR. By their desire. I was happy to talk with them as long as they wanted. But this is an explanation of why we think they did not get all of the information.

The information is there, and as a matter of fact, I have it in this room. It's a great big fat set of files.

Mr. YATES. They said, let's read from the investigative report:

The Investigative Staff learned the administrative reorganization of the program during the past three years has resulted in a pool of Federal appropriations available to the Assistant Secretary for Science, which he dispenses through awards, allotments, contracts, or grants for various research activities.

Do you do that all by yourself?

Mr. CHALLINOR. Very definitely not.

Mr. YATES. Who joins with you in the process of making awards, allotments, contracts or grants?

Mr. CHALLINOR. The bureau heads of at least four Smithsonian bureaus, and at least 12 Smithsonian scientists who are engaged in this kind of work. The proposals are reviewed. I might also point out that we receive from outside sources an amount almost equivalent to the amount we disbursed, by we, meaning the Smithsonian, disburses for this research, for joint enterprises from outside foundations, and even foreign governments.

Mr. YATES. But the next sentence says:

According to Smithsonian Institution officials, project proposals were reviewed and approved by the Assistant Secretary for Science, without advisory committee or peer review of the proposal, even though the same office is responsible for securing advisory committee or peer review for other projects submitted under the Research Grant Awards Program, specifically funded by the Congress and discussed in Chapter C of this report.

Mr. CHALLINOR. They are reviewed by peer review and the proposals are presented. They are reviewed by me and by the people who present them, and by the bureau heads of the people who present them, and by the other bureaus that are involved in the proposal. So I can positively reply they are reviewed by people other than me who have competence to make those judgments.

Mr. YATES. Okay, and if they are not, you are going to make sure they are in the future?

Mr. CHALLINOR. They have been, and they will continue to be, Mr. Chairman.

Mr. YATES. All right.

How did the investigative committee come to this conclusion?

Mr. CHALLINOR. They came to this conclusion by looking at the files of the administrator, who is responsible for keeping track of the expenditure of these funds, and in the administrator's files are merely the financial records with notes of what was expended. They did not see the proposals which I am happy to give them at any time.

Mr. YATES. OK. Thank you, Mr. Challinor.

LEGAL STATUS

The question of a private institution or a Federal institution was recently involved in a lawsuit which went to the Circuit Court of Appeals.

The lawsuit wherein the Smithsonian, I think, was sued for libel. Is my memory correct, Mr. Powers? And the Federal Court held that because the Smithsonian was a Federal agency—

Mr. POWERS. Establishment.

Mr. YATES. Did I say establishment?

Mr. POWERS. I believe that is the word.

Mr. YATES. The Court held that, therefore, under the Tort Liability Act they were free from immunity. In other words, they disregarded the assertion that Smithsonian was a private institution; correct?

Mr. POWERS. I think that is a little oversimplification of the decision.

Mr. YATES. How would you state it then?

Mr. POWERS. The coverage of the Federal Tort Claims Act is extremely broad, like that of the Federal Employment Compensation Act which we discussed yesterday. The terms are so broad that the Court found that notwithstanding the peculiar nature of the Institution it was intended to be covered under the Tort Claims Act.

This goes back 30 years now. There were earlier decisions to that effect, and one of the ways in which the United States has not been willing to be sued in tort is in libel. No one can sue the United States or its instrumentalities or establishments in libel, and that is what that case was about.

Mr. YATES. All right. We are all in agreement now, it's a Federal establishment; right?

Mr. POWERS. Trust establishment.

Mr. YATES. That is what you use. Mr. Hughes didn't say that.

Mr. WEBB. Let me say what I believe and the Chief Justice thinks.

Mr. YATES. We hang on every word if you say it's what the Chief Justice said.

MODERN MUSEUM MOVEMENT

Mr. WEBB. I believe I can speak for him as Chancellor, and not as Chief Justice.

We are going through this learning process I earlier described. There are various points of view about being a private institution, being a public institution, never mixing the oil in the water.

Another point of view is we have a very major responsibility, that people are getting awfully tired of violence on TV, sex in the movies, and a lot of things we see in American life.

Mr. YATES. Is that what the Chief Justice says?

Mr. WEBB. I am not quoting his words, but there are movements in the country which are beginning to ask fundamental questions of parents and children, but the museum movement is coming forward very rapidly as a means of people seeing Lindbergh's plane, seeing the Wright Brothers' plane, seeing John Glenn's capsule and touching things.

Mr. YATES. They are not allowed to, are they?

Mr. WEBB. The moon rocks they can touch at the Air and Space Museum, but the point really is we are going to something very big and important with respect to the future of this country and how its citizens view the modern world in the museum movement, and what we are trying to do is to learn to make the most out of that opportunity for this movement to emerge to replace some of the things that we believe to be less desirable. In a sense, the budget, all of it, is less important to us right now than to establish this means that your committee, our Regents, the staff, those people in the associates who support it, and the people who read the Magazine, the people who read the "Smithsonian Experience," the book, do, in fact, begin to see that there are certain fundamentals that are very important for people to think about, look at. There is a way to take your children to a place that you can come away proud of your country and proud of what has been done by American citizens.

Mr. YATES. Very well spoken, and the committee is very much aware of that.

This subcommittee particularly, because we fund not only the Smithsonian but its daughter agency, the National Gallery. The Gallery is kind of an independent daughter though, isn't it, Mr. Ripley?

Mr. RIPLEY. Yes.

Mr. YATES. We fund that.

Mr. RIPLEY. We are glad it's an independent daughter, let me say right away.

Mr. YATES. We fund the National Endowment which provides funding for museums, and we also are now funding the new agency, the Institute for Museum Services, and they have requested \$7 million this year.

I anticipate by the next decade their funding will be almost equivalent to that of the Endowments if it doesn't surpass it, because as they pointed out in the justification there are already about 6,000 museums in the country, and their funds now go for approximately 5 percent of those. So, if you use \$7 million as your base and if you fund all of them, it's going to cost about \$140 million. So we are aware of the museum movement, and what it is likely to cost, the fact that more and more people are going to museums every year.

Mr. WEBB. What I am saying is I hope this committee will recognize that in the Smithsonian we have a unique opportunity to try to marry the best of private effort, the best of the willingness of people to give collections to this trust, and the best of the public participation as determined each and every year through the due process of government.

We are not asking that anything be done that commits this committee or commits OMB, but to permit it to use flexibility to get to a position that you have adequate facts on which to judge what you should do or want to do.

Mr. YATES. Thank you.

Getting back to private and public institutions, we don't have the Chief Justice's word on that, unfortunately, but we do take the words of Chief Justice on what you said, Mr. Webb.

DEFINITION OF STATUS

How can you be a non-federal institution, Judge Powers, and our good friend, Sam, how can you get coverage under Civil Service Retirement unless you are a Federal employee under the law? You cannot, can you?

Mr. HUGHES. I did conclude, and I am in print, that the Smithsonian is a Federal establishment. Therefore, that is why?

I put "establishment" in quotes, because that is the term of the '46 Act.

Mr. YATES. Judge Powers nods the same.

OK.

Mr. WEBB. If you can put off your findings for two or three years and see the process unfold, and then say how important is this question, I would strongly urge this is an important thing rather than saying it is exactly private or public.

Mr. YATES. Well, we are not doing that. All we are saying is it is a Federal establishment. We are not saying whether this is a private

Federal establishment, or a public Federal establishment, and I think I am confusing it even more.

I think, I don't know, how you escape Mr. Hughes' conclusion, Mr. Webb. I don't know how you escape his conclusion it's a Federal establishment.

Mr. WEBB. What I am saying is I accept that for the moment, but I say we will have the relationships defined in the process of learning as we go forward. We will never, in my opinion, go back to the strongly flavored private emphasis which was here say 10 or 15 years ago; but I am not sure we won't go forward to where Mr. Hughes might write 5 years from now and might take a slightly different point of view, even if you used the same word, "establishment."

Mr. YATES. We take very seriously the admonition of Assistant Secretary Challinor yesterday when he talked about, what is the bug?

Mr. CHALLINOR. Sipunculids.

Mr. YATES. That is right, and I asked about the person whose life work is studying this little worm, and he said she found out how it was able to burrow through a rock, and I said, is that work through, and he said, no.

I said it's perpetual motion, isn't it, and he said, no, it's perpetual search for knowledge, and we are engaged with you in that search.

Mr. WEBB. You have got my point.

Mr. YATES. OK. I have your point, and I think perhaps we can excuse Mr. Hughes.

Mr. WEBB. I am going to stay a few minutes, if you will permit me.

IMPORTANCE OF ADMINISTRATION

As we go in, and in view of your comment about the search for knowledge, I have felt for a long time, since my days in the Bureau of the Budget, that we did not pay enough attention to administration in these large Government programs, that we are now engaged in trying to figure out how to make Federal, State and local government work, that we need organizations, knowledge, accumulated experience, more effective ways to do it, administration, that the management side is important.

This is certainly true in the Smithsonian. We do not yet know how to really manage this kind of institution within the complex of our society and this is one of the great challenges for knowledge, not only that little life mechanism that bores through the rock.

If I could just add one last comment then I will be quiet.

A great many of the people interested in science and engineering, as I have found in NASA and elsewhere, are not as interested in organization and administration, yet that is the thing that really produces success.

You have to have the science and engineering, and the ability to enlist good people, recruit them and put them to work, but you also must have doctrine and theory and the implementation of it in a consistent way in order to do the management job. I hope we will learn more about that over the next few years.

Mr. YATES. Let me say this committee says amen to a statement by the Smithsonian in their own report when they talk about permitting Smithsonian to undertake its mission with imagination and with the opportunity for some discretion.

We joined them in that. We don't propose to try to restrict their contribution toward the mission of Mr. Smithson, but as you point out, you have to have good management functions. That is what we were interested in, good management functions and good review of the operations of the finances. That is what the Appropriations Committee is primarily concerned about, not only the Federal appropriations, but their private funds as well.

We should know what they are, too.

Mr. WEBB. If we can get these brilliant scientists and engineers and curators to consider you must have a mixture of both administration and substance to be successful in the leadership jobs, I will go away from the Smithsonian very happy.

Mr. YATES. OK. We hope you don't pull away for some time to come.

FISCAL YEAR 1978 TRUST FUNDS

Would you provide for the record the number of major endowments you have? I don't know quite how to define major. Would you help me define major in that respect? You know more about your endowments than I do.

What would you consider to be a major endowment?

Mr. RIPLEY. It's a bit of boiler plate, but many of these restricted endowment funds have said that the income may not be used for income for a grant until the corpus of the money is over \$100,000. Now, within the purview of the Smithsonian's restricted funds, there are really not very many such funds over \$100,000.

Mr. YATES. I think perhaps the question is answered by your insertion in the appendix of the justifications.

Mr. RIPLEY. We give the total of each one.

Mr. YATES. It is \$7,174,000 total consolidated endowment fund, and you have broken it down. I think it's adequate for that.

As we turn to the budget we note in addition to the funds appropriated to the Smithsonian Institution from the Treasury of the United States we find various tables indicate that for 1978, \$10,412,000 was made available in general unrestricted trust funds, at least there is an anticipation of that amount; \$823,000 for unrestricted special purpose trust funds; \$4,673,000 for restricted trust funds, and \$1,358,000 Federal grants and contracts totalling \$27,200,000.

These are the funds that Smithsonian anticipates will be made available for its operations in addition to the Federal funding; is that correct?

Mr. WHEELER. Yes, sir, those are the net figures.

Mr. YATES. Now, \$27,200,000 in receipts and \$21 million in receipts to be expended, the difference between revenues and disbursements as used for investing and increasing the fund balances.

REQUESTED FY 1979 FEDERAL BUDGET

All right. Now we go over to Salaries and Expenses.

The request for salaries and expenses is \$96,307,000, an increase of \$2,154,000 over the 1978 appropriation with adjustments in the pending supplemental bill of \$1,345,000 for personnel compensation and benefits.

In addition, Smithsonian has made available an additional \$1.6 million through reduction or curtailment of base programs resulting from their zero base review. This will provide a total of \$2.4 million in the program for this appropriation for fiscal 1979.

ASSISTANT SECRETARY FOR SCIENCE

Now, turning to the Office of the Assistant Secretary for Science, you have a request for \$291,000 for appropriated funds. In addition, you want to have \$41,000 in general trust funds, \$75,000 in restricted funds, and \$425,000 in Federal grants and contracts.

Can you tell us how all of those funds are going to be used in the next fiscal year, Mr. Challinor?

Mr. CHALLINOR. Yes, within a few percentage points we can, Mr. Chairman.

Mr. YATES. All right, within a few percentage points will you tell us?

Mr. CHALLINOR. We have for the Office of Assistant Secretary for Science the general, special purpose and restricted funds, and grants and contracts here in a list. I will be happy to submit it.

Mr. YATES. May we have a copy of that and put it in the record and perhaps we can save all of your testimony?

Mr. CHALLINOR. I will be happy to do it then.

Mr. YATES. OK.

Let's do it that way.

[The information follows:]

*Office of Assistant Secretary for Science Proposed Uscs for Fiscal Year 1979
Trust Fund Estimates*

Unrestricted General:

Charles Darwin Foundation for support of scientific research of Smithsonian interest in the Galapagos-----	\$31,000
Support in Papua New Guinea for a study of the role of birds in coevolved seed dispersal systems in a New Guinea montane forest-----	8,000
Discretionary—For use for outside committee meetings, including associated luncheons, supplies, and other materials-----	2,000
Total -----	41,000

Restricted:

World Wildlife Fund for Nepal Tiger Project-----	37,000
World Wildlife Fund for support of Peace Corps volunteers in the field-----	13,000
African Wildlife Leadership Foundation for support of Peace Corps volunteers in the field-----	12,000
Rockefeller Brothers Fund—Peace Corps volunteer support-----	13,000
Total -----	75,000

Federal Grants and Contracts:

Defense Department—Manpower Research and Advisory Services— All volunteer study-----	130,000
Air Force—Problems in Environmental Physiology-----	10,000
National Science Foundation—Scientific Encounters-----	30,000
Action—Peace Corps Program-----	250,000
Interior—Technical support for volunteers—books, reference material, etc-----	5,000
Total -----	425,000

Mr. YATES. There is no program increase.

RESEARCH AWARDS PROGRAM

This Office is responsible for administering several programs including the Research Awards Program.

That program is terminated, isn't it, the Research Awards Program?

Mr. CHALLINOR. Not quite, Mr. Chairman.

Last year as a result of the joint meeting of the House and Senate markup committee, we were allowed to retain \$110,000 to carry out multiyear programs.

Mr. YATES. It's practically terminated?

Mr. CHALLINOR. It will be terminated with the expenditure of that \$110,000 this fiscal year.

Mr. YATES. OK.

Mr. CHALLINOR. However, we do have a request which also passed through the Office of Management and Budget to restore that program to the fiscal 1977 level, which was \$390,000.

Mr. YATES. Would you place in the record a statement as to how the \$110,000 was expended and as to the purposes and the amounts for our consideration as we review your additional requests?

Mr. CHALLINOR. Certainly.

[The information follows:]

Fiscal Year 1978 Research Awards Program

<i>Principal investigator and brief description of grant</i>	<i>Amount</i>
Dr. J. Laurens Barnard—An ecological investigation of freshwater shrimp and their relationship to pollution of aquatic environments—	\$18,062
Dr. Raymond Fosberg—Ecological and botanical studies of the South Pacific	9,239
Dr. A. Stanley Rand—The role of natural population of reptiles as vectors of malaria	19,600
Dr. Alan P. Smith—Ecological and evolutionary study of plant forms in East Africa	1,950
Dr. Daniel J. Stanley—Mediterranean Basin (MEDIBA) Project: Oceanography and sedimentology of deep basins, and application to the geological record	33,884
Dr. Paul Gorenstein—The development of scientific instrumentation to measure high energy sources in space	3,800
Dr. D. E. Kleinmann—The fabrication of instrumentation to determine the source of certain galactic energy	13,656
Dr. Donald J. Ortner—The skeletal biology of early human populations in the Bab edh-Dhra region of Jordan	1,181
Dr. Richard S. Cowan—Botanical study of tropical trees	8,304
Dr. W. Ronald Heyer—Zoological studies of New World amphibians	324
Total	110,000

Mr. YATES. And what would you propose to use the \$390,000 for?

Mr. CHALLINOR. These would be for competitive grants that we cannot award unless we know we have them, obviously.

Mr. YATES. Obviously.

If Congress decides not to give you the \$110,000 or the \$390,000, could we make an appropriate reduction in your office for that amount?

Mr. CHALLINOR. For this money, there is no overhead charge. It is simply an allotment of competitive grants made to individual scientists and scholars within the entire Institution. The research

awards is a separate line item and is not a part of funds allocated to my office.

Mr. YATES. So there would be no reduction, is that what you are trying to say?

Mr. CHALLINOR. There would be a reduction of the amount of the awards to that extent, but only in that separation line item.

Mr. YATES. Mr. Jameson?

Mr. JAMESON. I was simply going to augment what Mr. Challinor was saying, that within his immediate office there is only a fraction of the personnel devoted to a general supervision of the research awards program.

NATIONAL MUSEUM OF NATURAL HISTORY

Mr. YATES. You want some money for amphipod pollution monitoring, \$25,000?

Mr. CHALLINOR. Yes, Mr. Chairman.

Mr. YATES. Okay. That is for research information gathering, amphipods. With whom do you propose to contract with on this and to whom will you distribute the data?

Mr. CHALLINOR. The data will be published and distributed to the Environmental Protection Agency and any other government agency to whom this information would be valuable. The project would be initiated by staff scientists at the Smithsonian Institution, and with these funds, should \$25,000 be appropriated for this purpose, we would probably hire two or three temporary appointments to help sort out the data we already have.

INSECT SORTING CENTER

Mr. YATES. You want \$20,000, a very modest sum, for an insect sorting center. Is that expected to grow?

Mr. CHALLINOR. This, if it is as successful as we anticipate it will be, we would anticipate in time, with the Congress' consent, that this would become larger. We have an existing oceanographic sorting center that functions, more than half on grants and contracts, mostly from the National Science Foundation, to sort small microorganisms that live in the ocean.

Mr. YATES. Will you describe that process for the record?

What do you mean by sorting these insects?

You mean into the various groups?

Mr. CHALLINOR. A ship puts a net over the side at different depths and collects all of the material that is caught within that net.

The net is brought up and in it you have big things and little things. The sorting center has technicians who can tell the differences between the little things. This is very important, for example, if you are interested in commercial fisheries. A tuna fish, when it is as big as your fingernail, looks very different from a big tuna fish.

Mr. YATES. That is true. A little tuna fish is different from a big tuna fish. Where does that leave you?

Mr. CHALLINOR. That leaves you with the hoped-for knowledge that if you are going to cast your nets at a certain depth, at a certain time of year, you may catch all the little tuna fish before they grow into big ones. That is an extreme example. I am using this only to show that it

is terribly important to understand what we call these pelagic larvae, zooplankton is the technical term, organisms that swim at different depths in the ocean, and to understand what they grow into if they do grow into something larger, what they look like.

FORT PIERCE

Mr. YATES. This is what you do at Fort Pierce?

Mr. CHALLINOR. In the restricted case of two or three small marine organisms that I described yesterday. The sorting center that we have, the oceanographic sorting center is located down at the Navy Yard and has appeared here in our budget.

Mr. YATES. The Navy Yard in Washington?

Mr. CHALLINOR. At the Washington Navy Yard it occupies a whole floor of the old Gun Factory.

Mr. YATES. What do you do at Fort Pierce?

Mr. CHALLINOR. At Fort Pierce we are restricted to sipunculids and sabellariids. These are two small worms.

Mr. YATES. Why are you restricted?

Mr. CHALLINOR. We are by the amount of money available to support the scientists working there.

Mr. YATES. How many do you have?

Mr. CHALLINOR. We have one who spends 75 or 80 percent of her time and about four others who devote from 10 to 20 or possibly 30 percent of their time there.

Mr. YATES. I thought I read that you proposed an insect sorting center at Fort Pierce.

Mr. CHALLINOR. Not at Fort Pierce, Mr. Chairman. This insect sorting center would be located at the Museum of Natural History here in Washington on the Mall.

FUNCTION OF INSECT SORTING CENTER

Mr. YATES. How would you propose to use that center? Would you have insects brought in from all over and deposited on the Mall?

Mr. CHALLINOR. People who are collecting unsorted insects for environmental impact statements, for example, these insect fauna can be a very crucial element in determining degree of pollution. An unsorted collection of insects would come to the insect center. We would then divide them, so many bees, so many hornets, so many mosquitoes, however they were divided. This would then allow the researcher or the person who was preparing an environmental impact statement to decide what the condition of that particular area was at the time the collection was made.

Mr. YATES. What bearing would the insects have on the environmental impact statement?

Mr. CHALLINOR. Insects can be, we have learned from experience, a very crucial indicator of the health, the environmental health of any given area.

Mr. YATES. Tell us in what way. Give us an example.

Mr. CHALLINOR. All right. If you have very wet place and—

Mr. YATES. A marsh land.

Mr. CHALLINOR. Marsh land. And there were an overpopulation of mosquitoes, for example—

Mr. YATES. Yes; I have been there.

Mr. CHALLINOR. This might indicate that the water in which these mosquitoes bred would have a low population of killy fish. These are the little fish that live in brackish water that eat insect larvae. If the mosquito population was normal, we would assume, therefore, that there were other organisms eating the mosquitoes. So what we can do is a quantitative study on the numbers of mosquitoes or conceivably the kinds of mosquitoes that live in the marsh.

As I explained yesterday, when you raised the question about the mosquito project at the museum, we do have people who can distinguish one mosquito from another. This would give us an indication—

Mr. YATES. That project was to contribute to the comfort of our Army, wasn't it?

Mr. CHALLINOR. I am using this only as an example that where you have a group of experts that can distinguish between like insects, whether they are mosquitoes or water beetles, the quantities and kinds of these insects can be a very valuable indicator—not can be—but actually are a very valuable indicator of the quality of the area.

Mr. YATES. All right. We will start out with \$20,000 in accordance with your request. What are you going to ask us for next year if this is successful?

Mr. CHALLINOR. We would probably not ask for much more than that next year that I can predict right now, because it would take at least a year to get this particular project into action.

Mr. YATES. Let's move ahead five years.

Mr. CHALLINOR. If it was as successful as we anticipate it would be, I think we could easily expect to get grants from outside agencies such as the Environmental Protection Agency, or even the National Science Foundation, which is supporting our existing Oceanographic Sorting Center. So this would be a combination both of appropriated funds to us and what we were successful in obtaining from outside sources.

Mr. YATES. Can you speculate on what that amount would likely be?

Mr. CHALLINOR. In five years, I would hope it would be successful enough that we could justify a budget of \$35,000 to \$50,000 of directly appropriated funds. That is a guess.

SMITHSONIAN ASTROPHYSICAL OBSERVATORY

Mr. YATES. All right. Let's turn from the insects to astrophysics. You want an appropriation of \$4,555,000. You don't want any increases. Did you request any increases from OMB? It would be unusual if you didn't, wouldn't it?

Mr. CHALLINOR. Yes, it would.

Mr. YATES. How much of an increase did you want?

Mr. CHALLINOR. I would have to go back to that page. We have that spelled out, Mr. Chairman, for your record.

Mr. YELLIN. We did not request an increase for this item.

Mr. YATES. Okay. You want an internal reallocation of nine positions and you want \$325,000 for additional improvements. And then the SAO will have available \$2,011,000 of general unrestricted trust funds, \$40,000 of special purpose trust funds, \$375,000 of restricted

trust funds, and \$7,950,000 of federal grants and contracts. It looks like we are in partners, doesn't it, between Federal appropriations and trust funds.

Mr. CHALLINOR. I might point out, Mr. Chairman, what we have shown here as trust funds represent a large increment from the National Aeronautics and Space Administration.

Mr. YATES. Of which Mr. Webb is an alumnus.

Mr. CHALLINOR. The Smithsonian Astrophysical Observatory is one of the top three or four research laboratories in the country doing work in theoretical astrophysics. NASA contracts with the Astrophysical Observatory for the design and construction of various instruments which they put into the space shuttle or other satellites that they are putting into orbit.

The \$4 million that you see here is for the Smithsonian's directly appropriated share of what in effect might be judged as a joint venture with NASA, who puts more than this into the Astrophysical Observatory via grants and contracts.

Mr. YATES. Are you likely to run into the same difficulty because you have both Federal and non-Federal funds as you did that led to the creation of the Science Research Foundation?

Mr. CHALLINOR. I think not, Mr. Chairman. As a result of our administrative experience in the past, we have been able to solve the kinds of problems that had arisen and undoubtedly still will. I do not anticipate those problems again.

Mr. YATES. Mr. Ripley, you really fared well with OMB, didn't you? The staff gives me a compilation of statistics which indicate that you had requested \$98,563,000 and received \$96,307,000, a cut of only \$2,256,000. You have not been unduly hurt by OMB, have you?

Mr. RIPLEY. No, we feel we have not been.

Mr. YATES. All right. I see no further need to ask you what you requested of OMB, because your request has pretty well been satisfied. Do I draw the correct conclusion?

Mr. RIPLEY. I think we can say that.

Mr. YELLIN. Yes, Mr. Chairman. We asked OMB for a request at various resource levels following the zero base process. I think by and large we did very well with our major priorities.

Mr. YATES. Okay. So there is no need to conclude in any respect that you were ill-treated by OMB.

Mr. YELLIN. That is correct, sir.

SURFACE TEMPERATURE OF SUN

Mr. YATES. Now, while we have you and have the benefit of your expert advice, there was an article in last week's paper which indicated that the surface temperature of the sun had decreased by 11 degrees over the last two years. Were you aware of that?

Mr. CHALLINOR. I think that is an extraordinary finding. I was not aware of it.

Mr. YATES. We are going to provide it for you. It came out of NOAA we are told.

Mr. RIPLEY. We would be glad to check it out.

Mr. YATES. All right. Would you check and see whether the sun's surface temperature has decreased by 11 degrees in the last few years.

Mr. CHALLINOR. I will be happy to check on that.

Mr. YATES. Without any expenditure of funds.

Mr. CHALLINOR. There will be a telephone call. I will be happy to pick it up as a taxpayer.

[The information follows:]

DECREASE IN SUN'S TEMPERATURE

For several years Dr. W. C. Livingston of the Kitt Peak National Observatory has been monitoring the intensities of several absorption lines in the solar spectrum using light from the entire solar disk. He has found that a carbon line has increased in intensity while an iron line decreased in intensity. These intensity changes correspond to a 6°C change in temperature in the photospheric layer where the lines are formed. It is not known if this temperature change is a global change (i.e., entire sun) or a local change associated with solar active regions, hence it is not known if this temperature change is associated with a decrease in the solar constant. A change in the solar effective temperature of 6°C would correspond to a change of the solar constant of a few tenths of a percent. (One of the studies carried out under the Langley-Abbot program of the Smithsonian Institution by Foukal, Mack and Vernazza suggests that satellite data rule out any changes due to active regions exceeding 0.03 percent).

Mr. YATES. All right. The same article indicated that solar storm activity was beginning to increase.

LANGLEY-ABBOT SOLAR RESEARCH

Mr. RIPLEY. We do have some information on solar research through our Langley Abbot program of solar research at the SAO. I am not sure exactly what the answer is. We will provide an answer for the record:

[The information follows:]

IMPLICATIONS OF INCREASED SOLAR STORM ACTIVITY

The sun is currently in the rising phase of the solar activity, or sunspot, cycle. The cycle lasts about 11 years with the last minimum activity in 1976, the next maximum expected in late 1979, and the next minimum in 1987-88.

Increased solar activity can result in: more solar flares; more geomagnetic disturbances; more auroras; more ionospheric activity which affects radio and television transmissions; and increased densities in the upper atmosphere which results in increased atmosphere drag on satellites.

The 11-year sunspot cycle is part of a 22-year solar magnetic cycle which may have a connection with the 22-year drought cycle in the western U.S. The Langley-Abbot program supports a study of the connection between this solar activity and its relation to terrestrial phenomena.

Mr. RIPLEY. We have been doing research, as you know, on the Sun—its variations since about 1906.

Mr. YATES. Now that you have done so much research, can you tell us what that means?

Mr. RIPLEY. Yes. We are beginning to get some correlation between this and the weather.

Mr. YATES. I think it would be well if you put into the record a statement as to how this research which you have undertaken has made a contribution to weather predicting.

Mr. RIPLEY. There are two areas. One researcher was Dr. Abbot, who was a Secretary of the Smithsonian. His work began in 1907 and terminated in 1969, on the Mall, in observing solar radiation per day. We discovered at the end of those 62 years there was a decrease

of some 15 percent in the amount of sunlight reaching the surface of the Mall, the cleanest place in Washington theoretically. This was analyzed to have occurred mostly in more recent years, and probably due to smog, automobile emissions mostly, because there are no big industries here.

Mr. YATES. Secretary Califano would say it is cigarette smoke.

Mr. RIPLEY. We have been continuing this research at the Radiation Biology Laboratory, which then moved out of Washington because it was so relatively polluted, for clearer observations to Rockville, Maryland. There we are getting some correlations between degrees of sunlight and changes in temperature, in conjunction with what the Astrophysical Observatory is doing in its solar research program.

Mr. YATES. Can you draw any conclusion from the increase in solar storm activity?

Mr. CHALLINOR. Yes, Mr. Chairman, in the sense that we are about to witness in the sunspot cycle a peak of sunspots which should appear in 1978 to 1980. This is a 22 year cycle and we are about to come into that cycle again.

Mr. YATES. What should we prepare ourselves for?

Mr. CHALLINOR. You should prepare yourselves for increased cosmic radiation that could conceivably have an effect on long-distance radio transmission, particularly in the Arctic and the Antarctic.

Mr. YATES. What about skin cancer increase?

Mr. CHALLINOR. That would be relatively remote. It has been going on every 22 years since, as near as we can tell, since the beginning of the beginning of the earth, or pretty close to it.

Mr. YATES. In a cyclical way?

Mr. CHALLINOR. If you are curious to know why, the current theory is that the sun rotates faster at the equator than it does at the poles. What you are doing, then, is like winding up the rubberband that powers a toy airplane. At the end of this cycle, the whole sun has to get back in gear. And this effort of the rotation at the equator to suddenly slow down, to let the rotation of the poles get in phase with it, creates this enormous burst of energy which in turn we believe theoretically causes these solar storms and flares, or sunspots.

Mr. YATES. Does it have anything to do with a person's vertigo?

Mr. CHALLINOR. Not yet.

Mr. YATES. All right.

Now we turn to the Smithsonian Magazine. This is for the staff, may I say, Mr. Ripley. The staff reads your magazine very avidly, as do most of us. They have an article appearing in the issue of November 1977 entitled "Concept Opening Way to a Scientific World of Fantasy." Did you read it?

Mr. CHALLINOR. No, not yet.

Mr. YATES. You're not being very helpful, you know.

TROPICAL RESEARCH INSTITUTE

Let's turn to the Smithsonian Tropical Research Institute in Panama. You want \$1,749,000 in appropriated funds. Do we have to worry about the Panama Canal treaty insofar as your installation is concerned?

Mr. RIPLEY. No, sir.

Mr. YATES. Give us some background. Suppose the Senate approves the treaty. What does that do to the Smithsonian in the year 2000 when Panama takes over?

Mr. RIPLEY. There are several agreements involved, one of which gives effect to the international Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere of 1940.

Mr. YATES. Assuming the Senate approves it.

Mr. RIPLEY. Yes. We have studied this very carefully. The Barro Colorado Island, the island in the Canal which is the sort of focus of our activities there, will become a "National Monument" under the terms of the 1940 Convention. And through a second agreement with the government of Panama, it is provided that the Smithsonian staff and scientists can continue to administer this National Monument as custodian. So this is one safeguard which provides for the continuity of the administration of STRI as an entity irrespective of national jurisdiction. The other is that in a separate agreement, as I understand it, we have developed the position with the Panamanian Government that they may consult with us, that they may use us as the expert adviser, as it were, on parks, conservation, research labs, in the field of oceanography and environment.

Mr. YATES. This is the Panamanian Government?

Mr. RIPLEY. Yes. This was done with the knowledge of the State Department but in effect largely with the initiative of ourselves and the Panamanian Government with whom we have had scientifically speaking excellent relations for over 40 years, because we train Latin American scientists and Spanish-speaking scientists as part of our voluntary effort to increase oceanographic and biological training and expertise in the entire Middle America, North and South American area.

So that in a sense we have almost quasi-non-diplomatic international scientific relations with these organizations. And the government recognizes this.

Mr. CHALLINOR. I might also add that at the end of 1999, when the treaty would expire, should it be ratified, under our agreement we would enter into a five-year term agreement to operate there in Panama as we would have been operating during the period from now to 1999. The Panamanians have advised us that they would then consider the Smithsonian to be the major American scientific presence in the Republic of Panama.

Mr. YATES. I assume, therefore, that you are going to have some State Department employees on your staff.

Mr. CHALLINOR. Not if we can help it.

Mr. RIPLEY. I may say we have no intention of having State Department employees.

Mr. CHALLINOR. We would have, besides the island to which the Secretary referred, three peninsulas that stick out on the east side of the Canal and one on the west side. This would be the largest undeveloped area, probably in the whole Republic of Panama, which would be crucial also for the maintenance of the watershed in the Canal which the Panamanian Government, at least right now and in our past experience, realizes is crucial to maintain, to keep the water levels up in the Canal.

SEA-LEVEL CANAL

Mr. YATES. It has been asserted by members of Congress that we ought to have a sea-level canal somewhere along that neck as compensation or for protection at such time as Panama takes over the Canal. Has the Smithsonian been doing any research on the feasibility of such a canal?

Mr. CHALLINOR. Yes, Mr. Chairman. Our research started in 1969 when the Panama Atlantic-Pacific Sea Level Commission was given, I believe, \$20,000,000 or \$22,000,000 to do the feasibility studies for a sea-level canal somewhere across Central America. Our research started in that particular effort and was devoted towards trying to understand what might be some of the biological consequences of joining two oceans that had been separated for somewhere between 2.5 million and 3.5 million years.

Mr. YATES. What did you find?

Mr. CHALLINOR. Well, we found, for example, that the Indo-Pacific sea-snake, which is common on the Pacific side of the Canal, could go through a sea-level canal without much trouble, and when it got to the Atlantic side it would find very much the same things to live on as it lives on on the Pacific side. One difference would be that there are fish on the Atlantic side that would eat it, whereas the same fish or fish in the same family would not touch it on the Pacific side. This is simply because the sea snake is poisonous. On the Atlantic side they had not seen it for 2.5 million years, and it would take them a while to realize that it was poisonous.

Mr. YATES. What conclusions did the State Department draw from that?

Mr. CHALLINOR. Our recommendation, and the recommendation of our colleagues studying some of the biological consequences, was that there should be a barrier in a sea-level canal to prevent—

Mr. YATES. To the sea-snake?

Mr. CHALLINOR. All biological organisms.

Mr. YATES. Obviously the sea-snake is symbolic.

Mr. CHALLINOR. The sea-snake is symbolic. People have been worried about snakes since Adam and Eve.

Mr. YATES. Well, that is obviously symbolic. Do you recall any of the other findings? Was there a report written?

Mr. CHALLINOR. There was a report written, Mr. Chairman.

Mr. YATES. By the Smithsonian?

Mr. CHALLINOR. The Smithsonian participated in the writing of a report that was prepared by the National Academy of Sciences, that appeared in the 1970 volume. This report of the Inter-Oceanic Canal Study Commission is six inches thick. Last year President Carter asked the National Academy of Sciences to look once more into the recommendations of that 1970 report on what some of these biological consequences might be, to see whether in the interval between 1970 and 1977 anything might have happened that would cause the scientists to change their minds.

Three Smithsonian scientists at least were involved in that review of the 1970 report and their contribution and the contribution of their colleagues confirm the 1970 warning that we better have a biological barrier.

Mr. RIPLEY. The present biological barrier is the fresh water in the lake in the center with the locks system at both ends. This was an inadvertent product of the construction of the Canal. But it has been 98 percent efficient. Very few organisms have managed to transit through on ships' bottoms or in sediment, things of this sort. The expectation is that if a sea-level canal were to be built, it would have to be equipped with devices of a hydraulic or mechanical nature which would be enormously complex to produce compared to this very effective existing water barrier which is just there and which has been enormously helpful in the long run.

So this represents a very serious problem hydraulically as well, because the tides on the Pacific side are twenty feet and on the Atlantic side are one foot. And the problem of how you would have a bore of water traveling down some kind of a ditch twice a day represents fantastic engineering problems, the sort that of course, continue to intrigue people, whether they are in NASA or other places, and which theoretically could eventually be resolved at fantastic cost.

STRI RESEARCH STAFF

Mr. YATES. Getting back to the Tropical Research Institute, you want an increase of \$85,000. The purpose of this is to move toward a long-term goal of having 25 researchers at that facility.

Mr. CHALLINOR. We have 19 now. We feel somewhere in excess of 20 would be an ideal corpus of scientists for the best interaction. That is a long-term goal. The two people we are asking for here are two people to deal with very specific research problems that are particularly topical right now.

Mr. YATES. I notice in your justification, page A-16, you want an ecologist to study the ecology of plant insect pollination interactions before Panama receives the invasion of Africanized Brazilian bees, which are expected to reach the Isthmus from Venezuela in five to six years. They are working their way up?

Mr. RIPLEY. Yes. They are working their way up from Brazil. This was an accidental introduction when bees flew out of a beehive in Brazil and turned out to be effective hybridizers with the existing bee. They then produced a new strain which is far more venomous, virulent and aggressive than the existing bees in the New World. And they have been spreading. The hybrid strain is apparently a good colonizer. They have been spreading further north year by year. We can expect 20 years from now that they may well reach the United States unless something is devised in the meantime to discover how to inhibit them.

Mr. YATES. Perhaps I misunderstand you. Where are you planning to establish the barricades to fight this bee?

Mr. RIPLEY. We are not planning to establish barricades at this point, Mr. Chairman.

Mr. YATES. How are you going to fight the invasion?

Mr. RIPLEY. Undoubtedly some knowledge which we hope to obtain about the bees by the use of an ecologist to study them in this area, as they come up, may produce some information about their pollinating activities and possibly their interrelations with other insects. If we can find out anything at all to help to stop them by biological methods rather than spray methods, this will have performed a signal service.

We have on-the-spot facilities there. We view this as something which is coming. And we think that we can do a good deal of kind of preventive maintenance by developing information about what these bees need, what they are requiring, and what their capability is in nature.

Mr. YATES. I would certainly think so. The question occurs to me: why we didn't do it before?

Mr. RIPLEY. Well, this is rather new. The situation has developed within the last six or seven years, really.

Mr. YATES. Why didn't you come in for something for your ecologist two or three years ago?

Mr. CHALLINOR. We are always limited in the number of people within the whole Institution that we can ask for.

Mr. YATES. Did you tell OMB about the invasion of these bees? That is OMB(ee).

Mr. CHALLINOR. The spread of these particular insects—the rate of spread now seems to be fast enough that we can predict. Two or three years ago we were not quite sure of how fast they were really spreading. Now we have reached the point where we feel that the rate of spread is indeed accurately measurable enough that this seems to be the crucial time to ask for it.

Mr. YATES. What are the other countries doing? Are they concerned? Obviously Brazil should be concerned.

Mr. CHALLINOR. Brazil is very concerned.

Mr. YATES. Has it been working on it?

Mr. CHALLINOR. Yes, it has. The efforts have disclosed that this particular strain of honey bee that came from Africa hybridizes very well with the less aggressive strains of honey bees that have been traditionally used for the collecting of honey. One of the things we were trying to figure out was with this small population of very aggressive African honey bees, by the time they got to Venezuela, for example, would they have hybridized enough so that their virulent activity, their very aggressive activity, might have been bred out. You follow me?

Mr. YATES. Yes, very closely.

Mr. CHALLINOR. What happens is that this aggressive quality allows them to compete more successfully for plants or for the nectar of plants than the honey bee that was originally there.

The honey bee is an introduced animal. There were no honey bees in the New World. They were one of the first domestic animals introduced into the New World from Europe and Africa.

So we are dealing with a somewhat artificial situation from the very beginning, even though honey bees have now been in the New World four hundred years. But they didn't start here.

Mr. YATES. Is one ecologist enough?

Mr. CHALLINOR. One ecologist is a modest start.

Mr. YATES. Is that all you want?

Mr. CHALLINOR. That is all we want now, to get some clue. We may be coming back if we—

Mr. YATES. It is important enough to have your one ecologist, obviously. Is it important enough to have more than one ecologist?

Mr. CHALLINOR. We would hope to be able to answer that question when the one ecologist gets going.

Mr. YATES. How much time will he want to get going?

Mr. CHALLINOR. I would say at least a year or possibly two.

Mr. YATES. By that time they are liable to be in Panama.

Mr. CHALLINOR. I doubt they would get up there that quickly. We think about five years.

Mr. YATES. Okay. That's in the record, Mr. Challinor.

We have now reached four o'clock. I think we will adjourn. Obviously we have not by any means gotten into the Smithsonian Institution. We will have to set another date for further hearing.

Thank you very much for two hard days of work. We will have another third hard day.

Mr. Webb, thank you for coming. We appreciate it.

Mr. WEBB. I appreciate your invitation.

MONDAY, APRIL 24, 1978.

SMITHSONIAN INSTITUTION—Continued

WITNESSES

S. DILLON RIPLEY, SECRETARY

MICHAEL COLLINS, UNDER SECRETARY

JOHN F. JAMESON, ASSISTANT SECRETARY FOR ADMINISTRATION

CHARLES BLITZER, ASSISTANT SECRETARY FOR HISTORY AND ART

DAVID CHALLINOR, ASSISTANT SECRETARY FOR SCIENCE

JULIAN T. EUELL, ASSISTANT SECRETARY FOR PUBLIC SERVICE

PAUL N. PERROT, ASSISTANT SECRETARY FOR MUSEUM PROGRAMS

T. AMES WHEELER, TREASURER

RICHARD L. AULT, DIRECTOR OF SUPPORT ACTIVITIES

PETER G. POWERS, GENERAL COUNSEL

THEODORE H. REED, DIRECTOR, NATIONAL ZOOLOGICAL PARK

JON E. YELLIN, DIRECTOR, OFFICE OF PROGRAMMING AND BUDGET

INTRODUCTION OF WITNESSES

Mr. YATES. Mr. Reporter, will you show the hearing as coming to order. Show this hearing as being a continuation of the previous hearing on the appropriation for fiscal year 1979 for the Smithsonian Institution.

We are pleased to have back this morning the Smithsonian's Secretary Ripley, and he is accompanied by the new Under Secretary Mr. Michael Collins—does that require Senate confirmation?

Mr. RIPLEY. No.

Mr. YATES. You are official, then?

Mr. COLLINS. Yes, as of this morning.

Mr. YATES. Okay.

He is accompanied by Under Secretary Michael Collins; Assistant Secretaries Jameson, Blitzer, Challinor, Euell, Perrot; Mr. Wheeler, the Treasurer; Mr. Ault, Director of Support Activities; Judge Powers; Mr. Reed; and Mr. Yellin.

When last we met, we had pretty well resolved most of the questions which were of concern to the committee.

Let the record show that Senator Pell has resigned as a Regent of the Smithsonian Institution, and that he has been replaced by Senator Morgan of North Carolina.

If the record does not yet contain a list of the members of the Board of Regents of the Smithsonian, it may go into the record at this point.

[The information follows:]

MEMBERS OF THE BOARD OF REGENTS OF THE SMITHSONIAN INSTITUTION

Warren E. Burger, The Chief Justice of the United States, ex officio, Chancellor.
 Walter F. Mondale, The Vice President of the United States, ex officio.
 Henry M. Jackson, Senator from Washington.
 Barry Goldwater, Senator from Arizona.
 Robert B. Morgan, Senator from North Carolina.
 Elford A. Cederberg, Representative from Michigan.
 George H. Mahon, Representative from Texas.
 Lindy Boggs, Representative from Louisiana.
 J. Paul Austin, Citizen of Georgia.
 John Nicholas Brown, Citizen of Rhode Island.
 William A. M. Burden, Citizen of New York.
 Murray Gell-Mann, Citizen of California.
 Caryl P. Haskins, Citizen of the District of Columbia.
 A. Leon Higginbotham, Jr., Citizen of Pennsylvania.
 Thomas J. Watson, Jr., Citizen of Connecticut.
 James E. Webb, Citizen of the District of Columbia.

APPOINTMENT OF UNDER SECRETARY

It had been the recommendation of the Hughes report, which was accepted by the Board of Regents, that an Under Secretary be appointed for the Smithsonian Institution.

I understand that Michael Collins has received that appointment. Is that correct, Mr. Ripley?

Mr. RIPLEY. That is correct, Mr. Chairman.

Mr. YATES. And he assumes his responsibilities today?

Mr. RIPLEY. April 24.

Mr. YATES. Right. And what happens to his old post, Director of the Air and Space Museum? Who will replace him there?

Mr. RIPLEY. We have an Acting Director, Mr. Zisfein, and we are about to appoint a search committee to select a new Director.

Mr. YATES. OK.

Mr. Collins' biography may go into the record at this point.

[The information follows:]

BIOGRAPHY OF UNDERSECRETARY COLLINS

The Board of Regents of the Smithsonian Institution and the Secretary have unanimously approved the appointment of Michael Collins to be Under Secretary, Smithsonian Secretary S. Dillon Ripley said today. He will assume his new responsibilities on April 24, 1978.

Collins has been Director of the Smithsonian's National Air and Space Museum since April, 1971.

"I am pleased that Mr. Collins has accepted this appointment to join the senior executive staff of the Smithsonian," said Secretary Ripley. "He has been a valued member of the Smithsonian community for seven years and has gained wide respect for his administrative skills and interests. I am certain that Mr. Collins' special talents will be invaluable to the management of the Institution's diverse programs."

Ripley noted that, under Collins' direction, the National Air and Space Museum has become the most popular tourist attraction in the nation's capital. It also is one of the most popular museums in the world with approximately 10 million visitors to its new building on the National Mall during its first year of operation.

Also under Collins' direction, Ripley said, the National Air and Space Museum was opened July 1, 1976, three days ahead of schedule, at a cost below the \$41,000,000 appropriated by Congress for the building's design and construction.

Collins succeeds the late Robert A. Brooks, who served as Under Secretary from 1973 until his death in April, 1976.

Collins was born October 31, 1930, in Rome, Italy, to American parents (his father, Major General James Collins, was Military Attaché at the time).

Collins graduated from St. Albans School in Washington, D.C. and received a Bachelor of Science degree from the United States Military Academy in 1952. He completed the Advanced Management Program of the Harvard Business School in 1974.

Following his graduation from West Point, he served as a fighter pilot, flight commander, and detachment commander. He was also an experimental test pilot at the Air Force Flight Test Center, Edwards Air Force Base, Ca.

Collins was one of the third group of astronauts named by NASA in 1963. In 1966 he piloted the Gemini 10 spacecraft during a three-day mission.

Collins' second space mission was that of Command Module Pilot during the historic Apollo 11 flight launched July 16, 1969. He remained in orbit while Neil Armstrong took the first steps on the moon.

In January 1970, Collins left the space program and became Assistant Secretary of State for Public Affairs.

On April 12, 1971, Collins was appointed Director of the National Air and Space Museum.

Collins has written two books about the space program : "Carrying the Fire" and "Flying to the Moon."

He is a Major General in the Air Force Reserve.

Collins has received a number of citations and awards including the Presidential Medal of Freedom. He is the recipient of the Hubbard Medal, the Collier Trophy, the Harmon Trophy, the Gen. Thomas D. White USAF Space Trophy, the Goddard Memorial Trophy, and the F.A.I. (Federation Aeronautique International) Gold Space Medal, as well as a number of military decorations from the U.S. and foreign countries.

His civic affiliations include Fellow, American Institute of Aeronautics and Astronautics; Fellow, American Astronautical Society; Member, Society of Experimental Test Pilots; Member, Washington Institute of Foreign Affairs; Board of Trustees, Theodore Von Karman Memorial Foundation; Member, Washington National Monument Society; Member, Cosmos Club, Alfalfa Club.

Collins is married to the former Patricia M. Finnegan of Boston, Mass.; they have three children, Kathleen (19), Ann Stewart (16), and Michael Lawton (15).

Mr. YATES. As I recall, you don't like to make speeches. You don't want to make any this morning, do you?

Mr. COLLINS. No, thank you, Mr. Chairman. It is nice to be here.

MULTIPLE MIRROR TELESCOPE

Mr. YATES. We have a letter from Congressman Udall, addressed to a supplemental appropriation request for \$300,000 to complete the construction and instrumentation for the multiple mirror telescope now under development in the Smithsonian Astrophysical Observatory.

Is that part of this present budget, or is that to be the subject of a supplemental request?

Mr. RIPLEY. Dr. Challinor can answer that, Mr. Chairman.

Mr. CHALLINOR. Good morning, Mr. Chairman.

That is a special request that has been asked outside of the Smithsonian's regular appropriations channels.

We have a salaries and expenses line item in our budget of \$750,000 per annum and have had that base since FY 1972 to assemble and equip this instrument.

We certainly could use the \$300,000. But, I must stress for the record that this supplemental request was not submitted by the Smithsonian to the Office of Management and Budget for appropriations request.

Mr. YATES. Was it ever submitted to OMB?

Mr. CHALLINOR. No, Mr. Chairman, it was not. We could use the money, certainly, to equip the instrument that is now in the final stages

of completion in Arizona mainly with computer capability. However, as I say, we have not requested this in our budget.

Mr. YATES. How will this relate to your proposed space telescope, the satellite telescope?

Mr. CHALLINOR. The satellite telescope is a completely separate device. The Smithsonian Astrophysical Observatory has contracts with NASA to design equipment to go into that telescope.

But our connection with that space telescope is only through contracts with NASA. We are not requesting any appropriated funds directly to the Smithsonian for that instrument.

Mr. YATES. Okay.

Mr. Udall's letter and the reply, or the letter from Mr. Strittmatter of the University of Arizona, may go into the record at this point.

[The information follows:]

SUBCOMMITTEE ON INTERIOR AND RELATED AGENCIES,

April 13, 1978.

Hon. MORRIS K. UDALL,
Cannon Building,
Washington, D.C.

DEAR MO: Thank you for your letter of March 3 requesting additional funds in the amount of \$300,000 to complete the construction and instrumentation needed to evaluate the performance of the Multi Mirror Telescope (MMT) now under development by the Smithsonian Astrophysical Observatory.

When the Smithsonian returns to complete hearings on their 1979 budget on April 24, I will ask Dr. Ripley to review your proposal and why they have not funded the MMT. In addition, I will bring your recommendation to the attention of the Subcommittee during mark-up. I can assure you that your request will be given careful consideration.

Thank you again for your interest.

With best regards,

Sincerely,

SIDNEY R. YATES, Chairman.

MARCH 3, 1978.

HON. SIDNEY R. YATES,
Chairman, Subcommittee on Interior, House Appropriations Committee, Rayburn House Office Building.

DEAR SID: A major new and innovative astronomical telescope is being built in my district as a joint project between the University of Arizona and the Smithsonian Astrophysical Observatory. I am referring to the Multi Mirror Telescope or MMT. The approach is to use six mirrors controlled by a computerized laser feedback system to continuously point at the same object. When the beams from the six mirrors are combined the MMT will be as powerful as a telescope 176 inches in diameter, only slightly less than the largest telescope in the country. The chief advantage of this approach is a substantial reduction in cost. The MMT is being completed at less than one quarter the cost of some recently completed smaller telescopes of conventional one-mirror design.

Unfortunately the present flow of funds is not sufficient to complete both the construction and the instrumentation needed to evaluate the performance of the MMT without undue delay. An additional \$300,000 in FY 79 for the Smithsonian Astrophysical Observatory would allow:

(1) Completion of the telescope including the all-important control room and equipment rooms.

(2) Purchase of data acquisition and instrument control system needed to properly evaluate the beams from all six mirrors and establish performance limits of the MMT.

(3) Construction of instrumentation such as a spectrograph or photometer to be used at the focus of the telescope.

All of these components are needed before full scientific operation of the telescope can be obtained.

The MMT is being looked at as the prototype for the design of future telescopes which are currently in the planning stages. The University of Arizona scientists have just returned from an international meeting in Switzerland. There was great interest on the part of the French, Germans and others in the progress being made on the MMT project. It seems to me that this is a valuable American technological breakthrough which will soon be in demand around the world.

Immediate operating experience with the MMT is needed to help define the designs and possible cost savings which may be possible. It is my feeling from recent personal contacts that astronomy is in the throes of a great explosion of knowledge, but advances are being severely limited by the unavailability of telescope time for the many bright young scientists within the field.

I hope you will look favorably upon my request augment to the budget for the MMT which has remained constant in dollars over the last four years.

Sincerely,

MORRIS K. UDALL.

THE UNIVERSITY OF ARIZONA,
Tucson, Ariz., March 1, 1978.

Congressman M. K. UDALL,
House of Representatives,
Capitol House Office Building, Washington, D.C.

DEAR CONGRESSMAN UDALL: I would like to thank you for the opportunity last Thursday to tell you something about the Multiple Mirror Telescope which is being built by the University of Arizona and the Smithsonian Astrophysical Observatory on Mt. Hopkins, south of Tucson. The telescope, which is described in more detail in the attached articles, is revolutionary in concept and has shown the way to very substantial reductions in the cost of building such instruments (by at least a factor of 3). We hope to have "first light" through the system during the spring of this year, and have a properly functioning telescope by the fall. I am certain that this telescope will become a well known feature of Southern Arizona (it will be the largest in Arizona) but also will go down in the history of astronomical investigation.

The project has been delayed somewhat because of a chronic lack of funds. It appears that, at current funding levels, the interior of the building will remain unfinished for several years. Even more serious, some of the basic computer facilities required to use the telescope properly have been deferred in order to complete the main frame of the telescope itself.

Part of the problem has been due to inflation which has severely reduced the purchasing power of the fixed level commitments made by Smithsonian and the University. The problem could be solved by the addition of between \$250 and \$300 K to the construction budget, perhaps most conveniently by a specific MMT related increase to the SAO component of the Smithsonian budget. Such an increase would be of benefit not only to the MMT project, but also to the University of Arizona, the astronomical community generally, and I believe, to Arizona as a state. We would certainly appreciate any help you can give us in this matter.

Once again, thank you for your interest in the project.

Yours sincerely,

P. A. STRITTMATTER,
Director.

FUNDING OF RESEARCH

Mr. YATES. Most of the questions that I have remaining I think can be addressed to you separately from the hearing, with the request that replies be given to them for the record.

Under your statement of policy in the FY 1976 hearings, requests for initiating research, such as a request with the Chesapeake Bay Center for ascertaining the fate of materials entering estuaries from land runoff, would have been funded with private funding rather than federal funding.

Is there a change in policy?

Mr. RIPLEY. I think Mr. Jameson has information on this sequence. From FY 1976—is that right, Mr. Chairman?

MR. YATES. In the FY 1976 hearings I asked how do you determine when you use federal funds and when you use private funds. At that time I think the reply we received was that private funds were used to initiate research programs.

Is my memory correct on that?

MR. JAMESON. I don't remember that hearing precisely, Mr. Chairman.

MR. YATES. Let me be precise, then. In a hearing in which the Secretary of the Smithsonian appeared before the subcommittee, on behalf of the FY 1976 appropriation request, which took place April 7, 1975, in response to this question addressed to Secretary Ripley.

The Smithsonian enjoys the positions of having both public and private funds. How do you determine which activities should be funded privately or by public funds?

To which Mr. Ripley responded:

Innovative programs requiring research initiatives which we deem to be outside the bricks and mortar for maintenance-like activities, and the administration which supports those activities, are funded within our private budget.

We try quite strictly, within our own accountability to the Regents and our auditing procedures, to maintain this rule of thumb year by year. Particular research initiatives of the Smithsonian are accomplished through private funds, while for the maintenance and subsistence of the Institution as a whole we seek funds from Congress.

MR. JAMESON. Yes, I have it now.

MR. YATES. You want to respond to it.

MR. JAMESON. I would like to try, sir.

We do have—and traditionally have had in our federal salaries and expenses budget, a significant amount of dollars for basic research. Much of that research has stemmed from the work on the National Collections and this accounts for the major portion of our federal research budget.

In addition to that core support which has been provided to us by the Congress, the Smithsonian traditionally has had access to relatively small amounts of restricted endowment funds left to the Institution for particular purposes; here again, by and large, to work on collections.

Frequently a donor would leave a collection and a small endowment to take care of that collection and perform studies on it.

But also historically the Smithsonian has sought grants and contracts for research. The most outstanding example of this has been the work of the Astrophysical Observatory, where well over half of the research program is supported with grants and contracts, principally from NASA.

We have had, through our history, experience with using small amounts of trust funds for special projects. For instance, the Smithsonian supported Goddard with trust funds.

SOURCES OF RESEARCH FUNDING

MR. YATES. Mr. Jameson, are you saying that there is no rule? How do you decide? Is it a decision that is made on the spur of the moment? How do you decide? Is there no rule?

MR. JAMESON. Our answer to chapter 4 of the investigative report said that when an opportunity arises for a particular project, we

would, first of all, weigh and balance the merits of the particular project and see if it is worth entering into by the Smithsonian.

We would then examine the federal budget to see if there is money available in that. If there is not, we would use unrestricted funds, or seek a grant or contract.

Mr. YATES. So there is no rule, is what you are saying, other than the procedure you spoke of. There is no hard and fast rule.

Mr. JAMESON. No, Mr. Chairman, there is no hard and fast rule.

Mr. YATES. Okay.

Is this a recent innovation, in view of Mr. Ripley's statement in the FY 1976 appropriation hearing?

Mr. RIPLEY. I would say so, Mr. Chairman. I was giving testimony of this sort in oral form, and it is essentially correct. The Institution has a variety of employees, most of whom are on Civil Service, and many of whom are research workers, in museums, for example.

Any particular museum may have an authorized budget which is federally appropriated for the ongoing activities of that museum. In addition, as Mr. Jameson has said, there have been small amounts of restricted trust funds which are used to encourage research initiatives. Outside of that, up until very recent years, the Smithsonian had virtually no unrestricted trust funds available. Consequently, with the development of the National Science Foundation in 1950 we initiated for our staff a program of individual applications for funds for research similar to those made by university researchers.

Those NSF grants were terminated by action of the Science Subcommittee on the House in the fall of 1963.

Consequently, we then came back to try to solve the problem with Mr. Denton's appropriation subcommittee in the spring of 1965. I recall very well, because it was my first year as Secretary. Consequently, up until recent years, as you know, we have been attempting to make up for the absence of NSF support by a direct appropriation for research awards which would try to supply the amount that our individual scientists would have been applying for as grants. We also make applications to foundations such as the Guggenheim and other foundations, or finally one of our researchers may find some particular private donor who wishes to give him money.

For example, in Mollusks, we have had continuing funding of a program by an outside person who wished to support the research of a particular scientist.

Mr. YATES. You are talking about Mr. Johnson?

Mr. RIPLEY. Mr. Rehder has been supported in his research for a number of years by someone whose name I don't remember, but not Mr. Johnson. His research work is approved within the directorate of the museum through appropriate administrative procedures.

This is a composite thing. The money in the end is for research, and it is all one, it is all for programs of the museums.

Mr. YATES. That was stated in the Smithsonian's reply to the investigative staff's report, as I recall; namely, that in carrying out the functions, the purposes of the Smithson bequest respecting the diffusion of knowledge among mankind, that both federal and private funds are used for that purpose.

I would have thought that you couldn't have a hard and fast rule. But I just thought the record ought to be cleared up.

Mr. RIPLEY. Yes. It is extremely difficult—just as any university or research institution will determine, how to find the funds. In the end they are approved down the line, they are audited, of course, and it is assumed that this is about the only way you can get the work done.

WELCOME TO UNDER SECRETARY

Mr. YATES. It occurs to me that I overlooked what I should have done earlier, and that was to welcome General Collins to the staff of the Smithsonian, and wish him well on his new post. Now that you are launched, I can go back to my area here.

FORT PIERCE PETITION FOR INSTRUCTION

Tell us about the Johnson bequest, Mr. Ripley. I visited Fort Pierce during the congressional recess, and saw the research that was going on down there. I was very much impressed with the staff that you have, particularly Dr. Mary Rice, and the research she is undertaking.

I learned that there is apparently a dispute going on concerning the construction of the grant by Mr. Johnson.

What is the nature of the dispute? I was told it was a question as to where Smithsonian's acceptance begins and ends, and where the term of the independence of the Smithsonian begins and ends.

I would rather have your explanation than my impression.

Mr. RIPLEY. There is an argument going on of some nature. These are disclosure proceedings now, which are in legal hands.

Mr. YATES. Is it in court?

Mr. RIPLEY. It is in court. Therefore, I am reluctant to discuss this issue in broad, open terms.

Mr. YATES. Perhaps we ought not to discuss it on the record, and wait to see what the court rules on that. I don't think that there is any prohibition on discussing what the issue is. Perhaps Judge Powers can tell us what the issue is that is involved.

Mr. POWERS. Mr. Chairman, it occurs occasionally in charitable trusts that the terms of the trust are not abundantly clear. One of the traditional methods of making the terms clear, when the parties involved cannot agree, is to go to a court and ask what do the terms mean.

Mr. YATES. Yes, I know that. How does that apply to this case?

Mr. POWERS. In essence, the terms of the initial gift referred to two phases, so to speak, of the projects to be supported. One had to do with the engineering and development of a submersible, and the other term referred generally to a program of underwater oceanographic research.

There was no problem for quite a long while. But during the last two years it developed that the donor, I believe, wanted more money spent on the submersible, or the second submersible, and we were not certain as to the propriety of that. Also we needed some clarification as to the future of this gift in terms of the research program.

Mr. YATES. The particular research program.

Mr. POWERS. Or the general research program, as well. We wanted to make sure which term had priority, and when the first engineering phase might be over, whether those funds could be devoted to research generally.

Mr. RIPLEY. The general research program means the general research program which we had accepted; that is, underwater oceanography. We don't differ on that.

Mr. POWERS. The gift goes on indefinitely. Given this disagreement, we tried very hard to resolve it. But we feel we didn't have exactly the same view of the obligations under the original gift of 1969.

Referring the issue to court, in a purportedly friendly hearing, seemed a reasonable action. The form of the lawsuit is called a "petition for construction of a trust" in which we present to the court the trust's terms, saying here are the documents, and here is what we understand them to mean, you settle exactly what they mean, and everyone will be able to go forward together thereafter.

Mr. YATES. How do you go about this? Did you petition for construction, or did Johnson?

Mr. POWERS. The United States petitioned on our behalf, the Justice Department.

Mr. YATES. Does the Justice Department represent the Smithsonian?

Mr. POWERS. Yes.

Mr. RIPLEY. In this case.

Mr. POWERS. We sometimes hire outside counsel, but in this case the Justice Department, which had done something similar in 1961, was willing to handle the proceeding.

Mr. YATES. OK. Thank you.

How often does something like this happen, where you have to have an interpretation of a gift?

Mr. POWERS. The only other instance I am aware of in our case occurred in 1961, and that was the case of a collection that had come to the Smithsonian in the 1920's, requiring that it all be displayed in one room.

Times had changed in the Natural History Museum. It was not in the interest of the museum, and not in the interest of that collection for its best display to be put all in one room.

Mr. YATES. So, you put it in a corridor?

Mr. POWER. It is rather rare.

CONDITION OF NATIONAL ZOOLOGICAL PARK

Mr. YATES. Now let's turn to Mr. Reed's domain, the National Zoological Park. Do you have adequate resources to maintain the new facilities being provided?

Mr. REED. At the present time, yes. As the construction program moves forward, there will be requested in future appropriation hearings more staff to manage the new buildings.

Mr. YATES. How are your pandas getting along?

Mr. REED. Well, the pandas are getting along fine. They are growing.

Mr. YATES. Is this the year of the panda?

Mr. REED. Theoretically, it should be. The Chinese have told us that the male is old enough to breed, which is usually at six or seven. Since he did not breed at six, he must breed at seven. This is the year he is supposed to breed.

Mr. YATES. Does he know it?

Mr. REED. The female is all ready for it. But it is his fault.

Mr. YATES. I guess it is the year of ERA, isn't it? What can you do about it? Are you feeding him aphrodisiacs?

Mr. REED. We have not started on any additional stimulants yet, although we have felt if things did not work out this year, that we would try some hormonal treatment perhaps, maybe some electronic stimulation, or artificial insemination.

We joke out there that I have written many, many memorandums telling him what he must do, and he doesn't pay any attention to me, just like everyone else out there.

Mr. YATES. That is what the Magazine article is about. I quote, "unless the bumbling Sing-Sing gets his act together, the U.S. giant panda population will remain stable at two, and the People's Republic of China may stand unchallenged as the sole world propagator of giant pandas."

That is your concern, isn't it? Is it kind of patriotic?

Mr. REED. Well, I guess you could say that. It is more zoological. It is an insult to the Zoo to have two healthy, normal, right-aged compatible animals that don't breed.

Mr. YATES. Is it a psychiatric problem?

Mr. REED. For the panda I don't think so yet. Maybe with me it is. (Laughter) I am going nuts over this situation. I shall keep you informed, sir.

Mr. YATES. Thank you very much.

We will put that in the record.

We were talking about resources. I wasn't talking about the animals, as much as I was about your physical resources.

We provided new facilities last year, and you say you are going to need additional staff and additional funds. When will you need them?

Mr. REED. With the beginning of the new Great Ape House, if we are fortunate enough to construct it next year, we will be requesting three additional persons for that facility, with additional monies to maintain the building.

We were given staff last year for the new seals and sea lions, to bring us up to full staff strength for that operation. It is coming along nicely and it will be open this summer. We have our animals already selected.

NEW EDUCATIONAL PROGRAMS AT ZOO

Mr. YATES. Apparently you are doing a good job in teaching the kids about the animals.

Mr. REED. We think that the educational program, featuring the Zoo Lab, where the children handle objects relating to and from the animals, is quite informative.

A pilot school program has been instituted with the District schools—we have some surplus buses to bus the children in for five sessions a week a part at the fourth grade level. It is integrated with their our school programs.

We think it is quite an innovative program and as a pilot project has proven very successful for students, teachers, and all concerned.

BIRD HOUSE

Mr. YATES. What other innovative programs do you have? How is your Bird House?

Mr. REED. The Bird House is working quite well.

Mr. YATES. It is a cage, as I recall it. I haven't been to your zoo in many years. But you had a huge cage, where the birds flew in freedom.

Mr. REED. Yes, you walk around the middle of the Bird House.

Mr. YATES. A huge outdoor cage.

Mr. REED. Yes, you walk through that cage, also.

Mr. YATES. I just remember this huge cage, in which the birds flew.

Mr. REED. It is a beautiful cage. The birds are quite happy. The people like it. I would like to show it to you sometime.

Mr. YATES. Okay. We will go out and take a look at it sometime. Ever since my son became a lawyer I haven't been out there. I used to go out with him a lot.

How is your trailmark system working out?

Mr. REED. We think it is working out very well. It has received a number of awards as a fine example of federal involvement in people movement and of a federal signage and graphic system.

More importantly, the public is responding to it. It is easier for the casual visitor to get around now than it was previously.

Mr. YATES. Do you have any problems we ought to know about, that we should be helping you with, outside of the fact that you say you don't have enough money?

Mr. REED. If we will admit to that fact, sir, I think we are coming along quite well. Our scientific program, particularly our medical program is developing extremely well. I think we have the best medical program of any zoo in the world.

FRONT ROYAL CONSERVATION AND RESEARCH CENTER

Mr. YATES. How about your secondary zoo?

Mr. REED. Our Conservation and Research Center at Front Royal is coming along quite well. It will develop slowly—in conjunction with the present Zoo in Rock Creek. We are developing these two areas in tandem at a rather substantial saving to our general construction program because many things we can do much less expensively at Front Royal than we could have in the valley of Rock Creek.

So, the total cost for redeveloping the Zoo is reduced, although there is money being spent at Front Royal. We have some 200 animals there, four ongoing projects that are doing quite well. The Pere David's deer are doing fine. Finally I got the camels to breed.

Mr. YATES. Good for you. Had that been a problem? Was it the male again?

Mr. REED. You might recall last year that I started the breeding program with a male that didn't have any testicles. This was embarrassing.

Mr. YATES. Kind of frustrating?

Mr. REED. It was very embarrassing to me as a zoologist, that we had overlooked this fact.

Mr. YATES. What happened to him?

Mr. REED. We got a new camel.

Mr. YATES. How do you package camels? Where did you buy it?

Mr. REED. The whole camel project is a joint effort between us and the Minnesota State Zoological Garden.

Mr. YATES. They sent you the gelding?

Mr. REED. We jointly purchased him from a dealer. Then we jointly told the dealer he could take the camel back.

Mr. YATES. What happened?

Mr. REED. He took it back and supplied a male that was properly equipped.

PROCEDURES FOR ACQUIRING ANIMALS

Mr. YATES. Last year we talked about the manner in which the dealers were capturing animals, and illegally transporting them to various zoos. What is the status of that program? Weren't you involved in something like that?

Mr. REED. It was intimated that there would possibly be an investigation, perhaps indictment, of a transaction where we had purchased some snakes that in our innocence we thought were legal animals but were not. This case is now closed. There has been no indictment of any professional zooman in the United States.

I will say that we are looking very much harder at who we acquire these animals from, and how the people from whom we acquire animals got them, complying not only with our moral obligations to the animals, but to the legal restrictions of both the United States and other countries.

As a result of this, you won't see it in this appropriation, but perhaps in future appropriations there will be discussion of joint collecting expeditions between several zoos to go out and legally, properly get the animals, properly acclimatize them, remove them from the dealer pipeline where they do not receive the best care, and bring them into our zoos for a joint program of breeding among several zoos.

JOINT ACQUISITION AND BREEDING PROGRAM

Mr. YATES. Is this being done pursuant to an agreement between all the zoos in the world?

Mr. REED. No, it is not. We have initiated joint breeding exchanges with a number of zoos in many States. Right now we are working with New York and Philadelphia on one of the first efforts at joint acquisitions and breeding. The three of us are sponsoring a joint expedition to Indonesia this year, we hope.

Mr. YATES. Where is Lester Fisher?

Mr. REED. The three of us are working initially to get all the arrangements ironed out, and all the details completed of how we work cooperatively, how we establish a joint acquisition and long term breeding program.

We all will have the same type of bird, say, so the three zoos are interchanging animals, resulting in a breeding program going on between the three zoos projected for generations ahead, treating the animals not as separate individual personal belongings, but as a natural resource.

Then once we can prove it, and once we get the details worked out, then we anticipate we would enlarge our program to include Lincoln Park, Brookfield, San Diego, St. Louis, Denver, and other major zoos that are of like mind.

But if we cannot get the three of us to work together, we will never be able to get 10 of us to work together.

Mr. YATES. Is there an international organization of zoos?

Mr. REED. There is one organization that is called the International Union of Directors of Zoological Gardens.

Mr. YATES. Do all zoo directors belong to that?

Mr. REED. No, sir. This organization is composed of publicly supported zoos dedicated to education, conservation and science. Membership is based upon the quality of work, care, staff, goals, and production of the zoo, as well as the qualifications of the directors. Lester Fisher and I are both members.

LEGAL CONVENTIONS GOVERNING ZOO ACQUISITIONS

Mr. YATES. How do you stop the felonious practice of capturing the animals unless all the zoos cooperate in this project?

Mr. REED. It is being stopped through moral and legal pressures, within the zoos and the agreement and understanding of which dealers are reputable, that we can work with. There is a network of information. However, in the past there was no official ban.

Long before the United States Government passed laws about endangered species and so forth, the United States zoos took the lead and the world organization followed. We refused to import orangutans, rhinos, and certain other highly endangered species, unless they came from or were certified by the government of the land from which they came.

So, we imposed the ban on ourselves. It worked quite well. Now the laws assist in taking care of the animals.

Mr. YATES. Well, the subject I associate to is also the collection of artistic objects. Does the Smithsonian make sure before it acquires objects that it is not going to have to defend itself against some country that says its cathedrals, and museums, and art galleries have been raped?

Mr. RIPLEY. We have subscribed to a general informal convention, not an official national convention, of appropriateness among senior museums in this country.

The Regents have approved these bylaws under this convention, under which we would agree to inquire whether the objects have been legally imported. That has to do with the provenance, the background of objects.

This is a very serious issue in the museum world, as you point out, Mr. Chairman. I think the hard-pressed zoos are attempting to act with a similar sense of propriety to avoid smuggled animals.

The pet trade, on the other hand, offers often valuable mammals, or birds or reptiles to individual owners who will buy them—just as some individual will buy works of art—with any regard to the manner in which they are acquired.

Mr. YATES. Private zoos throughout the country, like Lion World, and some of the others, purchase their animals—

Mr. RIPLEY. Through dealers. It is not our position to describe whether they are acting appropriately or not. But I do know that often individuals will buy such animals or objects without any regard as to how they have been acquired.

Dr. REED. Mr. Chairman, I now could speak, if you care to, to the question of reprogramming of some \$90,000 in our appropriation for the Small Mammal House about which we wrote to you in early April.

Mr. DICKS. Could I ask one question.

Mr. YATES. Yes, Mr. Dicks.

Mr. DICKS. Do you have insurance? How do you protect yourselves financially? Say you buy an animal, or buy a work of art, and you find out later that it was stolen, or been illegally acquired. Do you have a way to protect yourself?

Mr. RIPLEY. We don't have any insurance for this to my knowledge. If we do find out that an object has been illegally acquired, which we determine usually through outside referral, then we will attempt to right this wrong by writing to the country of origin asking its appropriate department whether they would like the object back.

Mr. DICKS. Thank you.

Mr. YATES. All right. We will turn to the reprogramming in just a minute.

FRIENDS OF NATIONAL ZOO

Tell us about the FONZ program. That is a fairly active one, isn't it?

Mr. REED. It is a very active program in support of our educational and scientific endeavors at the National Zoological Park.

They support us through individual participation of our various guides. They have a strong corps of trained guides who take children around the Zoo and people who work in the buildings, giving information.

We have trained them what to say and how to answer, but they have studied the animals and are ready to answer any questions that people might have.

Mr. YATES. How much money do the FONZ's raise?

Mr. REED. They will have been able to supplement us this year by about \$123,000, I believe, in addition to the work that they are doing in the educational programs through their guide programs and their various educational efforts.

Mr. YATES. What happens to those funds?

Mr. REED. Those funds are put to use in the National Zoo, supporting the programs that have already been approved and partly funded by the Congress mainly for educational and scientific programs within the Zoo.

Mr. YATES. Is there a special fund for the FONZ money?

Mr. REED. Yes.

Mr. YATES. It is in a special account?

Mr. REED. FONZ keeps the money, and then we apply for the use of that money, and they disburse it.

Mr. YATES. The FONZ group keeps its other funds?

Mr. REED. Yes, as they are a separate corporate entity.

Mr. YATES. And when you want the money, FONZ makes funds available.

Mr. REED. That is right. It is worked out between their budgeting and our budgeting. We will be using some of this money to help on this Indonesian bird expedition.

Mr. YATES. They have a balance of \$550,000 as of two years ago. Is it more or less than that now?

Mr. REED. It fluctuates from time to time. I believe that \$550,000 was their total net worth, including all of the equipment and trains that they had.

Mr. YATES. What does that mean, trains?

Mr. REED. The trackless train.

Mr. YATES. Is that the Zoo Express?

Mr. REED. The little trains that have gone through the Zoo, taking the people around. The Zoo Express is the bus we are using to pick up the school kids.

Mr. YATES. Okay. But all those funds are devoted for Zoo purposes?

Mr. REED. Absolutely. Completely under our mutual control, and with our approval. All the proceeds are applied to our authorized programs.

GREAT APE HOUSE

Mr. YATES. Now let's turn to your construction account for a second. You want \$3 million for completion of the Great Ape House. Will that be enough?

Mr. REED. We believe that our plans are far enough along that this is a solid figure for this year. Any further delay may result in rising costs of construction. Would you care to see the plans?

Mr. YATES. Sure.

Will the apes be happy when you are through?

Mr. REED. I really think they will.

Mr. YATES. Are you going to have any sterile male apes there?

Mr. REED. We do have unfortunately a female problem. Our present female gorilla we do not think will be able to breed again. A productive female will be brought in from another zoo. We think the Ape House will be very nice for the apes and for the visitors. There will be a spacious yard outside.

Mr. YATES. How many apes will you house?

Mr. REED. How many apes will we have?

Mr. YATES. How many apes will this Great Ape House house?

Mr. REED. Between 10 and 15, in family groups of orangutans and gorillas.

Mr. YATES. How many gorillas will you have?

Mr. REED. Well, we will start with three, but we hope over a period of years to have a family of maybe five or six, living in a family group. We will have enough space that they can all live together as they would in nature.

PARKING CONCESSION

Mr. YATES. Who collects the parking revenues?

Mr. REED. The parking revenues are collected by the Friends of the National Zoo.

Mr. YATES. That is where they make their money, isn't it? What do they charge?

Mr. REED. We are charging \$1.50 for all day parking now, although 75 percent of all the net proceeds is held in escrow for future development of parking facilities in the National Zoological Park.

Mr. YATES. Can you tell us how much has been collected to date?

Mr. REED. I believe it is about \$400,000.

Mr. YATES. And this is another separate fund for the parking facility, or is this part of the FONZ fund?

Mr. REED. No. 75 percent of the net proceeds is submitted to the Smithsonian Institution, and is held by the Smithsonian Institution as a separate fund. The remaining 25 percent is used to cover FONZ's cost of operating the parking concession.

Mr. RIPLEY. This dates back, Mr. Chairman, to a pledge that we made to this committee—Mrs. Hansen was then the chairman—to attempt to develop a fund for our construction of a major parking facility on the side of the hill at the Zoo, to alleviate the some 14 acres of present flat-top parking in the Zoo itself.

We said we would make our best efforts to hold such money in escrow, to apply along with appropriated funds for the construction of that parking facility.

Mr. YATES. What is the cost of the parking facility to be?

Mr. REED. We have the first deck already completed for \$5 million. The total completion of the parking facility, including the next three decks, ramps, major changes to the roadway and tunnels for the public will come to about \$13 million in future years.

Mr. YATES. And you have \$400,000 towards reduction of the federal appropriation of \$13 million.

Mr. REED. That could be used now for that, sir yes. There will be much more then.

CONDITION OF ZOO

Mr. YATES. Is there anything else you want to tell us about the Zoo? The condition of the animals is good?

Mr. REED. I think the condition of the animals is good. We came through the winter quite nicely.

Mr. YATES. What about the trees in the Zoo?

Mr. REED. The trees are in fairly good shape.

Mr. YATES. Do you handle those as well?

Mr. REED. Oh, yes. We have a complete gardener crew at the Zoo, including a tree section. We do our own tree work. There are 3,284 trees under which the public are invited to walk, and which we have to keep constantly pruned and trimmed.

PLANS FOR ANIMAL ACQUISITION

Mr. YATES. How much are you going to spend to acquire animals in the next fiscal year? Do you know yet?

Mr. REED. The federal appropriation as requested is about \$25,000. Then we will supplement that with funds that we have from the Chrysler Corporation Animal Acquisition Fund. That is from gifts and the sale of animals.

Mr. YATES. You are going to sell some animals?

Mr. REED. Those that are surplus to our needs, sir, yes.

Mr. YATES. Can you give us an example of a surplus animal?

Mr. REED. For instance, right now we have the baby giraffe. We cannot handle more than five giraffes in our present exhibit, so that we will have to find a home for that one.

Now, whether we sell this animal or place it on a breeding loan to another zoo that has the Masai giraffes, so we can cooperatively continue breeding them, has not been decided yet. Possibly we would sell that one.

We sometimes sell the animals. Sometimes we send them out on breeding loans, depending on what is actually to the best advantage of the animals as a species in the country.

REPROGRAMMING REQUEST FOR SMALL MAMMAL HOUSE

Mr. YATES. Now, let's talk about the reprogramming subject that Mr. Ripley brought up. Tell us why the reprogramming is appropriate.

Mr. REED. The Small Mammal House, which is in the Central Area complex—the first part of that complex will be the Great Ape House. We can move the great apes out of the Small Mammal House building into the new building.

Then we can remodel the Small Mammal House, in the next phase with the Reptile House, which is the other building that needs to be remodeled. That is all in the Central Area, in addition to that the Monkey Island, crocodile exhibit, and small cages.

It so happens that the heating, temperature and air conditioning controls of the Small Mammal House, which was built in the mid-30s, have gone to pieces this past winter, and we had a very serious problem with it.

So, we asked our engineers who have administered planning for the remodeling of the Small Mammal House, the plans for which are all ready to go—could we redo the air handling and heating now so that it would be useful when the building was totally remodeled.

We have planned for that. So we feel it is important that we take care of this particular facet now, getting ready for the next two years, before we remodel the building totally; in other words, our heating system has finally broken down on us.

We have got to do something for the care of the animals. We felt this reprogramming would be one of the fastest and most efficient ways of doing it since we gained savings on our previous construction. It will be totally utilized and totally integrated into the future remodeling.

Mr. YATES. The letter from Mr. Ripley to the committee dated April 12 may go into the record at this point.

[The information follows:]

SMITHSONIAN INSTITUTION,
Washington, D.C., April 12, 1978.

Hon. SIDNEY R. YATES,
Chairman, Subcommittee on Interior and Related Agencies, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. YATES: The Smithsonian Institution is requesting approval to reprogram funds in the amount of \$90,000 from the National Zoological Park's Education and Administration Building account balance to the Small Mammal House Renovation.

Funds for the renovation and modernization of the Small Mammal House, constructed in 1937, are scheduled to be included in a subsequent fiscal year budget request under the category of Central Area Development. Design work

for the project has already been funded. Recent failure of the temperature control system in the Small Mammal House, however, has presented the urgent need to accomplish emergency repairs in the next few months. The inability to regulate and control heating places the life of many of the small animals in jeopardy and also causes discomfort to the visiting public and the staff. Hourly inspection and manual adjustments—a time-consuming and costly procedure—were required this past winter to ensure the health and safety of the animals.

An amount of \$2,500,000 was appropriated in FY 1975 for the construction of the Education and Administration Building. In FY 1978, in accordance with the new reprogramming guidelines issued by the Committee, we have already reprogrammed a total of \$60,000 from this account to meet urgent, unforeseen needs. An amount of \$40,000 was reprogrammed to the Elephant Yards to remove and replace the surfacing material used for the exterior animal yards which had been determined by animal experts and the Environmental Protection Agency to contain asbestos fibers at sufficiently high levels to present a health hazard to the animals as well as the public. A further \$20,000 was reprogrammed to the General Services and Parking Facility to enable the installation of a vital TV security system. The remaining balance, after all related obligations are met is approximately \$100,000. The balance has resulted from lower than anticipated bids, probably due to intensive competition in the construction industry at the time of the construction award and less than normal contingency costs due to effective construction administration.

With the approval of the Committee, the necessary repairs to the Small Mammal House will begin shortly so that the proper control of heating can be accomplished by next winter. Please be assured that the design will be compatible with renovation work planned for the future.

Sincerely yours,

S. DILLON RIPLEY,
Secretary.

REPROGRAMMING REQUEST—NATIONAL AIR AND SPACE MUSEUM

MR. YATES. We have another letter from Mr. Ripley, dated April 17, requesting funds to be taken from the exhibits at the National Air and Space Museum for its facilities at Suitland.

[The information follows:]

SMITHSONIAN INSTITUTION,
Washington, D.C., April 17, 1978.

Hon. SIDNEY R. YATES,

Chairman, Subcommittee on Department of Interior and Related Agencies, Committee on Appropriations, House of Representatives, Washington, D.C.

DEAR MR. YATES: In FY 1977, the Smithsonian received approval to reapply some \$500 thousand in the National Air and Space Museum's (NASM) FY 1977 Salaries and Expenses budget from exhibits and related projects to the more urgent need to upgrade NASM's facilities at Suitland, Maryland. At this location, NASM uses 18 buildings for aircraft restoration, exhibits fabrication and storage of airplanes and artifacts. Three of these buildings are open to the public for viewing airplanes and artifacts and witnessing the aircraft restoration process first-hand. A fourth building is scheduled to be opened at the end of this fiscal year. We are now requesting approval to reapply an additional amount of some \$600 thousand from NASM's FY 1978 base for exhibits and related projects to complete the process of bringing the physical plant occupied by NASM at Suitland up to basic industrial health and safety standards.

With the funds applied to Suitland last year, we were able to accomplish a variety of essential projects related to the health, safety, well-being of employees and the visiting public as well as improved operations. These included the installation of correct wiring and lighting; installation of a dust collector, a fan ventilation system and a modern paint spray booth; covering of asbestos insulation in one building; construction of a screened, drained area for preservation work (in process); and provision of adequate lockers and restrooms. Other projects included various improvements to increase storage space, roadway repairs (in process), addition of a loop in the fire hydrant system, and the construction of new office space.

Remaining projects which we propose to accomplish this year similarly are related to the health, safety and well-being of employees and the visiting public,

and the improvement of operations. These consist of the replacement of antiquated, dangerous heating devices in the workshop building with a safe, energy efficient system; installation of a sprinkler system in various buildings for fire suppression; and extension of the water line to accommodate the sprinkler system. Additionally, we are proposing to construct a roof and pad between two buildings and a shed to protect expensive equipment; install adequate insulation in two warehousing buildings and enclose an area in one of those for the inventory process; and enclose the area between the two exhibit production buildings to facilitate exhibits fabrication. These latter three items were included in last year's approved reprogramming; however, they had to be deferred due to unanticipated higher costs experienced in other projects.

Funds for this essential work are available because the continued popularity of exhibits on the Mall has made it possible to leave intact parts of the galleries that were originally scheduled to be changed. It is far less costly to maintain and refurbish existing exhibits than to create and fabricate new ones.

With your approval, we will proceed as quickly as possible to eliminate the inadequate environmental, safety, fire protection, and electrical systems now in existence. Several of the proposed projects could be initiated almost immediately while others, requiring architectural and engineering preparations, could begin during the summer. I can give you full assurance that this effort to bring NASM's facilities at Suitland to industrial standard will in no way impair the National Air and Space Museum's programs on the Mall.

Sincerely yours,

S. DILLON RIPLEY,
Secretary.

Mr. YATES. Why should you not ask for appropriated funds in the first instance, rather than for the reprogramming? The reason I ask this question is because this is the second year this has happened. Why not be more definite?

Mr. YELLIN. Mr. Chairman, in actuality, I believe we should have asked for appropriated funds to do this. We found that last year's money was not sufficient to finish the job of bringing the plant up to standard.

We found this year we had a surplus in NASM's exhibit base primarily, and that is the reason why we formally asked for reprogramming authority, to finish the job of bringing the physical plant up to basic industrial health and safety standards.

Mr. YATES. Does that mean you have surplus of funds for exhibiting?

Mr. YELLIN. We will this year, sir. For 1979 we are proposing a reduction in NASM's exhibits base.

NATIONAL ANTHROPOLOGICAL FILM CENTER

Mr. YATES. Let's turn to the Anthropological Film Center.

Now, Mr. Ripley, why is it that I receive so many letters relating to the Anthropological Film Center and I receive no letters for the Air and Space Museum, or Hirshhorn; I receive no letters for Freer, and no letters for the Study of Man; and I receive no letters for any other activity.

Why is this such an unusual operation that I should hear from anthropologists all over the country about this?

Mr. RIPLEY. I think it is a question—

Mr. YATES. Including Miss Mead?

Mr. RIPLEY. If I recall rightly, Mr. Chairman, you actually saw Dr. Mead last year, didn't you?

Mr. YATES. Yes.

Mr. RIPLEY. You laid eyes on her. A very special occasion, I am sure.

Mr. YATES. Right. What is so unusual about this program? Why is this so distinguished that it stands out from other programs of the Smithsonian?

Mr. RIPLEY. This is a question which eludes myself. We have attempted to do as best we could, as an administration, by the needs of the Anthropological Film Center.

The Congress was very generous last year, and gave us an ample amount of funds for the Center supplemental to the amount that we had requested. We feel that we cannot in all conscience go further than the amount that we have submitted to yourselves through the budget process for their budgeting.

But personalities being what they are, there are times when even a dyed-in-the-wool administrator finds that administrative procedures are not always easy to be observed.

Mr. YATES. We even have a hand-delivered letter this morning from Senator Heinz saying that the Film Center needs a minimum of \$609,000 as a direct appropriation.

That, of course, would be \$200,000 over its federal budget.

I must say that after reviewing the whole Smithsonian budget, and being impressed, of course, with the excellence of so many of your activities, I wondered why this one was singled out for special praise and special attention.

Inasmuch as this falls within your bailiwick, Dr. Challinor, would you like to reply?

Mr. CHALLINOR. I would, Mr. Chairman. Simply to point out this Film Center was taken on about three years ago by the Smithsonian at the request primarily of the advisory committee to the Film Center, which is an independent group of distinguished anthropologists, chaired by Dr. Mead.

They are an extremely active group, both anthropologically and politically, as you have been made aware.

The Smithsonian feels when it assumes additional responsibility, it has to be careful that new projects grow in an orderly manner.

Mr. YATES. Did you say exhumes or assumes?

Mr. CHALLINOR. Assumes. In our budget last year we requested \$95,000 new dollars for this particular program, which we felt was a reasonable increase over the base of about \$40,000 in any one fiscal year.

As you recall, the committee, or the Joint House-Senate mark-up, added \$250,000 to the \$95,000 that we had requested, and assigned \$50,000 for travel alone to this particular Center.

We feel this is a generous award. \$50,000 is about the travel budget of the Astrophysical Observatory, with some 50 scientists.

Mr. YATES. Do they go into space with that?

Mr. CHALLINOR. They almost could, at least by Smithsonian standards. We are aware of the needs of this Film Center. But we are also aware of the needs of lots of the other science bureaus at the Smithsonian as well.

We feel in fairness that this bureau has done very well by the federal budgetary process.

Mr. YATES. The budget this year is more than doubled, isn't it?

Mr. CHALLINOR. The budget this year is now \$409,000, up from \$40,000 two years ago.

Mr. YATES. And \$200,000 last year.

Mr. CHALLINOR. It went from about \$40,000 to \$250,000 plus \$95,000, which is \$345,000 in just one year. No other bureau of this size, that I am aware of, has made an increase in its federal budget of that size.

Mr. YATES. How was it able to do this? Who controls the budgeting process? Do you?

Mr. CHALLINOR. The Smithsonian tries to control the budgeting process, Mr. Chairman. The final say, as you are aware, is with your committees.

Mr. YATES. I wonder, it has moved from \$40,000 to \$409,000, is that with your approval?

Mr. CHALLINOR. We did not ask the Office of Management and Budget for the \$250,000 new money that the Film Center got last year.

Mr. YATES. How did they happen to get it?

Mr. CHALLINOR. It was awarded by the House and Senate Subcommittees on Interior and Related Agencies.

Mr. DICKS. That is this committee, isn't it?

Mr. CHALLINOR. That is this committee.

Mr. DICKS. I was just checking.

Mr. YATES. This committee has not yet acted, and the request before us is for \$495,000.

Mr. CHALLINOR. I am referring to the \$250,000 they received last year. Mr. Chairman.

Mr. YATES. I am referring to the \$409,000.

Mr. CHALLINOR. The \$409,000 is what we are requesting this year.

Mr. YATES. How does it happen they got the increase over the \$250,000?

Mr. CHALLINOR. The \$250,000 was built into their base last year, by action of this committee.

Mr. DICKS. Wait a minute. The budget was \$40,000 when it came up here last year, \$250,000 was added to make it \$290,000?

Mr. CHALLINOR. The budget was about \$40,000 when it came up here.

Mr. DICKS. It went up to \$250,000.

Mr. CHALLINOR. We requested a \$95,000 increase in our budget last year. They got not only the \$95,000 increase that we requested, but \$250,000 on top of the \$95,000.

Mr. DICKS. That gets you about \$409,000.

Mr. CHALLINOR. Yes.

Mr. DICKS. So you are asking for the same amount as you got last year.

Mr. CHALLINOR. We are asking for the same amount we got last year. I think it is plus about \$5,000 for necessary pay.

Mr. DICKS. Well, it sounds like the committee is responsible for this.

Mr. CHALLINOR. I am not saying anything.

Mr. DICKS. That must have been quite a meeting you had. This may have been done by the Senate. Was this done by the Senate? Maybe it was done by the staff.

FILM CENTER'S TRUST FUNDS

Mr. YATES. At any rate, let's move on.

How do you propose to use the \$50,000 in restricted trust funds or this activity? Aren't you going to get that?

Mr. CHALLINOR. The Center, Mr. Chairman, solicits and occasionally is successful in receiving funds from private donors.

Mr. YATES. So you are getting \$50,000 from private donors and \$75,000 in Federal grants and contracts?

Mr. CHALLINOR. Yes, Mr. Chairman.

Mr. DICKS. Is that from the Endowment for the Arts and Humanities?

Mr. CHALLINOR. The Center is not receiving anything from the Endowments this year. They have received as much as \$171,000 two years ago from the Endowments. The \$250,000, I must say in fairness, was probably awarded to the Film Center to replace what they had lost from the Endowments.

Mr. DICKS. Where are they getting their Federal money this year?

Mr. CHALLINOR. They are getting their Federal money this year from the appropriated funds that were awarded last year and for which we are requesting again.

Mr. DICKS. But you are saying \$75,000 in Federal grants and contracts. What will those be?

Mr. RIPLEY. NIH, I think.

Mr. CHALLINOR. They have an estimated \$70,000 that they anticipate they will get for some films from the National Institutes of Health, films of child behavior in remote cultures.

Mr. DICKS. Thank you.

Mr. YATES. What was the additional money used for last year?

Mr. CHALLINOR. It was used mainly to finance travel and film processing.

Mr. YATES. How much of it was for travel?

Mr. CHALLINOR. Approximately \$50,000 was awarded by the committee for travel.

Mr. RIPLEY. This is an essential part of the Center's program because they must photograph in the field these vanishing cultures, the Aborigines in Amazonia or parts of the Himalayas or New Guinea where there are such tribal customs existing in a relatively untouched state. It is through the process of photographing these and analyzing the photographs that they do their research.

Mr. YATES. Would you give the committee a breakdown of the travel funds for last year?

Mr. RIPLEY. Yes.

[The information follows:]

National Anthropological Film Center—Use of fiscal year 1977 travel funds

Use	Amount
Domestic travel to Boston related to accessioning research film records—	\$66.77
Local transportation in Washington, D.C. area related to project development and accessioning and assembly of film records as a permanent scholarly resource—	40.70
Total -----	107.47

FILM CENTER'S FISCAL YEARS 1978 AND 1979 TRAVEL

Mr. YATES. What about the film plans for '78 and '79?

Mr. CHALLINOR. The film plans are prepared. They run to about five pages of where the Film Center would like to film and where they have been invited to film. I can go through them or furnish them, as you prefer.

Mr. YATES. All right, furnish them for the record.

[The information follows:]

NATIONAL ANTHROPOLOGICAL FILM CENTER

Use of FY 1978 and FY 1979 Travel Funds

FY 1978

<u>Use</u>	<u>Already Spent</u>	<u>Projected</u>
Project Development Salvage Effort in India, Nepal and Sudan	\$7,500	
Traditional Nepalese Heritage Research Film Study*	4,488**	\$3,117
Research Film Study of Traditional Polynesian Cultures in the Cook Islands*	720**	
Project Supervision and Development in Nepal		3,117
Filmic inquiry into the Artistic Life Style of the Western Caroline Islands of Micronesia*		5,675
Research Film Study of Traditional Polynesian Dance in the Cook Islands	9,285**	
Project Priority Assessment and Feasibility Surveys in Sudan and in Tibetan Communities in India*		3,626
Research Film Study of Emergent Civilization in the Hunza Valley, Northern Territories of Pakistan and Adjacent Regions*	43	11,835***
Domestic Travel to Rochester, N.Y. for professional consultation on archiving materials (film)	234	
Domestic Travel to New York for professional training in the operation and maintenance of visual documentation equipment preparatory to fieldwork	60	
Local transportation in Washington, D.C. area related to project development and accessioning and assembly of film records as a permanent scholarly resource	115	75

FY 1978

<u>Use</u>	<u>Already Spent</u>	<u>Projected</u>
Domestic travel to New York to discuss development of traditional Tibetan culture research film projects	_____	\$ 110
Total FY 1978	\$22,445	\$27,555

Total Already Spent & Projected = \$50,000

FY 1979

The Film Center plans to allocate FY 1979 travel funds in the most effective way possible to respond to existing high-level invitations and outstanding opportunities in Nepal, India, Sudan, Micronesia, Cook Islands, Brazil, Bolivia, Ecuador, Pakistan, and Papua New Guinea.

* Costs are for initial efforts and to keep projects active until further funding becomes available.

** Amounts are estimates of work currently in progress.

***This project is in a restricted region of a country which has recently experienced a coup d'etat. Although the Film Center anticipates beginning the project in July, conditions could develop requiring postponement. If this happens, the money will be applied to one or more projects being developed among Tibetan communities and in such countries as Nepal, India, Sudan, Micronesia, Brazil, Papua New Guinea, Bolivia, and Cook Islands.

Filming Plans for FY 1978 and 1979

Nepal: In collaboration with the Royal Nepal Academy, a survey of several traditional Nepalese culture areas has resulted in the completion of planning for two research film studies to begin in FY 1978: a) the Jyapu region in early May 1978, and b) the Tharu region in summer 1978. A Tibetan student is being trained at the Film Center in research film methodology to return to Nepal and assist in obtaining visual records of traditional ways of life from his very different cultural perspective. As funds and administrative support become available, the Center shall expand its study of Nepalese cultures to include Tibetan speaking Bhotia, the Rais and Lumbus cultures, and possibly the classical Tibetan culture still remaining in Mustang.

India: Discussions and site surveys in India have resulted in a number of opportunities for the NAFC to collaborate with scholars, government and religious leaders, and institutions to document traditional cultures in this important part of the world. The most dramatic development came after warm and productive talks with the Dalai Lama. For any film studies the Center may do of the traditional Mahayana Buddhist culture, the Dalai Lama's Office has agreed to provide logistic, administrative, and professional assistance, and to make representations on our behalf when special permissions may be required.

In Pakistan an extraordinary gesture was made by the government last year by opening Hunza to NAFC, a place where even the U.S. Ambassador has not been permitted to visit. Regrettably, we have not been able to follow this up. This unique region harbors an independently developed emergent civilization and thus holds many implications for our understanding of the civilizational process. NAFC had assembled a blue ribbon team of anthropologists, experts on cancer (Hunza has very little), and anthropological filmmakers (the famous Asen Balikci). In addition, it was about to get an expert on aging (many people in Hunza are over one hundred years of age), and an expert on child development psychiatry (to help see why they have such a harmonious life style). Both the National University in Islamabad and the National Institute of Traditional Heritage of Pakistan agreed to collaborate.

The new "Silk Route Highway" is progressing and will be opened to some traffic this summer. This first and only all weather highway to connect South Asia with China will go through the middle of the small Hunza valley. This will change the nature and character of this unique independently developed civilization for all time.

Cook Islands: The Premier of the Cook Islands has taken a personal interest in our work. After seeing how NAFC operated, the Premier wrote: "Here in the Cook Islands different expressions of a basic Polynesian tradition have developed. We would welcome an opportunity to work with you and your Research Film Centre at the Smithsonian to preserve a visual record of these as a permanent cultural resource. I invite you to develop the necessary programs with

my Minister of Internal Affairs and our Cultural Development Division. You have my interest and support for whatever efforts you can undertake to work with us to document our cultural traditions and their associated patterns of human behavior."

Brazil, Bolivia, Micronesia, Papua New Guinea, the Sudan and Ecuador: These last regions of traditional nonwesternized cultures are those the director has not been able to get back to yet. It is not known to what degree NAFC will be able to continue its initial work. There was received an unusually cordial invitation from the Brazilian government two years ago to examine possibilities for projects in a wide variety of Indian regions. Two recent letters indicate a continuing interest in this. Only a site visit will indicate what the opportunities really are.

An outstanding invitation from the Director of Cultural Affairs for Bolivia, was extended (as a result of her visit to the NAFC a year ago) to conduct studies in restricted areas where other American researchers are not permitted to enter.

In Micronesia NAFC was able to complete the urgent first phase of a traditional culture documentation project under a grant from the National Endowment for the Arts. When the funds were cut off, NAFC's Micronesian collaborator wrote to the Assistant Secretary for Science, Smithsonian Institution, describing the extraordinary efforts he and his relatives had made on our behalf, the enthusiasm his people had extended, and how he and his people had been let down. Dr. Dirk Ballendorf, now President of the College of Ponape, has offered use of the college's facilities to provide logistic support for any project we might be able to do. Ballendorf is the same person who tried to develop a Peace Corps base for our work several years ago because of his interest in NAFC work.

In Papua New Guinea, a research development study was completed two years ago. After this the Center received a unique compliment -- an invitation to work directly with the Institute of Papua New Guinea Studies. Somewhat like the Royal Nepal Academy, this Institute normally restricts itself to determining research policy for the nation and instructing the University on the type of research it may permit foreigners to do in the nation. That they want to do so with NAFC seemed most promising in a country where there are so many different kinds of traditional societies still remaining.

Sudan: The interest of the State Minister for Foreign Affairs and the Minister for Culture and Information of Sudan led to a successful survey in the large Dinka tribal region in southern Sudan. The Minister for Information had invited us to begin projects and has offered his support and cooperation. The Foreign Minister, himself an anthropologist, with a Ph.D. in law from Yale as well, has become enthusiastic about our assessment of possibilities and is interested in acting as Principal Advisor from the host country to any project we might do among the Dinka. Two departments at the University of Khartoum have expressed interest in collaborating with NAFC and providing professional assistance.

Mr. RIPLEY. Without such travel and without such access the program cannot continue to exist, so that is imperative to them.

Mr. YATES. I would only request that the ardor of the lobbying be diminished.

HISTORY AND ART GRANTS FROM THE ENDOWMENTS

Now let's turn to the amount you get from the Endowments. You want \$23,000. Let's turn to the History and Art program. You are asking for appropriations to take the place of grants from the Endowments; is that correct?

Mr. BLITZER. Yes, sir.

Mr. YATES. That is in accordance with the request to the committee. Does this mean there will be no application for funds from the Endowments?

Mr. BLITZER. That is right.

Mr. YATES. The question is raised as to what you propose to do with two jobs under Federal grants and contracts. Those would be under other Federal grants and contracts, wouldn't they, or are you disposing of them? Take a look at your justification page E-3. That is under History and Art, Joseph Henry Papers, you have listed two employees under Federal grants and contracts. Would you still have those? Did you know you had two employees there or what?

Mr. BLITZER. My impression is that the table is wrong. I am not absolutely sure because this project does receive funds from some other Federal agencies.

Mr. YATES. Do you want to clear it up in the record?

Mr. BLITZER. Yes, sir. Mr. Jameson seems to have the answer.

Mr. JAMESON. Mr. Chairman, I am quite sure it is wrong. It is very difficult to project grants and contracts, but I think in extending 1978 general knowledge into 1979, it should have shown that that would have been reduced by the amount of the requests we are making in the Federal budget.

Mr. YATES. You have for total History and Art personnel, eight. Is that wrong? You have three for American and Folklife Studies and three for the National Portrait Gallery.

Mr. JAMESON. There is an additional one requested with the \$28,000 as a replacement for funds.

Mr. YATES. Mr. Jameson, I think perhaps what you had better do is send a revised schedule up, hadn't you?

Mr. JAMESON. I think that would be wise.

[The information follows:]

Source and Application of Operating Funds (All Sources)
FY 1978 - FY 1979

(\$1,000's)

	FY 1978 Budget												FY 1979 Estimated												
	Unrestricted						Restricted						Unrestricted						Restricted						
	General*		Special Purpose		Restricted		General*		Special Purpose		Restricted		General*		Special Purpose		Restricted		General*		Special Purpose		Restricted		
Federal Funds Expt.	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$	F/T	\$
FUND PROVIDED																									
Federal Appropriation (Estimate)	94,153	--	1,500	A	--	--	1,635	A	--	--	96,307	--	--	1,700	A	--	--	1,650	A	--	--	2,300	--	11,382	
Investments	--	--	50	--	--	2,130	--	--	11,120	--	--	--	50	--	--	--	--	--	--	--	--	--	--	--	
Gifts, Grants and Contracts	--	--	5,162	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Auxiliary Activities Revenues:	--	--	28,444	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Associates - Magazine	--	--	8,875	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
- Other	--	--	1,697	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Concessions	--	--	6,167	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Other Auxiliary Activities	--	--	50,545	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Auxiliary Activities	--	--	1,106	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Bureau Activities	--	--	25	--	--	539	--	--	900	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Miscellaneous	--	--	52,120	--	--	1,705	--	4,673	--	11,120	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Income	94,153	--	52,120	--	--	1,705	--	4,673	--	11,120	--	96,307	--	--	--	--	--	--	--	--	--	--	--	--	
Less Expenses: Auxiliary Activities																									
Associates - Magazine	--	--	21,844	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
- Other	--	--	5,662	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Museum Shops/Mail Order	--	--	8,375	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Other Auxiliary Activities	--	--	5,827	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Total Auxiliary Activities	--	--	41,708	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Bureau Activities	--	--	--	--	--	882	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
Net Funds Provided	--	--	94,153	--	10,412	--	823	--	4,673	--	11,120	--	96,307	--	--	--	--	--	--	--	--	--	--	--	
FUNDS APPLIED (Net/Act. Expense)																									
Science	1,295	36,489	87	338	16	347	9	1,265	226	10,382	4,295	37,412	90	407	16	414	9	1,260	225	10,400	6	633			
History and Art	622	15,868	22	649	--	352	41	2,870	7	305	624	16,490	18	605	--	341	48	3,035	6	633					
Public Service	81	2,382	32	101	--	18	8	200	2	217	79	2,437	32	87	--	110	8	200	1	63					
Museum Programs	287	7,295	25	176	--	25	5	--	123	281	7,417	27	197	--	35	--	174	5	174						
Other Activities	--	--	292	2,000	--	--	--	--	--	35	--	--	316	2,100	--	30	--	--	--	--	--	12	--		
Support Activities	908	25,827	17	292	--	55	2	--	20	--	911	26,038	17	315	--	70	1	150	--	100					
Administration (Net)	235	6,292	145	213	--	54	1	125	--	100	238	6,513	150	239	--	70	1	150	--	100					
Total	3,428	94,153	620	37,693	18	851	61	4,485	235	11,162	3,438	96,307	650	3,950	18	900	66	4,650	232	11,382					
TRANSFERS - Current Funds	--	--	1,759	--	(1,609)	--	(1,030)	--	--	--	--	--	--	--	--	--	1,775	--	(1,635)	--	--				
To Endowment Funds	--	--	4,000	--	--	--	--	325	--	--	--	--	--	--	--	--	4,000	--	--	--	--	325	--		
To Plant Funds	--	--	550	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--		
FUND BALANCE - Beginning of Year	--	--	4,082	--	4,292	--	3,518	--	442	--	--	--	--	--	--	--	4,416	--	5,773	--	3,531	--	--		
CHANGE IN FUND BALANCE	--	--	334	--	1,581	--	13	(42)	--	--	--	--	--	--	--	--	1,25	--	1,625	--	25	--	--		
FUND BALANCE - End of Year	--	--	4,416	--	4,773	--	3,531	--	--	--	--	--	--	--	--	--	4,541	--	7,398	--	3,536	--	--		
△ Net of Investment Manager's Fees.	--	--	30	--	--	--	--	80	--	--	--	--	--	--	--	--	40	--	--	--	--	80	--		
*Includes unrestricted allocations and auxiliary activities.																									

Source and Application of Operating Funds (All Sources)
FY 1978 - FY 1979

(\$1,000's)

FY 1978 Budget						FY 1979 Estimated							
	Unrestricted			Restricted			Unrestricted			Restricted			Federal Grants and Contracts P/Y Expt.
	F/Y Exp.	General Appls.	Special Purpose Appls.	F/Y Exp.	General Appls.	Special Purpose Appls.	F/Y Exp.	General Appls.	Special Purpose Appls.	F/Y Exp.	General Appls.	Special Purpose Appls.	
SCIENCE													
FEDERAL FUNDS	\$ 7	\$ 288	\$ 39	\$ --	\$ --	\$ --	\$ 75	\$ 11	\$ 420	\$ 7	\$ 291	\$ --	\$ 425
Ass't Sec'ty, Science													
Museum of Natural History	498	12,419	3	76	--	131	1	245	36	1,015	498	12,883	3
Smithsonian Astrophysical Obs.	73	4,518	81	1,770	--	31	--	375	145	7,875	73	4,555	82
(SAO Overhead Recovery)	--	--	(1,750)	--	--	--	--	--	--	--	(1,550)	--	--
Tropical Research Institute	65	1,633	2	75	--	21	(7)1/1	25	1	10	67	1,749	3
Radiation Biology Laboratory	48	1,734	--	--	1	--	25	3	69	48	1,755	--	--
Office of Internat'l Programs	11	266	--	1	--	--	--	--	10	227	--	--	--
Chesapeake Bay Center	21	626	1	71	--	2	--	20	18	500	22	668	2
National Air & Space Museum	230	6,030	--	10	16	840	25	375	20	8	229	5,876	--
National Zoological Park	325	7,630	--	41	--	(18)1/1	--	30	3	62	324	7,767	--
Center for the Study of Man	15	854	--	5	--	--	--	50	1	56	15	867	--
Research Awards Program	--	110	--	--	--	--	--	--	--	--	390	--	--
Int'l Environ. Science Program	2	381	--	--	--	--	--	--	--	2	384	--	--
Fort Pierce	--	--	--	--	--	7	400	--	--	--	--	7	400
TOTAL SCIENCE	1,295	36,489	87	338	16	1,051	9	1,265	226	10,382	1,295	37,412	90
Less expenses of generating revenue	--	--	--	--	(704)1/1	--	--	--	--	--	--	(735)	--
TOTAL SCIENCE (Net)	1,295	36,489	87	338	16	347	9	1,265	226	10,382	1,295	37,412	90

^{1/1} Expenses covered all or in part from revenues of activity.

^{2/2} Includes unrestricted allocations and auxiliary activities.

Source and Application of Operating Funds (All Sources)

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FY 1978 Budget										FY 1979 Estimated										
	Unrestricted					Restricted					Special Purpose					Restricted				
	General*		Special Purpose		F/G Dep.	General*		Special Purpose		F/G Dep.	General*		Special Purpose		F/G Dep.	General*		Special Purpose		
Federal Funds	F/T Expd.	0	F/T Expd.	0	F/T Expd.	F/T Expd.	0	F/T Expd.	0	F/T Expd.	F/T Expd.	0	F/T Expd.	0	F/T Expd.	F/T Expd.	0	F/T Expd.	0	
HISTORY AND ART																				
Historical Sect'Y. History and Art	4	136	1	62	--	--	--	--	--	--	4	133	1	72	--	--	--	--	--	--
Joseph Henry Papers	4	112	--	--	--	3	--	5	1	70	5	144	--	--	1	--	5	1	16	
Museum History & Tech.	275	6,526	--	10	--	170	(20)	1	380	--	15	275	6,452	--	12	--	(25)	1	425	
Watat' Collection of Fine Arts	106	2,821	--	93	--	126	--	70	--	--	106	3,003	--	18	--	100	--	75	--	
Watat'1 Portrait Gallery	75	2,112	--	16	--	14	--	110	3	84	78	2,222	--	17	--	20	--	100	3	
Whittemore Museum	83	2,048	--	15	--	15	2	20	--	--	80	2,060	--	16	--	20	--	5	--	
Freer Gallery of Art	30	585	--	--	--	--	17	947	--	--	30	590	--	--	--	--	--	18,000	--	
Archives of American Art	17	476	--	--	--	10	270	--	--	--	17	480	--	--	--	--	10	285	--	
Cooper-Hewitt Museum	19	354	16	314	--	25	111,048	--	105	--	20	562	12	315	--	25	18	1,120	--	
Office of Academic Studies	5	509	--	18	--	--	--	10	--	--	5	551	--	19	--	--	10	--	--	
American & Folklife Studies	4	239	5	121	--	19	--	10	3	31	4	293	5	136	--	20	--	10	2	
TOTAL HISTORY AND ART	622	15,868	22	649	--	372	41	2,870	7	305	624	16,490	18	605	--	3,666	48	3,035	6	
Lesses expenses of generating revenue	--	--	--	--	--	--	(20)	--	--	--	--	--	--	--	--	(25)	--	--	--	
TOTAL HISTORY AND ART	622	15,868	22	649	--	352	41	2,870	7	305	624	16,490	18	605	--	341	48	3,035	6	

*Includes unrestricted allotments and auxiliary activities.

Source and Application of Operating Funds (All Sources)
FY 1978 - FY 1979
(\$1,000's)

FY 1978 Budget										FY 1979 Estimated										
	Unrestricted					Restricted					Federal Grants and Contracts					Federal Grants and Contracts				
	Federal Funds Exp.	\$	F/T Exp.	\$	F/T Exp.	Federal Funds Exp.	\$	F/T Exp.	\$	F/T Exp.	Federal Funds Exp.	\$	F/T Exp.	\$	F/T Exp.	\$	F/T Exp.	\$		
<u>PUBLIC SERVICE</u>																				
Ass't Sec'y, Public Service	8	205	6	225	1	--	--	--	--	7	192	6	(235)	1	--	--	--	--	--	
-- Ofc. of Telecommunications	2	39	5	(300)	1	--	--	--	--	2	40	5	(450)	1	--	--	--	--	--	
Anacostia Neighborhood Museum	19	618	1	21	--	18	8	75	--	19	626	1	23	--	10	8	75	--	--	
International Exchange Service	8	232	--	--	--	--	--	--	--	5	213	--	--	--	--	--	--	--	--	
Division of Performing Arts	9	367	12	(1,800)	1	--	--	65	2	192	9	393	12	(800)	1	--	--	65	1	
Smithsonian Institution Press	28	732	7	(527)	1	--	--	--	--	28	249	7	(575)	1	--	--	--	--	25	
Office of Symposia & Seminars	2	48	1	61	--	--	--	50	--	3	58	1	55	--	--	--	50	--	--	
Office of Elementary and Secondary Education	5	141	--	10	--	--	--	10	--	6	166	--	--	--	--	--	10	--	--	
TOTAL PUBLIC SERVICE	81	2,382	32	2,948	--	18	8	200	2	217	79	2,437	32	2,147	--	10	8	200	1	
Less expenses of generating revenue	--	--	--	2,647	--	--	--	--	--	--	--	--	--	--	--	2,060	--	--	--	
TOTAL PUBLIC SERVICE (Net)	81	2,382	32	101	--	18	8	200	2	217	79	2,437	32	87	--	10	8	200	1	

/1 Expenses covered all or in part from revenues of activity

*Includes unrestricted allotments and auxiliary activities.

Source and Application of Operating Funds (All Sources)
 FY 1978 - FY 1979

(\$1,000's)

	FY 1978 Budget						FY 1979 Estimated						
	Unrestricted			Restricted			Federal Grants			Unrestricted			
	Federal Funds F/T Exp.	\$ Appl.	\$ F/T Appl.	Federal Funds Special Purposa \$ Appl.	\$ F/T Appl.	\$ F/T Appl.	Federal Funds General \$ Appl.	\$ F/T Appl.	\$ F/T Appl.	General \$ Appl.	\$ F/T Appl.	\$ F/T Appl.	
MUSEUM PROGRAMS													
Asst. Sect'y & Museum Programs	6	217	--	6	--	53 (53) /1	5	--	6	218	--	7	
-- Office of Museum Programs	12	300	--	--	--	(18) /1	--	--	13	306	--	--	
-- Office of Horticulture	28	672	--	--	--	(13) /1	--	--	30	719	--	--	
-- South Building Group	46	694	--	--	--	16	--	--	42	658	--	--	
Office of the Registrar	4	102	--	--	--	--	--	--	4	105	--	--	
Conservation-Analytical Laboratory	23	658	--	--	--	--	--	--	23	669	--	--	
Smithsonian Inst. Libraries	96	2,260	8	148	--	--	--	--	94	2,372	9	165	
Office of Exhibits Central	48	1,144	--	--	9	--	--	--	45	1,111	--	--	
Traveling Exhibition Service	8	165	17	490 (490) /1	--	--	--	--	8	168	18	550 (550) /1	
Smithsonian Archives	13	289	--	22	--	--	--	--	13	296	--	--	
National Museum Act	3	794	--	--	--	--	--	--	3	795	--	--	
TOTAL MUSEUM PROGRAMS	287	7,295	25	666	--	109	--	5	--	281	7,417	27	747
Less expenses of generating revenue	--	--	--	490	--	(84)	--	--	--	--	550	--	(55)
TOTAL MUSEUM PROGRAMS (Net)	287	7,295	25	176	--	25	--	5	--	281	7,417	27	197
<i>1</i> Expenses covered in part from revenues of activity.													

*Includes unrestricted allotments and auxiliary activities.

Source and Application of Operating Funds (All Sources)
FY 1978 - FY 1979

(\$1,000's)

	FY 1978 Budget										FY 1979 Estimated									
	Unrestricted					Restricted					Unrestricted					Restricted				
	Federal Funds Dep.	\$	F/T Dep.	\$	F/T Dep.	Federal Grants and Contracts Dep.	\$	F/T Dep.	\$	Federal Funds Dep.	\$	F/T Dep.	\$	Federal Grants and Contracts Dep.	\$	F/T Dep.	\$	F/T Dep.	\$	Federal Grants and Contracts Dep.
OTHER ACTIVITIES																				
Associates -- National	--	--	12	(2,980)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
-- Magazine	--	--	65	(21,844)	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
-- Resident	--	--	32	(1,694)	--	2	1/1	--	--	35	--	--	--	34	(1,850)	--	(5)	1/1	--	12
-- Foreign Study Tours	--	--	4	(768)	--	--	--	--	--	--	--	--	--	--	4	(1,500)	--	--	--	--
Business Management -- Museum Shops	--	--	145	(5,594)	--	--	--	--	--	--	--	--	--	--	160	6,150	--	--	--	--
-- Mail Order	--	--	15	(2,781)	--	--	--	--	--	--	--	--	--	--	16	(2,850)	--	--	--	--
-- Belmont	--	--	6	(371)	--	--	--	--	--	--	--	--	--	--	6	(280)	--	--	--	--
-- Other Business Management	--	--	5	(286)	--	--	--	--	--	--	--	--	--	--	5	(335)	--	--	--	--
Popular Book Publishing	--	--	1,700	(1,700)	--	--	--	--	--	--	--	--	--	--	800	(800)	--	--	--	--
Allotment for Research, Collections Acquisition, and Public Outreach	--	--	2,000	--	--	--	--	--	--	--	--	--	--	--	2,100	--	--	--	--	--
TOTAL OTHER ACTIVITIES	--	--	292	40,018	--	2	--	--	35	--	--	316	44,665	--	5	--	--	--	12	--
Less expenses of generating revenue	--	--	--	(38,018)	--	(2)	--	--	--	--	--	--	--	--	(42,565)	--	(5)	--	--	--
TOTAL OTHER ACTIVITIES (Net)	--	--	292	2,000	--	--	--	--	35	--	--	316	2,100	--	--	--	--	--	12	--

1/1 Expenses covered all or in part from revenues of activity.

*Includes unrestricted allotments and auxiliary activities.

Source and Application of Operating Funds (All Sources)
 FY 1978 - FY 1979

(\$1,000's)

FY 1978 Budget										FY 1979 Estimated										
		Unrestricted				Restricted				General*				Special Purpose				Restricted		
		F/Y Bal.	\$	F/Y Expd.	\$	F/Y Bal.	\$	F/Y Expd.	\$	F/Y Bal.	\$	F/Y Expd.	\$	F/Y Bal.	\$	F/Y Expd.	\$	F/Y Bal.	\$	
SUPPORT ACTIVITIES																				
-- Printing & Photographic Services	39	976	14	(353)	1	--	2	20	--	--	39	954	14	(395)	1	--	--	--	--	
-- Protection Services	547	8,727	--	--	45	--	--	--	--	550	8,974	--	--	20	--	--	--	--	--	
-- Office of Plant Services	322	16,124	3	234	2	(42)	1	--	--	322	16,110	3	250	2	(50)	1	--	--	--	
Less expenses of generating revenue	--	--	--	(353)	--	(42)	--	--	--	--	--	(395)	--	(50)	--	--	--	--	--	
SUPPORT ACTIVITIES (Net)	908	25,827	17	292	2	55	2	20	--	911	26,038	17	315	2	30	--	--	--	--	
ADMINISTRATION	235	6,292	145	3,971	--	84	(30)	1	125	--	100	238	6,513	150	4,439	--	(30)	1	150	
→ Overhead Recovery	--	--	--	(3,758)	--	--	--	--	--	--	--	--	(4,200)	--	--	--	--	--	--	
ADMINISTRATION (Net)	235	6,292	145	213	--	54	1	125	--	100	238	6,513	150	239	--	70	1	150	--	
TRANSFERS (IN) / OUT	--	--	--	6,309	--	(1,609)	--	175	--	--	--	--	5,875	--	(1,625)	--	175	--	--	
GRAND TOTAL APPLIED	3,428	94,153	620	10,078	18	(658)	61	4,660	235	11,162	3,428	96,307	650	9,825	18	(725)	664	825	232	11,400
FUND BALANCE → Beginning of Year	--	--	--	4,082	--	4,292	--	3,518	--	42	--	--	4,416	--	5,773	--	5,532	--	--	
Change in Fund Balance	--	--	--	354	--	1,581	--	13	--	(42)	--	--	125	--	1,625	--	25	--	--	
FUND BALANCE → End of Year	--	--	--	4,416	--	5,773	--	3,531	--	--	--	--	4,541	--	7,398	--	3,556	--	--	

^{1/} Expenses covered all or in part from revenues of activity.

*Includes unrestricted allotments and auxiliary activities.

Mr. BLITZER. Mr. Chairman, the same error I think occurs with the National Portrait Gallery on the same table. I think it was a matter of mechanically moving the figures over without thinking.

ACQUISITION FUNDS FOR ART MUSEUMS

Mr. YATES. How much money are you requesting for acquisitions for your Gallery?

Mr. BLITZER. We are requesting only one increase, for the Hirshhorn Museum, and that is offset by decreases elsewhere in the budget.

Mr. YATES. How much will that be?

Mr. BLITZER. We are asking for an increase of \$25,000.

Mr. YATES. To what total?

Mr. BLITZER. \$218,000.

Mr. YATES. How much will your National Collection of Fine Arts receive?

Mr. BLITZER. The National Collection of Fine Arts will receive the same amount that it now receives which is \$200,000.

Mr. YATES. Are there acquisitions for any of the other galleries?

Mr. BLITZER. Yes, sir. The Portrait Gallery now receives \$300,000. The Museum of History and Technology in the current year receives \$100,000. We are proposing a total of \$80,000 in the future for that.

Mr. YATES. Are these adequate?

Mr. BLITZER. It is very difficult to say what adequate is, Mr. Chairman.

Mr. YATES. What did you buy last year with the money?

ADEQUACY OF ACQUISITION FUNDS

Mr. BLITZER. All right. The answer is really no, I don't consider the funds for acquisitions adequate.

Mr. YATES. Tell us why.

Mr. BLITZER. The simplest answer overall I guess would be inflation. I don't need to tell you inflation in the art market is now almost beyond belief.

Mr. YATES. What do you acquire in the art market now? What did Hirshhorn acquire? Can you give us an example?

Mr. BLITZER. These are Federal purchases. Perhaps I can single out some of them: a David Hockney drawing, a William Morris Hunt painting, two David Smith paintings.

Mr. YATES. How much did they cost?

Mr. BLITZER. One David Smith was \$6,500 and the other was \$2,500.

Mr. YATES. They must have been very small paintings.

Mr. BLITZER. Probably.

Mr. YATES. Does Hirshhorn use its own funds for this, too? Does Mr. Hirshhorn still provide additions to the museum?

Mr. BLITZER. Mr. Hirshhorn continues to give objects, but, so far as I recall, not purchase funds to the museum. Some of the other trustees have given quite important works.

Mr. YATES. Put into the record the list of acquisitions for the museum acquired through Federal acquisition funds over the last three years and the cost of objects of art. Would you do that for all the museums, including the Portrait Gallery and the National Collection of Fine Arts?

Mr. BLITZER. Surely.

[The information follows:]

FY 1975 FEDERAL ACQUISITIONS

Hirshhorn Museum and Sculpture Garden \$66,000

<u>Artist</u>	<u>Work</u>
Daumier, H.	"The Timid Man"
Davis, S.	"Lucky Strike"
Oldenburg, C.	"Geometric Mouse Scale A"

National Collection of Fine Arts \$73,575

<u>Artist</u>	<u>Title</u>	<u>Medium</u>
Arms, J. T.	"West 42nd Street at Night"	Aquatint
Bacon, P.	"The Elevated"	Dry point
Bołotowsky, I.	Untitled	Dry point
Bouche, L.	"Bathing Beauty"	Woodcut
Bickey, W. J.	Untitled	Oil on Canvas
Brown, R.	"World's Tallest Disaster"	Lithograph
Canade, V.	"Roof Tops"	Dry point
Chamberlain, S.	"Soaring Steel"	Intaglio
Colescott, W.	"Seward Buys Alaska"	
Cottingham	Untitled	Etching
Cusack, G.	"Father"	Color Woodcut
Drewes, W.	Untitled	Lithograph (2)
Dwight, M.	Untitled	Lithograph
	"Coney Island Beach"	Lithograph
Earl, R.	"Alligators, N.Y. Aquarium"	Two Portraits
Field, R.	Unknown	Miniature
Flannagan, J.	Untitled	Woodcut
Gould, W.	"Horses", "Dog and Cat",	Woodcuts
Guston, P.	"Goat", "Cottage"	
Higgins, E.	"Portrait of J. B. Carmac"	Etching
Himmelfarb, J.	"Painting No. 6"	Lithograph
Hirsch, S.	"The Far West"	
Katz, A.	Untitled	Lithograph
Kopman	"Searchlight", "Three Women",	
Landeck, A.	"Figure"	Aquatint
	"The Swimmer"	Lithograph
Laurent, R.	"Benefactress"	Dry Point
Longo, V.	"Studio Interior"	Dry Point
Lozowick, L.	"Pop's Tavern"	Lithographs
Matulka, J.	"Mimi", Two Boys", "Polynesian"	Screen point
Meader, J.	Untitled	Lithograph
Meyerowitz, W.	"Crane"	Lithograph
Mielatz, C.	"Avignon"	Serigraph
	Untitled	Etching (2)
	Untitled	Etching

National Collection of Fine Arts (Cont'd)

<u>Artist</u>	<u>Title</u>	<u>Medium</u>
Mielatz, C. (Cont'd)	"Clinton Hall" "Highbridge" "Rural Winter Scene"	Lithograph Lithograph Etching
Penfield, E.	Untitled	Drawing
Platt, C. A.	"The Fishhouse Interior"	Etching
Rauschenberg, R.	"Tanya"	Lithograph
Schlomann, M.	"Speak Easy", "Movie, N.Y."	Woodcut
Suba, M.	"Atlantic Avenue"	
Taylor, P.	Untitled	Lithograph (2)
Zorach, M.	"Zoltan Hecht"	Watercolor

National Portrait Gallery \$235,712

<u>Artist</u>	<u>Subject</u>	<u>Medium</u>
Alston	Martin L. King	Bronze
Bacon	Bill Robinson	Drawing
	Henry McBride	Drawing
	Childe Hassam	Drawing
	Heywood C. Brown	Drawing
	John N. Garner	Drawing
	H. W. Caraway	Drawing
	George W. Norris	Drawing
	Jules Pasin	Drawing
Balling	John Brown	Oil
Bellows	Billy Sunday	Print
Bouche	Igor Stravinsky	Oil
Buba	H. L. Stimson	Cast Stone
Clifford	Dwight L. Moody	Watercolor
Farnham	Theodore Roosevelt	Bronze
French	Ralph W. Emerson	Bronze
Hammond	Frederick Douglass	Oil
Hanbury	Robert Oppenheimer	Bronze
Hubard	John Marshall	Oil
Jennys	Jonathan Mayhew	Mezzotint
Johnson	J. Q. Adams	Drawing
Jones	Abraham Lincoln	Plaster
Lamb	Richard H. Lee (copy)	Oil
Lamb	F. A. Muhlenberg (copy)	Oil
Leney & Tanner	John Carroll	Print
Melik	Maxwell Anderson	Drawing
	Sherwood Anderson	Drawing
	S. V. Benet	Drawing
	Pearl Buck	Drawing
	Zane Grey	Drawing
	Edna St. Vincent Millay	Drawing
	Marianne Moore	Drawing

National Portrait Gallery (Cont'd)

<u>Artist</u>	<u>Subject</u>	<u>Medium</u>
Melik (Cont'd)	Cole Porter	Drawing
	Booth Tarkington	Drawing
	Thomas Wolfe	Drawing
Millet	Sidney Dillon	Oil
Moranoe	Abraham Lincoln	Drawing
Nast	T. B. Reed	Drawing
Partridge	J. G. Whittier	Plaster
Ruotolo	Theodore Dreiser	Terra Cotta
Sarka	G. . Hart	Watercolor
Savage	Congress Voting Independence	Print
Simon	Saga Yearn Qua Prab ton	Mezzotint
Stapko	Wm. J. Donovan	Oil
Stuart/Trumbull	John Jay	Oil
Trumbull	Winthrop Sargent	Drawing
Werner	W. H. Auden	Bronze
Woolf	Wendell Wilkie	Drawing
Zorn	J. M. Hay	Print
	Bertha H. Palmer	Print
Unidentified	James Fiske	Print

National Museum of History and Technology \$75,942

1. Five documents (1790-1793) relating to a raw silk bounty scheme.
2. "Vernier" surveyor's compass by Stancliffe of Philadelphia (1783-1834).
3. Barber pole, ca. 1890-1900, from Binghamton, N.Y.
4. Flute by A. G. Badger, New York, 19th century.
5. Pair of U.S. Army trousers made in 1884.
6. Demijohn in original pine case, marked "San Francisco Glassworks, 1877".
7. Quilt made up of 18th century plate printed fabric (fabric printed in 1785).
8. Muslin copy of gown of Jane Findley, set of paper patterns and instruction booklet.
9. Muslin copy of gown of Julia Tyler, set of paper patterns and instruction booklet.
10. Broadside circulated by the Freedman's Bureau of Macon, Ga., ca. 1865.
11. Silver knife, fork, and spoon set for Doughboy, World War I, boxed with lithographed cover.
12. Chromolithograph published by L. Prang, Boston, (after seascape by E. Moran).
13. Chromolithograph by F. Gleason, Boston, 1875.
14. Oil cloth table cover with eagle, made for the Centennial Celebration of Independence, July 4, 1876.
15. 62 photolithographs and plates from the book, Villas on the Hudson, dated 1860.
16. General store ledger from the Volcano diggings, 1852.

National Museum of History and Technology (Cont'd)

17. Auction catalogue from Newhall of Sacramento, 1875.
18. Redwood puzzle toy furniture set, ca. 1900.
19. Chinese fan of a San Francisco prostitute with signatures of customers, ca. 1810.
20. Electron microscope apparatus, German, ca. 1931-1932.
21. Redware baking mold, ca. 1850-1900, from Pennsylvania.
22. Alto valved trombone, made by Zogbisich, New York, ca. 1880.
23. English boxwood clarinets, early 19th century (2).
24. Buffalo china plate made for Southern Railroad, dated 1925.
25. Large pump oiler, marked Erie Railroad.
26. Adlake Railroad padlock and key, dated 1912.
27. Metal cap badge, "M.C.R.R. Conductor".
28. Very old leather conductor's ticket and cash case with brass key and lock.
29. Fourteen reproductions of Civil War insignia.
30. Two pairs U.S. military ski boots from World War II.
31. Painted card table from Baltimore, ca. 1825, and matching side chair.
32. Embroidered seamen's summer uniform, early 19th century.
33. Installation and restoration of two antique streetcars from Georgetown.
34. Broadside by presumed bridge builder, 1810, describing a tubular iron bridge system.
35. 18th century account book of Jacob Kendall, merchant and manufacturer of Massachusetts.
36. Large stoneware pitcher marked "Salamander Works, N.Y.", ca. 1850.
37. Pair of New England Glass Co. mirror glass tie backs, ca. 1850.
38. Parian Ware syrup jug from Cincinnati, ca. 1880.
39. Limoges porcelain pitcher, mid-19th century, decorated with views of two New York hotels.
40. Silverplated centerpiece "Barge of Venice", similar to one exhibited at the Centennial Exhibition of 1876.
41. Chinese export plate, ca. 1760
42. Handmade pine checkerboard and 31 checkers, late 19th century to early 20th century.
43. American artillerymen gunner's calipers, ca. 1840.
44. Patent model for the "Bartlett Let-Off" mechanism of a loom patented by D. W. Snell and S. S. Bartlett, 1857.
45. Derby porcelain covered bowl, ca. 1755.
46. Needlework stand, late 18th-early 19th century.
47. Whiskey Rebellion letter, 1794.
48. Horace Greeley cast iron match holder.
49. Four women's rights newspapers.
50. Four early mathematical instruments: astrolabe, ca. 1829; mechanical equatorial dial; 2 universal ring dials.
51. Ethnic side chair, used by slaves.
52. Assorted fabric pieces and articles of clothing: kerchief, silk apron, silk stockings, knitted nightcap; 18th century.
53. Assorted fabric pieces, 19th century.

National Museum of History and Technology (Cont'd)

54. Nottingham stoneware pitcher, incised "GR III", ca. 1761.
55. Trainmen related items: Illinois Central brakemen's club, Canadian National red cap, American Railway supply catalog.
56. Crimping iron, 1750-1850.
57. Courtois horn in wooden box, 18th century.
58. Hook and Hastings pipe organ, 1872.
59. White quilted linen petticoat with crewel work, English.
60. Quilted deep pink calimanco petticoat, American, 18th century.
61. Pair of white knitted cotton gloves with initials and date 1846 in colored beads.
62. Infant's quilted cap, ca. 1700.
63. Civil War surgical instrument case made in Philadelphia, with name of surgeon and date 1864 on name plate.
64. Knitted wall hanging, contemporary.
65. Chambers repeating musket, ca. 1813.
66. Lithographs and broadsides: Currier & Ives, Wilcox, Gibbs & Carryl & Co., posters relating to armed forces history.
67. Gourd fiddle and bow (used by black culture).
68. Transitional Queen Anne-Chippendale style side chair, mahogany; New York.
69. Chippendale style side chair, mahogany; New York; from the Livingston family.
70. Clothing articles from late 18th and early 19th century (woman's sleeve ruffles, stomacher, man's shirt dickey).
71. English salt-glazed, white stoneware plate printed in purple with Anti-Gallican Society arms, ca. 1760.
72. English red stoneware footed bowl with applied decoration, ca. 1760.
73. Tucker porcelain coffee pot and related materials (Philadelphia, ca. 1826-1836).
74. Porcelain bowl from the service of Cincinnati china owned by George Washington (total cost \$40,000; \$15,000 Federal funds, \$25,000 private funds).
75. Scientific instruments: level, telescope, colorimeter, scales, compasses, hydrometer, ruler, thermometer.

FY 1976 AND TRANSITION QUARTER

Hirshhorn Museum and Sculpture Garden \$134,770

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Bluemner, O.	"Red Farm at Pochuck"	Charcoal	\$ 2,100
Bush, J.	"Arabesque"	Acrylic	5,850
Caro, A.	"Monsoon Drift"	Steel	41,400
Clarke, J. C.	"Plywood with Roller Marks #5"	Acrylic	3,500
Cottingham, R.	"Flagg Bros."	Acrylic	14,000
d'Angers, D.	"17 Portrait Medallions"	Bronze	9,500
Frank, M.	"MF 301"	Brush & Ink	275
Han, H.	"Soho--West Broadway"	Acrylic	4,000
Lozowick, L.	"Machine Ornament"	Brush & Ink	1,530
Matulka, J.	"Portrait of Rifka Angel"	Oil	1,250
Murphy, G.	"View of World Trade Center from Rose Garden"	Oil	4,950
Natkin, R.	"Untitled, Bath Series C"	Acrylic	1,200
Neel, A.	"Sari Dienes"	Oil	8,500
Olitski, J.	"Greek Princess 8"	Acrylic	15,000
Plagens, P.	"Conspiracies are Synchronizations of Existing Forces"	Mixed Media	675
Sander, L.	"Genesee VII"	Oil	6,750
Sarkisian, P.	Untitled	Mixed Media	2,340
Stella, F.	"Jablono"	Collage	5,000
Storrs, J.	"Abstract Study"	Pencil	750
Storrs, J.	"Study for a Tower"	Pen & Ink	1,250
Thomas, A.	"Oriental Garden Concert"	Acrylic	2,500
Truitt, A.	"13 October 1973"	Acrylic & Pencil	350
Yeats, J. B.	"John Quinn"	Pencil	600
Zuniga, F.	"Squatting Tehuantepec Woman"	Pastel	750
Zuniga, F.	"Yucatan Woman in a Chair"	Pastel	750

National Collection of Fine Arts \$127,676

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Albee	"Entangled Tractor"	Wood engraving	\$ 65
Audubon, W.	"Townsend's Ground Squirrel"	Lithograph	200
Audubon, W.	"Canada Otter--Male"	Lithograph	200
Bacon, P.	"Louise Hellstrom"	Pastel	1,500
Barker, A.	"Hooping the Wheel"	Lithograph	75
Bensell, G.	"Hagar & Ishmael"	Oil	-
Chase, W. M.	"The Jester"	Etching	65
Cheffetz, A.	"Summer Day Landscape"	Wood engraving	60
Christenberry, W.	Untitled	Mixed	500
Cole, J.F.	"The Shepherd and His Flock"	Etching	40

National Collection of Fine Arts (Cont'd)

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Cook, H.	"New York Harbor"	Aquatint	\$ 125
Cornell, J.	Untitled	Screen print	650
Cottingham, R.	"Ice"	Etching	325
Davies, A.	"Evening"	Woodcut	225
Diebenkorn, R.	"Still Life"	Etching & dry point	315*
Dine, J.	"Five Paintbrushes"	Etching	945*
Dodge, J. W.	"Portrait of Isaac F. Tyson"	Miniature	50
Doughty, J.	"Landscape"	Oil on canvas	15,000
Drewes, W.	"Interlocked Forms"	Color woodcut	95
	"Central Density"	Oil on canvas	1,500
Duval, A.	"Miniature"	Miniature	600
Earl, R.	"Portrait of Mary W. Alsop"	Oil	70,500
	"Portrait of Hannah G. Wright"	Oil	**
Geerlings, G.	"Jewelled City"	Etching & aquatint	300
Goode, J.	"Postcard"	Lithograph	158*
Gross-Bettelheim	"Bridge"	Lithograph	100
Hornby, L.	"Park Row from Michigan Blvd"	Etching	75
	"Rush Street Bridge"	Etching	75
Horstmeir, A.	"Ella Horstmeir"	Charcoal	200
Jefferson, J.	Untitled	Color monotype	400
Johns, J.	"Ale Cans"	Etching & aquatint	1,210
Kent, R.	"Mala"	Lithograph	225
Laurent, R.	"Madame De"	Drawing	112
Leithauser, M.	"The Migration"	Etching	150
Lozowick, L.	"Barge Canal, Harlem"	Woodcut	200
	"Gas"	Drawing	1,200
Matulka, J.	"Woman with Guitar"	Etching & aquatint	150
Miller, W. R.	"Landscape"	Watercolor	585
Myers, J.	"Old House on 29th St. East of 3rd Ave., N.Y."	Etching	200
Nason, T.	"Country Hill"	Wood engraving	70
	"Haystacks"	Wood engraving	80
Oldenberg, C.	"Pile of Erasers"	Lithograph	550
Page, W.	"Shakespeare Reading"	Oil on canvas	900
Palmer, E. D.	"June"	Marble	6,500
Pearlstein, P.	"Girl on Orange and Black Mexican Rug"	Lithograph	950*
Penney, J.	"Girders and Lights"	Lithograph	50
Rauschenberg, R.	"Treaty"	Lithograph	2,500
Reed, E.	"Folly of Saintliness"	Lithograph poster	120
Revere, P.	"The Bloody Massacre"	Color woodcut	100
Ryan, A.	"Figures in a Yellow Room", "Obelisque", "Primavera"	Color woodcut	60
		Color woodcut	100

National Collection of Fine Arts (Cont'd)

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Sanger, I.	"The Village"	Lithograph	\$ 125
Schmidt, K.	"Man Reading Paper"	Ink drawing	250
Schraz, K.	"Sunflowers at Sundown"	Etching	225
Schussele, C.	"Evangeline"	Oil	4,000
Shapiro, D.	"The Mourners"	Woodcut	150
Sloan, J.	"Bathers"	Monotype	1,620
Sonntag, W.	"Mountain Landscape"	Oil	4,500
Staigg, R.	"Two Watercolor Portraits"	Watercolor	800
Stella, J.	Untitled	Dry point	500
Storrs, J.	"Blacks and Grays"	Lithograph	375
Tamayo, R.	"Man and Woman"	Woodcut	200
Twachtman, J.	"Road Near Honfleur"	Etching & dry point	400
Weber, I.	"Vampirella--E. 2nd St."	Watercolor	1,100
Wegenroth, S.	"Summer Dusk"	Lithograph	125
	"Aphelion"	Lithograph	110
Wickey, H.	"Wrestlers #1"	Etching	200
Wiley, W.	"Ecru"	Lithograph	400
Wolfson, W.	"Young Bathers"	Lithograph	75
	"14th Street"	Lithograph	206
Verstille, W.	"Robert Lillibridge"	Miniature	600
Yunkers, A.	"Ostia Antica IV"	Woodcut	250
	"Veronica I"	Woodcut	250
Various Artists	Portfolio of Famous Paintings	Etching	200
Unknown Artist	"Portrait of Man"	Miniature	400
	"Portrait of Woman"	Miniature	400

* Partial purchase and partial donation.

** Both * and 2nd of 3 annual payments.

National Portrait Gallery

\$325,810

<u>Artist</u>	<u>Subject</u>	<u>Medium</u>	<u>Price</u>
Behnes, W.	Benjamin West	Sculpture	\$ 3,000
Bellows, G.	John L. Sullivan	Graphic	1,600
Brown, J. H.	Abraham Lincoln	Watercolor	35,000
Coles, J.	John Hancock	Graphic	2,200
Cranch, J.	Joshua Giddings	Oil	2,200
Darley, F.	George B. McClellan	Drawing	650
Davidson, J.	Lincoln Steffens	Sculpture	5,000
Doney, T.	U.S. Senate Chamber	Graphic	450
Dunbar, U.	Helen Keller	Life mask	*
Epstein, J.	Paul Robeson	Sculpture	4,400
By artist known as B.B.E., after	Volume of 12 portrait engravings of figures of Revolutionary War period		-
Dusimitiere		Graphic	650

National Portrait Gallery (Cont'd)

<u>Artist</u>	<u>Subject</u>	<u>Medium</u>	<u>Price</u>
Graham, G.	Samuel Adams	Graphic	\$ 150
Att. to			
Graham, G.	Isaac Hull	Graphic	600
Greenwood, J.	George Whitefield	Graphic	75
Att. to			
Gullager, C.	George Washington	Sculpture	10,000
Hicks, T.	Samuel Tilden	Oil	1,000
	Bayard Taylor	Oil	20,000
After J. W.			
Jarvis	Gilbert Stuart	Sculpture	1,700
Keith, D.	Harriet Beecher Stowe	Pastel	300
Kellogg, E. B.	Thomas Hart Benton	Graphic	45
	Martin Van Buren	Graphic	45
Kent, R.	Jo Davidson	Drawing	500
Melik, S.	Nicholas M. Butler	Graphic	750
Morgan	Rutherford B. Hayes	Medal	75
Newsom, A.	Andrew Jackson	Graphic	250
Pacquet, F.	Andrew Johnson	Medal	100
Pelham, P.	William Shirley	Graphic	1,500
Prevost, B. L.	7 Revolutionary after War Period		
DuSimitiere	Figures	Graphic	245
Prevost, B. L.	Benedict Arnold	Graphic	20
	Samuel Huntington	Graphic	20
	Silas Deane	Graphic	20
Reading, B.	Silas Deane	Graphic	25
	William Drayton	Graphic	25
Ruotolo, O.	Anne Sullivan Macy	Life mask	*
Scott, E.	Amelia Earhart	Oil	1,500
Sharp, W.	Samuel Seabury	Graphic	30
Sharples, J.	George Washington	Pastel	45,000
After Horatio			
Stone	Roger Taney	Sculpture	1,700
Strickland, W.	Isaac Hull	Graphic	85
Stuart, G.	John Jay	Oil	75,000**
After Gilbert			
Stuart	Bishop John Cheverus	Oil	5,000
Troop, M.	Alexander Calder	Drawing	600
Trumbull, J.	John Adams	Oil	89,300***
Warner, O.	Julian Alden Weir	Sculpture	1,500
Unknown artist	Daniel Shays	Graphic	1,500
Unknown artist	James Wilkinson	Oil	4,000
Unknown artist	William Fargo	Oil }	
Unknown artist	Mrs. William Fargo	Oil }	4,500

* "Keller" and "Sullivan" life masks purchased jointly for \$3,500.

** Purchased in two equal installments, first of which was paid in FY 1975.

*** To be purchased in four installments, two of which have been paid.

National Museum of History and Technology	\$67,534.80
<u>Item</u>	<u>Cost</u>
Hunzinger chair	\$ 525.00
6 wooden medals - 1876 Centennial Exhibition	150.00
Coverlet dated 1817	125.00
Papier mache model of eye	245.00
Walking plow	1.00
18th Century obstetrics kit	2,000.00
Wooden mine car, circa 1917	500.00
Minstrel show program printed on silk, 1868	125.00
Campaign memorabilia	1,103.00
S & W rifle, .270 Winchester	NC
Thompson pistol	NC
L. A. Cattleman buntline special	NC
Smith & Wesson revolver	NC
F. I. E. Derringer	NC
Norwegian pistol	NC
Martha Washington jewelry items	2,875.00
"Love feast" table, made in 1862	650.00
19th Century applique counterpane	500.00
Tucker porcelain pitcher, Philadelphia 1828	2,000.00
Atomic beam apparatus	NC
Engraved copper plate, 1860s	150.00
Paris-Dunn wind generator, circa 1940	411.00
Five-piece wash service, circa 1900	100.00
19th Century medical instruments	2,611.50
Porcelain pitcher marked "Greenwood China Co.", dated 1892	325.00
Rockingham-type pitcher, c. 1875	375.00
Redware pitcher by Soloman Bell, c. 1850-1875	275.00
Parian figure of reclining dog, c. 1850-1875	295.00
Terra cotta architectural tile, Atlanta, Ga., c. 1871-1880	350.00
Empire style work table, 1855	150.00
Silver goblet dated 1876	150.00
Asa Hopkins tall clock	1,000.00
Agricultural items	522.00
19th Century silver totuma (cup with handle)	90.00
33-piece English bone china dessert service, c. 1830-1840	5,000.00
Holmes and Roberts chair	375.00
Lawn mower	50.00
Army and Marine Corps uniforms (World War I & II)	860.00
Bloodletting instruments	5,100.00
Enlisted Dragoon saddle holsters, c. 1840-1850	100.00

<u>Item</u>	<u>Cost</u>
Pitcher manufactured by W. Boch & Bros., c. 1850	850.00
World War I service coats	352.00
Colt Government model	NC
Candlewick spread dated 1811	400.00
Crewel work bed spread, late 18th century-19th century	700.00
Folk sculpture, 1959	550.00
Campaign memorabilia	1,021.80
16-star flag and pennant	260.00
Railroad trainmen shaving mug and watch chain	225.00
Peter Hill clock, c. 1812	10,050.00
Flax hatchet with cover, dated 1773	67.50
Medical-electrical machine, nipple shield, eye massager	495.00
19th Century red felt table cover	95.00
Earthenware pitcher, Trenton, N.J., c. 1850	1,175.00
Aluminum fan made for Paris Exposition of 1867	1,000.00
Card table from Shepherdstown, Va., c. 1825	1,100.00
19th Century textile materials	300.00
Temperance materials	690.00
Yellow silk quilted petticoat, 18th century	875.00
Campani night clock, Rome, C. 1685	1,581.00
Langstroth bee hive	NC
2 wrought iron cannon, 16th century	1,500.00
Collection of cartridges dating from 1860s to present	1,000.00
Hot glass sculpture by Dominick Labino	500.00
Russian made ear trumpet	750.00
Edward Riley clarinet, New York, c. 1825	500.00
Wooden immigrant's chest, made in Finland, c. 1800-1840	175.00
Ceramic jug signed by Colin Rhodes	350.00
Two silencers	NC
"Beleek" porcelain mirror, c. 1884	1,800.00
Crewel embroidered counterpane and valance, 18th century	10,000.00
Broadside and 2 tintypes, late 19th - early 20th century	39.00
Browning semi-automatic shotgun	NC
M14 automatic rifle	NC
Sturm Ruger rifle	NC
Bismar (scientific instrument)	45.00

Bicentennial Funds	\$89,839
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1876 Exhibit

Weber upright piano, New York, 1876	\$ 2,500
American six-light gasolier, with original cut glass shades, c. 1870-1880	\$ 3,750
Large crystal chandelier, 19th century	\$ 1,400
Gas lighting fixtures (pair), American 19th century	\$ 600
Gas chandelier, American 19th century	\$ 175
Sofa, original Turkish style tapestry upholstery, 19th century	\$ 300
Pair of brass chandeliers with bobashes and candles	\$ 350
Brass chandelier with glass parts, 19th century	\$ 175
Large walnut bookcase with removable glass doors, from the Centennial Exhibition of 1876	\$ 2,500

A Nation of Nations Exhibit

Ethnic kosher sign	\$ 350
Hand-illuminated manuscript (fraktur) from Ohio, dated 1817	\$ 500
Neon sign "Cocktails"	\$ 275
Neon sign from Vietnam Restaurant	\$ 150
Ships bridge-engine room twin screw telegraph	\$ 1,085
Neon sign "Finest Foods Anywhere!"	\$ 400
Amateur radio station	\$ 329
Amelung glass tumblers, c. 1786 (3), engraved with "WAG"	\$75,000

FY 1977 FEDERAL ACQUISITIONS

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Hirshhorn Museum and Sculpture Garden		\$142,765	
Cheng, C..H.	"Light Bulb Tryptich"	Mixed Media on paper	\$ 800
Davis, R.	"Bent Beam" "Forty Five"	Print Painting	365 7,000*
DuChamp- Villon, R.	"Gallic Clock"	Sculpture	15,300
Eakins, T.	"The Gross Clinic"	Print	500
Estes, R.	"Diner"	Painting	43,000
Etex, A.	"Portrait of Dr. Leon-Louis Rustan"	Sculpture	17,500
Fournier, P.	"Florida Mirror #11"	Painting	1,900
Frank, M.	Untitled (Woman & Stork)	Sculpture	720
Hockney, D.	"Portrait of Henry Geldzahler"	Drawing	6,300
Hunt, W. M.	"Portrait of Lady With Fan"	Painting	15,000
Raffael, J.	"Zwanck Night"	Painting	2,880
Rodin, A.	"Docteur Thiriar"	Sculpture	5,500
Saari, P.	Untitled	Painting	4,600
Smith, D.	Untitled	Painting	6,500
Smith, D.	Untitled	Painting	2,500
Todd, M.	Untitled	Sculpture	800
Torres, H.	"Seated Figure on Blue Cloth"	Painting	9,900

* Half purchase, half gift.

National Collection of Fine Arts			\$76,890
<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Ault, G. C.	"Came's House"	Lithograph	\$ 292
Baron, H.	Untitled	Collage	270
Bishop, I.	"Snack Bar"	Etching	157
	"Conversation"	Etching	157
Bridgman, F. A.	"Study of a Young Girl, Pont-Aven"	Oil on canvas	3,200
Buller, C.	"Suzanna and the Elders"	Linoleum cut	35
Burroughs, B.	"The Archers"	Oil on canvas	500
Chodkowski, H.	"Wheels on Wheel"	Silkscreen	125
Cook, H.	"The New Yorker"	Wood engraving	247
Cottingham, R.	"F. W."	Aquatint	360
Crite, A. R.	"Sunlight and Shadow"	Oil on canvas	1,000
Dallmann, Daniel	"Bath"	Color lithograph	112
Dohanos, S.	"Man of the Soil"	Lithograph	75
Drewes, W.	"Central Density"	Etching	120
Dine, J.	"A Robe Colored with 13 Kinds of Oil Paint"	Etching with soft- ground printed in 14 colors	1,356
Elder, J.	"Prison Scene"	Oil on canvas	7,500
Frueh, A.	"Marie Dressler"	Color linocut	112
Gag, W.	"The Forge"	Lithograph	225
Gay, W.	"Novembre, Etaples"	Oil on canvas	12,000
Gullagher, C.	"Mathilda Davis Williams"	Oil on canvas	10,500
	"Jeremiah Williams"	Oil on canvas	10,500
Hamilton, J.	"Burning Oil Well at Night Near Titusville, Pa."	Oil on canvas	500
Haskell, E.	"Young Women"	Lithograph	72
	"The New York Sunday Journal"	Color lithograph	100
Hotchkiss, T.	"Torre di Schiavi"	Oil on canvas	7,000
Hubbard, C.	"Sea View of Cape Poge Lighthouse"	Oil on panel	1,250
Hurd	"The Exploits of Brigadier Gerard"	Color lithograph	80
Lawson, A. (after A. Wilson)	"Louisiana Tanager, Clark's Crow, Lewis' Woodpecker"	Hand-colored engraving	85
	"Tyrant Flycatcher, Great Crested F., Pe-We F., Wood Pe-We F."	Hand-colored engraving	125
McCombs, B. C.	"Five After Four"	Etching	150
McIntyre, N.	"Barber Chairs"	Serigraph	95
Mielatz, C.F.W.	"The Butcher's Shop 'Tysons 5th Av Cor 44 St.'"	Color etching	125
Moon, J.	"Novice Birdwatcher"	Etching	40
	"April 76"	Etching and roulette	35
Mortensen, G.	"Lagoon and Highlands" and progressive proofs (21 works)	Woodcuts	100

National Collection of Fine Arts (Cont'd)

<u>Artist</u>	<u>Title</u>	<u>Medium</u>	<u>Price</u>
Murphy, C.	"Still Life with View of Hoboken and Manhattan"	Lithograph	\$ 179
Nordfeldt, B.J.O.	"Piano (Lady at the Piano)"	Color woodcut	250
	"Monday Morning"	Color woodcut	500
	"Figures Among Trees"	Color woodcut	250
Peak, E. J.	Untitled	Etching	125
Rivers, L.	(Study for Jewish Museum poster)	Drawing	3,000
Rogers, R.	"Truant"	Marble	7,500
Sloan, J. P.	"Farberware Coffeepot No. VI"	Colored pencil drawing	375
Tooker, G.	Untitled	Inkless intaglio	405
Twachtman, J.H.	"The Damnation of Theron Ware"	Color lithograph	750
	"Landscape Near Cincinnati"	Etching	355
	"Woman on the Quay, Honfleur"	Etching	305
Vedder, E.	"Volterra"	Oil on canvas	3,500
Wiley, W. T.	"Mr. Unatural"	Color lithograph	450
Wurtzel, D.	"Thomas Mann"	Engraving	150
	"James Joyce"	Engraving	
	"Alberto Giacometti"	Engraving	
Zorach, M.	"Sigmund Freud"	Engraving	
	"Cat and Flowers"	Lithograph	202

National Portrait Gallery

\$244,112.14

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Berenice Abbott	Edward Hopper Huddie Ledbetter Edna St. Vincent Millay Frank Lloyd Wright	gelatine silver print gelatine silver print gelatine silver print gelatine silver print	360.00 320.00 480.00 600.00
Akin & Harrison	Thomas Jefferson	stipple engraving	145.00
Alisky	Luther Burbank	gelatine silver print	25.00
C. E. Barber	Chester Alan Arthur James A. Garfield	bronze medal bronze medal	60.00 60.00
Alexander Bender	Anna Mary Robertson ("Grandma Moses")	gelatine silver print	25.00
Abraham Bogardus	Samuel F. B. Morse	gelatine silver print	750.00
Alice Boughton	John Burroughs William James Albert Pinkham Ryder	platinum print toned platinum print gelatine silver print	300.00 210.00 400.00
Mathew Brady	Charles Francis Adams George Peabody George Henry Thomas Martin Van Buren	albumen silver print albumen silver print daguerreotype daguerreotype	400.00 350.00 1,600.00 18,000.00
Mathew Brady Studio	George A. Custer John Lorimer Worden	albumen silver print albumen silver print,	160.00 45.65
Henry Kirke Brown	Henry Clay	bronze bust	450.00
Esther Bubley	Marianne Moore	gelatine silver print	160.00

National Portrait Gallery (continued)

2

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Buek & Lindner	James G. Blaine Thurlow Weed	lithograph w/tintstone lithograph w/2 tintstones	20.00 200.00
John H. Bufford	John C. Fremont William Wirt	lithograph lithograph	40.00 30.00
J. H. Bufford's Lith.	Ambrose E. Burnside	lithograph	20.00
Thomas Burford	James Oglethorpe	mezzotint	375.00
J. C. Buttre	James Buchanan	engraving	35.00
Mary Cassatt	Mary Cassatt	watercolor on paper	48,000.00
Justus Chevillet	Benjamin Franklin George Washington	engraving engraving	85.00 200.00
Thomas Clarke	Jacob Duché	stipple engraving	35.00
Edward Clay	James Henry Hackett	lithograph	235.00
J. T. Clemens	"The Death of Montgomery"	engraving	125.00
Alvin Langdon Coburn	Alfred Stieglitz	photogravure on Japan tissue	850.00
Timothy Cole	John D. Rockefeller, Sr.	wood engraving	60.00
C. G. Crehen	William Cullen Bryant Winfield Scott	lithograph lithograph	25.00 20.00
Imogen Cunningham	Robert Irwin	gelatine silver print	600.00
Edward Sherif Curtis	Edward Sherif Curtis	toned gelatine silver print	1,500.00
Mary Cutts	Jacob Brown Dolley Madison	pencil on paper watercolor on paper	200.00 300.00
Francis D'Avignon	William E. Channing John Endicott Horace Mann W. H. Prescott	lithograph lithograph lithograph lithograph	30.00 62.00 40.00 20.00

National Portrait Gallery (continued)

3

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Amos Doolittle	John Davenport Gurdon Saltonstall John Winthrop	engraving etching and engraving etching and engraving	65.00 20.00 20.00
A. Radclyffe Dugmore	Robert Edwin Peary	platinum gum print	85.00
Asher B. Durand	Elias Boudinot W. H. Crawford	engraving engraving	65.00 25.00
R. Earlom	Thomas Pownall	mezzotint	225.00
David Edwin	George Washington	engraving	40.00
Endicott's Lithograph	Rev. Charles Follen	lithograph	20.00
Walker Evans	James Agee Hart Crane Walker Evans	gelatine silver print silver print gelatine silver print	500.00 550.00 500.00
Dominique Fabronius	Thomas "Stonewall" Jackson	lithograph w/tintstone	25.00
Benjamin Falk Studio	Cyrus W. Field	albumen silver print	12.00
Charles Fenderich	James Knox Polk	lithograph	150.00
Robert Field	George Washington	engraving	285.00
Robert Frank	Franz Kline	gelatine silver print	480.00
James Earle Fraser	Theodore Roosevelt	bronze	1,750.00
S. S. Frizzell	James A. Garfield and family	lithograph	35.00
Davis Garber	Jacob Riis	gelatine silver print	350.00
Arnold Genthe	Isadora Duncan	gelatine silver print	750.00
Frederick V. Gillam	Grover Cleveland	chromolithograph	3.00
Thomas Gimbrede	John Quincy Adams Thomas MacDonough Winfield Scott	stipple and line engraving stipple engraving stipple engraving	225.00 200.00 85.00

National Portrait Gallery (continued)

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Valentine Green	George Washington	mezzotint	875.00
John Greenwood	Edward Holyoke	mezzotint	375.00
Leopold Grozelier	Alvin Adams Salmon P. Chase John C. Fremont Joseph Gales William Lloyd Garrison Theodore Parker W. W. Seaton William H. Seward Charles Sumner Charles Sumner Henry Wilson	lithograph lithograph lithograph lithograph lithograph lithograph lithograph lithograph lithograph lithograph	30.00 45.00 30.00 40.00 15.00 30.00 30.00 30.00 25.00 35.00
Jeremiah Gurney	Bret Harte	albumen silver print	250.00
Unc. Hanbury	R. Buckminster Fuller	bronze	4,500.00
Hartsook	Samuel Gompers	brown-toned silver print	15.00
Hiroshige III	General and Mrs. Ulysses Grant	multicolored woodblock	450.00
Abram J. Hoffman	Franklin Pierce	lithograph	120.00
Hoffman & Schütz	Rufus Choate	lithograph	20.00
Alfred M. Hoffy	James Knox Polk	lithograph	175.00
Anton Hohenstein	Thomas "Stonewall" Jackson	lithograph, handcolored	100.00
Jean-Antoine Houdon (after)	Benjamin Franklin	terracotta	15,000.00
H. Houston	John Adams	stipple engraving	175.00
H. B. Hull (attr. to)	Thomas J. "Stonewall" Jackson	daguerreotype	15,000.00
Daniel Huntington	William H. Aspinwall	oil on canvas	6,500.00

National Portrait Gallery (continued)

5

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Lotte Jacobi	Theodore Dreiser	gelatine silver print	150.00
William Keith	Collis P. Huntington	gelatine silver print	350.00
O. Knirsch	Horace Greeley and family	lithograph	30.00
Gustav Kruell	William Morris Hunt	wood engraving	40.00
Adolphe LaFosse	Andrew Jackson	lithograph	245.00
Alexander Lawson	William Penn	stipple and line engraving	35.00
Noël LeMire	George Washington	engraving	200.00
James Barton Longacre	Nicholas Biddle	watercolor on paper	5,000.00
	Lewis Cass	sepia watercolor on artist board	1,500.00
	Andrew Jackson	sepia watercolor on artist board	1,500.00
	Edward Livingston	watercolor on paper	2,500.00
	Daniel Webster	sepia watercolor on artist board	1,500.00
James MacArdell	Benjamin Franklin	mezzotint	200.00
Dolley Madison	Meriwether Lewis	cut out paper	500.00
Man Ray	Ernest Hemingway	silver print	2,800.00
	Man Ray	gelatine silver print	495.00
Mason & Mason	Paul Cuffe	wood engraving	145.00
J. McD. & S.	John Albion Andrew	Parian ware	185.00
Henry Meyer	Stephen Decatur	engraving	75.00
José Maria Mora	William F. Cody	albumen silver print	25.00
Morgan	Rutherford B. Hayes	bronze medal	75.00
W. H. Mote	Henry W. Longfellow	engraving	25.00
Franz X. Müller	Benjamin Thompson, Count Rumford	engraving	15.00

National Portrait Gallery (continued)

6

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Nagel & Weingärtner	Frances Wright	lithograph	25.00
Albert Newsam	William Henry Harrison	lithograph	65.00
	John Tyler	lithograph, handcolored	75.00
	Thomas U. Walter	lithograph	12.50
Timothy O'Sullivan	Ulysses S. Grant	albumen silver print	600.00
Pach Brothers	Ulysses S. Grant and family	albumen silver print	100.00
	Ulysses S. Grant and family	albumen silver print	100.00
F. Paquet	Andrew Johnson	bronze medal	100.00
Rembrandt Peale	George Washington	lithograph	425.00
C. Pelton	James Fenimore Cooper	engraving	12.50
J. Pendleton	James Madison	lithograph	90.00
John Plumbe	George Bancroft	daguerreotype	6,000.00
Joseph Peter Paul Rauschmayr	Benjamin Thompson, "Count Rumford"	stipple engraving	6.00
Burnet Reading	John Dickinson	stipple engraving	25.00
Kay Bell Reynal	T. S. Eliot	gelatine silver print	310.00
Alexander Ritchie	Abraham Lincoln: "First Reading of the Emancipation Proclamation"	mixed media engraving	275.00
H. S. Sadd	Winfield Scott	engraving	60.00
C. B. J. F. de Saint-Mémin	George Washington	copperplate	6,000.00
Sanford and Davis	Andrew Carnegie	brown-toned platinum print	75.00
Napoleon Sarony	John Quincy Adams	lithograph w/tintstone	10.00
	Henry Ward Beecher	albumen silver print	400.00
	Albert Bierstadt	albumen silver print	79.00

National Portrait Gallery (continued)

7

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Napoleon Sarony (attr. to)	Edwin Booth	albumen silver print	35.00
	William Cullen Bryant	albumen silver print	200.00
	Napoleon Sarony	lithograph	25.00
	Bayard Taylor	albumen silver print	25.00
	William Marcy "Boss" Tweed	albumen silver print	95.00
	Cornelius Vanderbilt	albumen silver print	22.50
Sarony & Co.	Matthew G. Perry	lithograph w/tintstone	15.00
Charles R. Savage	Brigham Young	albumen silver print	60.00
L. Schamer	Representative Women: Lucretia Mott & other Suffragists	lithograph	152.80
Otto Schneider	Christopher Columbus Langdell	etching	25.00
Sarah Choate Sears	Julia Ward Howe	photogravure	100.00
The Misses Selby	David Belasco	toned platinum print	250.00
James Sharples	Joseph Priestley	pastel	6,000.00
Clara Sipprell	Felix Adler John Cotton Dana Frances Perkins Eleanor Roosevelt	gelatine silver print gelatine silver print gelatine silver print gelatine silver print	750.00 400.00 450.00 250.00
John Rubens Smith	Benjamin Lincoln	mezzotint	425.00
Southworth & Hawes	Daniel Webster	daguerreotype	6,000.00
Edward Steichen (attr. to) Edward Steichen	William Meritt Chase J. Pierpont Morgan Carl Sandburg	gelatine silver print photogravure gelatine silver print	800.00 750.00 150.00
Horatio Stone (after)	Roger Brooke Taney	bronze	1,700.00
William Strickland	Oliver H. Perry	aquatint	50.00
Strobridge Lith. Co.	P. T. Barnum & J. A. Bailey John C. Breckinridge	chromolithograph poster lithograph w/tintstone	225.00 30.00

National Portrait Gallery (continued)

8

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Barbara Swan	Carl Carmer	ink wash and oil on cameo board	450.00
Benjamin Tanner	Anthony Wayne	stipple engraving	30.00
Elkanah Tisdale	Nathanael Greene	etching and line engraving	25.00
M. H. Traubel	Franklin Pierce	lithograph	225.00
Edward C. Treuchard	Benjamin Thompson	stipple engraving	40.00
James Trenchard	George Washington	etching and line engraving	75.00
W. E. Tucker	Franklin Pierce	mezzotint	35.00
Doris Ulmann	George Jean Nathan	platinum print	450.00
Unidentified artist (after Vanderlyn)	Theodosia Burr Alston	oil on canvas	2,500.00
Unidentified artist	Martin Robinson Delany	lithograph, hand-colored	750.00
	Benjamin Franklin	engraving	25.00
	John Hancock	mezzotint	50.00
	John Hancock	woodcut	60.00
	Thomas Jefferson	stipple and line engraving	50.00
	James Madison	stipple and line engraving	50.00
	Robert Monckton	mezzotint	40.00
(after Joshua Reynolds)	Outacity	engraving	85.00
	Matthew Galbraith Perry	woodblock print	750.00
(after Copley)	Joseph Warren	oil on canvas	3,500.00
	Benjamin West	etching & line engraving	50.00
	Phillis Wheatley	engraving	750.00
	Woodrow Wilson	halftone poster	150.00
Unidentified photographer	Louis Agassiz	salt print	75.00
	P. T. Barnum & family	albumen silver print	400.00
	Mathew Brady	daguerreotype	3,300.00
	Frederick Douglass	salt print	75.00
	Charles W. Eliot	salt print	39.51
	Aaron M. Elliott	salt print	350.00
	Millard Fillmore	daguerreotype	3,500.00
	James Fisk, Jr.	albumen silver print	20.00
	Samuel Gompers	gelatine silver print	125.00
	Horace Greeley	daguerreotype	4,500.00
	Oliver Wendell Holmes, Jr.	salt print	250.00

National Portrait Gallery (continued)

9

<u>Artist</u>	<u>Sitter</u>	<u>Medium</u>	<u>Price</u>
Unidentified photographer	James Russell Lowell	salt print	45.00
	Matthew Perry	daguerreotype	4,000.00
	Charles Sumner	albumen silver print	10.00
	Woodrow Wilson	gelatine silver print	35.00
	Woodrow Wilson	gelatine silver print	65.00
Carl Van Vechten	Eugene O'Neill	gelatine silver print	200.00
Samuel Lovett Waldo and William Jewett	Enoch Crosby	oil on wood panel	15,000.00
Caroline Watson	Benjamin West	stipple engraving	15.00
Benjamin West	Benjamin West & family	oil on canvas	11,159.68
Brett Weston	Edward Weston	gelatine silver print	50.00
Worthington Whittredge	Albert Galletin	oil on cardboard	8,500.00
W. A. Wonderly (attr.to)	Andrew Johnson	salt print	850.00
Wynkoop Lith. Co.	Horace Greeley	lithograph w/tintstone	20.00
John Butler Yeats	Van Wyck Brooks	pastel on paper	1,600.00

National Museum of History and Technology

\$129,793.59

1.	Lot of medical artifacts: scarificators, lancets, fleams, bleeding kit.	\$ 7,950.00
2.	Rumford Roaster (rare ironware, signed, late 1700's-early 1800's).	1,600.00
3.	Antique flag of 1776-1876 (Centennial Banner).	500.00
4.	Bandanna Columbian Exposition (political artifact).	50.00
5.	Pennant (Welcome Wilson) and Bandanna (Dewey).	85.00
6.	Banner (Grover Cleveland), Fan (Coolidge), and Hancock Collar Box.	333.00
7.	Bandanna (1913 Wilson inaugural).	95.00
8.	Banners (Roosevelt-Hoover; Roosevelt-Landon; and Hoover).	250.00
9.	Political history artifacts: pennants, scissors, deck of cards, banner.	510.00
10.	Pennant (Grant-Wilson).	200.00
11.	One lot of unique tintypes.	175.00
12.	Model 1841 Pack Artillery saddle.	425.00
13.	Glazed earthenware food mold (rare, signed by makers, J&T Haig).	270.00
14.	Six redware miniature pieces and potter's mold.	250.00
15.	Ceramic specimens: Lenox plates, ca. 1900, Tucker porcelain pitcher, ca. 1829, cuspidore, ca. 1850, S. Risley cuspidore and pitcher, ca. 1835-40. Lot.	1,820.00
16.	Document: House of Representatives Report #552, 27th Congress, 2nd Session, pages 1-68.	225.00
17.	Glazed earthenware jar, 19th century (scarce, good representative of this method, excellent condition).	250.00
18.	Cuspidor, ca. 1850, from Bennington, Vt.; blue "Scrodled" ware.	285.00
19.	Locomotive daguerreotype (rare, excellent specimen).	350.00
20.	Locomotive headlight mechanism, 19th century.	105.00
21.	T&V Limoges porcelain tea plate, from Benjamin Harrison 1892 dinner service.	295.00
22.	One plate from French porcelain dessert service, ordered by President James Monroe from Paris in 1817.	5,000.00
23.	17th century English delft charger (important ceramic used in the colonies in 17th century; excellent condition)	1,750.00
24.	Liverpool pitcher with transfer portrait of James Monroe, Macedonian and the United States.	1,770.00
25.	German immigrant chest, 1888, Iowa; mule-ear, hide-bottom side chair, ca. 1870, Texas. Lot.	212.50
26.	Swordfish bill sword (ca. 1875-1880, Maine).	300.00
27.	One lot (776 items) cloth insignias.	183.90
28.	One lot of unique tintypes.	150.00
29.	One lot of various Daguerreotype and Ambrotype materials.	460.00

National Museum of History and Technology (continued)

30.	W.W.I tunics and breeches. Lot.	\$ 50.00
31.	18th century double woven coverlet.	116.60
32.	Lot (170 items) U.S. Military insignia of various periods.	80.00
33.	Glass specimens: cruets, Pittsburgh, ca. 1840-1850, celery vase, Pittsburgh, ca. 1820-40; large compote, Pittsburgh, 1820-40. Lot.	1,380.00
34.	Lot (30 items) of U.S. Army accessories.	371.00
35.	Ten instruments for Musical Instruments Division: five 19th century American and five 19th century European. Lot.	3,750.00
36.	Gypsography: Loie Fuller (1904), book; Pochoir stencils (line cut of drawing by van Dongen); Folio (13 separate sheets), 1913, Pochoir (Robes et Femmes).	3,650.00
37.	No. 2 Seth Thomas pre-production pillar and scroll clock (only known specimen).	5,000.00
38.	Early 19th century dress.	50.00
39.	Redware punch bowl, ca. 1769 (extremely rare example of early American potters' finer table ware; excellent condition).	10,500.00
40.	18th century Worcester plate.	65.00
41.	Rifle, Weatherby, Mk V, 240 mag. (value, \$500).	N/C
42.	Stern Ruger Six Speed, .357 mag. rev. (value, \$289).	N/C
43.	19th century shawl.	8.00
44.	Photo history artifacts: studio equipment of Morrison Photo Studio (several items).	1,200.00
45.	Porcelain pitchers, ca. 1850 by Charles Cartlidge & Co., and Rockingham-glazed shell form cuspidor, ca. 1850-60, marked by manufacturer. Lot.	1,525.00
46.	Embroidery pattern book (1795), and manuscript drafting book, ca. 1825-30.	1,050.00
47.	Southern pine blanket chest, 1779.	590.00
48.	School tunic, Model 1909 Army Service.	195.00
49.	Lot of Transportation Division specimens: saddle bag, bread sleigh, bicycles, wheelchair.	1,650.00
50.	Certificates of birth and baptism name (German-American), very rare.	307.00
51.	Stoneware jar (marked) and earthenware slip cup.	525.00
52.	Windsor armchair, Philadelphia, turn of 19th century.	575.00
53.	Emerick and Hopkins crock, Philadelphia.	350.00
54.	Chromolithograph, "The Court of Death."	185.00
55.	American redware teapot, late 18th-early 19th century.	700.00
56.	Bubble chamber stand and magnet; magnet stand (value est. \$25,000).	N/C
57.	Garden tractor, 1936.	450.00

National Museum of History and Technology (continued)

58.	Political history artifacts: Jefferson snuff box, torch, quilt, bandannas. Lot.	\$ 1,279.00
59.	Textile artifacts: Empire silk, ca. 1810, panel of French cotton & linen, white cotton bag with beaded pattern, ca. 1830.	685.00
60.	Three volumes of photographs and text, early 20th century. Set.	187.50
61.	Woven cotton tablecloth.	225.00
62.	Oil painting by Louis H. F. Gamain (1803-71), entitled "The Arrival of the Collins Line Steamer ATLANTIC in May 1850 after her maiden voyage, New York-Liverpool." Total cost, \$12,180 (partly funded by S. I. Trust Funds).	4,590.00
63.	Brass lamp "Hollings & Co., Boston, U.S.A." (1888).	400.00
64.	Ten plate stove with iron support for heating cylinder above stove.	175.00
65.	World map, Halley, Tabula Nautica, ca. 1735, and Western Hemisphere map, Halley, ca. 1741.	1,475.00
66.	Antique glass bottle of Roman period, 1st to 2nd century, A.D., from Israel to Cyrus R. Vance.	N/C
67.	Beretta semi-automatic pistol, w/silencer. (value, \$50.00).	N/C
68.	Israeli UZI Submachine gun.	N/C
69.	VA Center Records: Armed Forces, Hard, and LP. (value, \$792 for lot).	N/C
70.	Axes, 18th century (lot of 7) and dated hound band.	815.00
71.	Spread of printed fabric depicting G. Washington and Benjamin Franklin; coverlet; fabric.	660.00
72.	White linen kerchief; printed cotton gown, ca. 1785-90; and printed cotton gown, ca. 1780; man's black broad-cloth coat, ca. 1840-50.	1,510.00
73.	Lot of mechanical & civil engineering-related photos.	67.50
74.	Lot of unique photographs (photo history).	400.05
75.	Nantucket basket by Oliver Coffin.	385.00
76.	Lot of political history artifacts: John W. Davis memorabilia, banners (Stevenson-Sparkman; Cleveland Thurman [only known example]; Stevenson-Kefauver).	988.00
77.	Vice-Presidential china (wings up and wings down) used on Air Force One.	N/C
78.	Painting of engagement between steamer <u>J. L. Luckenbach</u> and German U-boat, World War I, 1917. By Ch. Colvig, 1923.	2,500.00
79.	Automaton representing monk at prayer in grotto. French, ca. 1800; with miniature book of prayers.	980.00

National Museum of History and Technology (continued)

80.	Platform spring wagon, read cart, and business wagon.	\$ 1,475.00
81.	One lot (685 items) glass negatives of Erie Railroad Stations plus miscellaneous views. (1910)	1,500.00
82.	Political history items (bandannas, kerchiefs, plates, photos, ballot, cigars, dolls).	308.80
83.	Centennial period U.S. flag, with eagle & shield.	115.00
84.	Various gifts to the U.S. from foreign countries (via Architect of the Capitol). Political history items.	N/C
85.	Oil painting "First Official Salute to the American Flag by Colonel Phillips Melville."	N/C
86.	16th century automaton, figure of a monk (powered by clockwork and able to walk, move hands, eyes, head), of Spanish origin. Extremely rare and unique to MHT collections; only one other automaton of this age known to exist.	47,000.00
87.	Child's scooter, 1913.	95.00
88.	Broadside, machine tools (1885).	15.00
89.	New England pressed glass compotes, ca. 1868.	100.00
90.	Porcelain bowl, shaving mug, bread tray (late 19th century ceramics).	80.00
91.	Graniteware pitcher and ashtray.	60.00
92.	Tongue holder of base metal (English).	25.00
93.	Printed textile, two widths.	95.00
94.	One pair bar room doors, ca. 1900.	25.00
95.	One U.S.M.C. rubberized hat, ca. 1919; two U.S.C.G. rating badges; one U.S.N. insignia.	12.00
96.	Tintypes (photo history specimens).	125.00
97.	Large glass photographic funnel, ca. 1884.	13.00
98.	Daguerrian address and Tintype personal cards.	75.15
99.	Daguerreotype of three women.	45.00
100.	Paper document: plans for furniture, ca. 1842.	75.00
101.	Red earthenware pitcher.	35.00
102.	Amish petticoat.	30.00
103.	Fashion prints.	41.60
104.	Two pairs of woven draperies.	90.00
105.	Photo history specimens	26.00
106.	Pair sheep shears.	10.00
107.	Mortising tool, foot powered (W.F. & J. Barnes)	100.00
108.	Deere Lister plow.	50.00
109.	Chinese porcelain plate.	20.00
110.	Coalport shell. (Ceramics specimen)	160.00
111.	Wooden negative box, glass Daguerreotype stand.	51.31
112.	19th century bonnet from Indiana.	48.00
113.	Toe adze marked C.V.R.R., shipwright's adze, wooden wash bench. Lot.	55.00
114.	Photo portrait on silk (photo history specimen).	22.00
115.	Stoneware jar.	100.00
116.	Fashion prints (two).	41.60
117.	Western Electric Military wall telephone.	179.78

Mr. YATES. How much money does Freer use for acquisitions?

Mr. BLITZER. It traditionally has used money from its own restricted endowment. It is now under \$300,000 a year. The cost of what it buys has gone up. So that what used to be adequate to buy several objects now is sometimes not adequate to buy one major object.

FEDERAL TRADE COMMISSION BUILDING

Mr. YATES. I want to put in the record at this point a letter I received on April 22 in which Mr. Ripley indicates that the Smithsonian may acquire the Federal Trade Building. Can you tell us about that, Mr. Ripley, or is it adequate to just put your letter into the record?

Mr. RIPLEY. I think for the present the letter provided to you is adequate because there is no current information beyond the fact that this is a matter of continuing interest to the Institution.

[The letter follows:]

SMITHSONIAN INSTITUTION,
Washington, D.C., February 22, 1978.

Hon. SIDNEY R. YATES,
*Chairman, Subcommittee on Interior, Committee on Appropriations, U.S. House
of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: This is to advise you of our interest in the building now occupied principally by the United States International Trade Commission which is located in the District of Columbia block bounded by 7th, 8th, E, and F Streets, N.W. A brief description of the building and a photograph are enclosed. This building is located across F Street from, and connected by a tunnel with, the old Patent Office Building which houses the National Portrait Gallery, the National Collection of Fine Arts, and the Archives of American Art.

Since our acquisition of the old Patent Office Building in 1958, we have felt that the comparably historic and architecturally significant Trade Commission Building should also be suitably restored and preserved for public purposes. The intervening years have witnessed singular scholarly and public interest in and use of the National Collection of Fine Arts and National Portrait Gallery, and have qualified these art programs as potential recipients of major works and collections of American art available today. However, their growing collections and public responsibilities have heavily taxed the FAPG building, and soon the vitality of these programs will be dependent on the availability of suitable additional space.

Concurrently, the Trade Commission finds that its building is no longer adequate in size. An important element of the Commission's staff is now located elsewhere in rented space. Any attempt to consolidate in the Trade Commission Building would require extensive renovation of the building's interior and degradation of its architectural merit. Our discussions with the Trade Commission lead us to believe that it, too, favors preservation over renovation, and would be willing to cooperate in the transfer of the building to the Institution for this purpose on the condition that new quarters can be found on a site convenient to the Executive offices, the Capitol, and the agencies, embassies, and trade associations with which the Commission daily does business. To consolidate its staff and allow for necessary growth, the Commission requires approximately 115,000 square feet of space including appropriate hearings and conference rooms and libraries. This space must have adequate health and parking facilities and convenient access to public transportation and restaurants.

We have presented this information to Mr. Jay Solomon, Administrator of the General Services Administration, and have been advised that the GSA will include in a space study now being formulated tentative plans to relocate the Commission to space acceptable to them and then to transfer the Trade Commission Building to the Institution. At this time, the General Services Administration is proceeding with a long-planned architectural/engineering study of the Trade Commission Building with emphasis on upgrading its utility systems. Such information will be useful to any future use of the building.

We are most enthusiastic about an opportunity to acquire the Trade Commission Building, not only because of its intrinsic value, but also because of the

increasing importance of additional space for the activities located in the Fine Arts and Portrait Gallery building. In addition, we believe this use of the Trade Commission Building will add significantly to the revitalization of the downtown area and the plans already being developed by the Pennsylvania Avenue Development Corporation.

We will keep you fully informed, and should there be opportunity for us to acquire and preserve this building for public use, we would hope for your support.

Sincerely yours,

S. DILLON RIPLEY, Secretary.

Enclosures.



International Trade Commission Building, 8th and F Streets, NW., across the street from the Fine Arts and Portrait Galleries Building of the Smithsonian Institution.

THE TRADE COMMISSION BUILDING

The Trade Commission Building is a very important structure, historically and architecturally. Its architect was the great Robert Mills whose other two well-known government buildings are the Treasury and the Smithsonian Institution's Fine Arts and Portrait Gallery Building (old Patent Office). The southern portion was constructed in 1839. The building was tripled in size after the Civil War, with a repetition of the same architectural treatment outside and inside, and finally completed in 1869. The site of the Tariff Commission Building is also historically important. On this site stood the early City Post Office, from 1812 onward, and later the Post Office Department. Here, after the burning of the Capitol, the Congress of the United States was convened in 1814. In 1845 Samuel F. B. Morse opened and operated the first public telegraph office in the United States on this site.

The building's exterior is of white marble in the Corinthian style. The building has entrance doors on all four sides, so it would lend itself well to separately zoned interior areas, approached by separate portals (exhibit areas, office areas, study and research areas, etc.). The main entrance is from F Street by a flight of marble steps into a recessed vestibule; to the right and left are spacious corridors leading to marble staircases. The building still has almost all of its original architectural features and decorations, and the marble floors in the corridors are still handsome. The large third floor room with dome and Doric columns is intact.

CONCERNS OF HISTORY AND ART MUSEUMS

Mr. YATES. Are there any problems with your galleries we ought to know about? What about conservation, maintenance? Are any of them deteriorating and do you have to worry about the renovation?

Mr. BLITZER. I would say in a general sense for the history and art museums, there are three problems.

One of them is space and that is not unrelated to the letter you referred to.

The second is acquisitions and trying to keep the National Collections up to the level at which they belong, not to gratify ourselves, but to serve posterity so that a few years from now people won't have to make up for the lack. The third is the care and management of the collections and the conservation of the collections. This is simply a continuing process that we have to keep after.

MUSEUM SUPPORT CENTER SPACE FOR HISTORY AND ART MUSEUMS

Mr. YATES. Will any of your museums be moving their surplus exhibits into Mr. Perrot's building when that is constructed?

Mr. BLITZER. Not the building presently being discussed, I think but in terms of the long-range master plan possibly.

Mr. YATES. But you are going ahead with your acquisitions and space is running out. Is there provision in Mr. Perrot's building for any of this?

Mr. BLITZER. Initially there is some space for the Museum of History and Technology and in the very long run there may be space for the art museums.

Mr. YATES. I don't remember that Mr. Perrot told us what would be in his building.

Mr. PERROT. No, Mr. Chairman, I have not testified about that.

Mr. YATES. Do you know?

Mr. PERROT. There will be some storage space for the Museum of History and Technology as well as a conservation department for the Division of Musical Instruments. That conservation department will be closely linked with the other two conservation departments in the Conservation Analytical Laboratory and the laboratory of the Natural History Museum's department of anthropology. But there is no major plan to transfer objects from the Museum of History and Technology to the new building since the building would not be large enough to accommodate them.

Mr. YATES. Is your new building going to be obsolete when it is built?

Mr. PERROT. No, sir. We expect it to be a 21st Century building.

RELATION OF ACQUISITIONS TO SPACE NEEDS

Mr. BLITZER. Mr. Chairman, there is not a simple one-to-one relationship between acquisitions and the need for space, I think.

Mr. YATES. Then do you sell any of your objects or trade them?

Mr. BLITZER. The art museums have not for several years disposed of anything. The History and Technology Museum I think has not. It might occasionally with a few pieces of a large collection. What I was going to say is that the space problem is related more to making the

collections accessible and usable than to the absolute growth of the collections in the art museums.

As you know, the entire Hirshhorn acquisition budget could be spent on one not very large painting which would not cause a space problem.

RELATION OF SMITHSONIAN TO NATIONAL GALLERY

Mr. YATES. What is your relationship to the National Gallery?

Mr. BLITZER. Friendly.

Mr. YATES. I mean this is a museum. You have certain museums under your control. The National Gallery is supposed to be part of Smithsonian.

Mr. BLITZER. I think the proper phrase is "separately administered."

Mr. YATES. You mean it is a cousin instead of a sister?

Mr. BLITZER. If you will sir, yes.

Mr. YATES. What is your relationship?

Mr. RIPLEY. I am a trustee.

Mr. YATES. It is considered to be a part of Smithsonian, isn't it?

Mr. RIPLEY. The building and the original collection were accepted for the Smithsonian under the 1937 legislation. In that Act, Mr. Mellon got the agreement of the Congress that the control of the Gallery would be vested in the trustees. The trustees in majority are privately appointed and under the guidance of their president, the board is appointed.

Mr. YATES. How is this different from the Hirshhorn?

Mr. RIPLEY. The Hirshhorn trustees have some control but not for the budgetary arrangements which have to be approved by the Regents. There is a distinction. The Hirshhorn is in effect a legally constituted bureau for administrative purposes of Smithsonian. The National Gallery is an independently constituted bureau of the Smithsonian with its own board and its own administrative procedures.

Mr. YATES. Is the National Gallery more like the JFK Center in its relationship to the Smithsonian?

Mr. RIPLEY. Yes.

Mr. YATES. Do they tell you what is going on?

Mr. RIPLEY. Off the record.

[Discussion off the record.]

INVENTORY OF HISTORY AND ART COLLECTIONS

Mr. YATES. Is there any vandalism in the museums, paintings slashed or anything stolen? Incidentally, when are you going to take an inventory?

Mr. BLITZER. During the winter I asked all the history and art museums and the Archives of American Art to do a spot inventory of 100 items selected from each of their collections, or in the case of History and Technology, 200 items because it is a larger collection.

In the case of the National Collection of Fine Arts, the National Portrait Gallery, the Hirshhorn, the Freer, and the Archives of American Art, all of the 100 items were found without any great trouble and were where they should be.

In the case of the Cooper-Hewitt, 99 of the 100 items were found and the one missing item is a small etching which the curator assures

me is there someplace. But considering the size of that collection, and that the 120,000 items came to us after a period of neglect, it seems to me a remarkable performance.

In the case of the Museum of History and Technology, the result was not as cheering. There are things that we cannot find. Since we feel it is better for us to take the initiative in these cases, we announced that there are 100-some pieces of silver, mostly small, that cannot be located.

Mr. YATES. What kind of silver? What are the objects?

Mr. BLITZER. It ranges from Atlantic City souvenir spoons to expensive 18th Century sugar bowls and cream pitchers. We had an outside appraisal of the missing silver made. The total value is in the vicinity of \$30,000. So it is not an enormous kind of loss, but I must say I think it is inexcusable and should be corrected and will be corrected.

Mr. YATES. How do you know other objects at the museum are not missing? Are you doing a total inventory?

Mr. BLITZER. A total inventory is staggering. There are about 15 million objects in that one museum. Many are postage stamps and coins. I don't think any locomotives are missing.

Mr. YATES. That is heartening.

Mr. BLITZER. If I may, I would like to say a couple of things about this.

In the first place, as you can see, our fiscal 1979 budget request for the Museum of History and Technology, which I may say was written before any of this had happened, indicates an emphasis on collections management, and a de-emphasis on exhibitions. We have been coming to this committee since FY 1973 and have been asking for money for collections management and have been getting it. We have a good registrar's office. We are in good shape with acquisitions coming into the museum but we are living with 130 years of accumulation. This museum is a new entity put together from bits and pieces from all over the Institution.

We find, for example, that there is no one who can swear that something for which there was a card in the Bureau of Ethnology in 1890 ever really came to the Museum of History and Technology. Ultimately, it staggers me to say it, we are probably going to have to do an item-by-item inventory of everything in that museum.

Mr. YATES. 15 million objects?

Mr. BLITZER. Yes, sir. This will be a long-term project. Obviously we will start with the more valuable kinds of things.

INVENTORY OF GEM COLLECTIONS

Mr. YATES. You do have some enormously valuable things. Your gem collection is one of the greatest in the world. How do you know all your gems are there?

Mr. RIPLEY. That is in the Museum of Natural History and I think we have a very good inventory of it.

Mr. YATES. Mr. Blitzer, how many objects do you have?

Mr. RIPLEY. I think there are 78 million in the entire Institution.

Mr. CHALLINOR. We estimate over 60 million in the Museum of Natural History alone. These are collections of individual insects. These would be in boxes or bottles. Now in keeping an inventory

in the Museum of Natural History, certainly the very valuable specimens, the gems and minerals, we account for every single one.

Mr. YATES. How do you do that?

Mr. CHALLINOR. We look at them and see that they are there. These are accounted for almost on a regular basis, once a week or once every other week.

Mr. YATES. How many objects are there in the gem collection?

Mr. CHALLINOR. I would assume about 10,000.

Mr. YATES. You look at 10,000 objects?

Mr. CHALLINOR. The cases in which they are kept under the security system are checked regularly. In all honesty, how often they are checked is security information and if I testified here, it would be useful for somebody who wanted to steal them. But they are checked very carefully.

Mr. YATES. The committee won't press you except for your assurance that they are all there.

Mr. CHALLINOR. They are all there. The people in charge of this collection have assured me that they are and I have confidence in their assertions.

Mr. YATES. Do you have an inventory?

Mr. CHALLINOR. There are regular inventories, yes.

Mr. YATES. Do you have lists?

Mr. CHALLINOR. Yes.

Mr. YATES. Were they computerized?

Mr. CHALLINOR. Yes, sir.

PROJECTED GROWTH OF COLLECTIONS

Mr. YATES. Here is the Smithsonian Collections Policy and Management Study that you prepared in 1977. That shows your objects.

For the purpose of developing true projections of possible collection growth, the percentage rates developed for the MSC investigation, Museum Support Center, were applied experimentally to the totals for objects and specimens in the six bureaus. Because the decade from 1976 to 1986 seems too short for a long-range view, the rates were applied to the period extending to 2015. Because the assumption of linear growth has not been confirmed, the following work results were obtained.

Then there is a table showing Freer having the 1976 size of 17,800. What would that be?

Mr. RIPLEY. Objects in the collection: sculptures and paintings.

Mr. YATES. The size for the year 2015 is 26,800. Apparently they multiply better than Mr. Reed's pandas. Then the 2015 size is compounded at 29,400. Then "His Majesty's" HMSG, the Hirshhorn Museum and Sculpture Garden, starts out with 6,400 sculpture pieces—in the Museum?

Mr. RIPLEY. That is in total.

Mr. YATES. Why would it be under sculpture garden? That is the total objects for Hirshhorn.

Mr. RIPLEY. The title includes the word sculpture garden.

REPRESENTATION OF WOMEN IN ART COLLECTIONS

Mr. YATES. The reason I think that is right is because I called the other day to see how many women were represented in the Hirshhorn collection. There are 6,600 objects and there are 550 of those objects

represented by women and the 550 objects were done or made or painted by 109 women.

Can you tell me that for the National Collection of Fine Arts? I would like to have that figure for that, if you will ask Josh Taylor for that.

[The information follows:]

REPRESENTATION OF WOMEN IN NATIONAL COLLECTION OF FINE ARTS

Of the approximately 21,000 works of art in the collections of the NCFA, 2,211 are by 359 different women artists.

GROWTH PROJECTION AND INVENTORY PROCESS

Mr. YATES. I have it also for the National Gallery. It is a little worse than that. But that is something else again. 6,400 and proposed to grow to 18,900, 42,000 in the year 2015. compounded.

We have Hirshhorn, National Collection, Air and Space Museum. That is growing from 24,600 to 40,000.

The National Collection of Fine Arts, 20,000 to 78,000.

The National Museum of History and Technology, from 14,727,000 to 98 million.

The Museum of National History, from 59 million to 156 million.

How do we take an inventory? How do you know?

Mr. RIPLEY. This is a linear projection, Mr. Chairman.

Mr. YATES. I think you will return, but suppose some day there is a succeeding Secretary to you and how do you turn over all these records to him. How does he have an accounting for what he receives?

Mr. RIPLEY. Just the way I received them in 1964. I received a promise that what was in the little black book was real.

Mr. YATES. Who made the promise?

Mr. RIPLEY. My predecessor.

Mr. YATES. Suppose he had not been alive?

Mr. RIPLEY. It would have been his deputy or whoever was acting for him. I recall very well under Mrs. Hansen's chairmanship beginning to appeal for funds for computer inventory procedures. After the normal course of events, we received funds for computer procedures in inventory control. We began with the Museum of Natural History where indeed the materials are quite well documented in terms of, let us say, finite collections like jewels or mammals or birds, the larger objects.

In the case of entomology, mollusks, or certain kinds of anthropology, collections are simply by lots. There may be hundreds of specimens in a lot. There is no real way of assessing exactly how much we have in a collection of this sort, how long it takes to get the computer primed so that we really have an exact figure on these things, nor indeed a linear projection of this sort.

RATIONALE FOR EXPANSION OF COLLECTIONS

We do not know and possibly it would be no one's proper position to state that we could say that because we have 59 million objects now in a museum collection of this sort that in a linear sense we will have 280 or 190 million objects so many years out into the future.

Living objects of this sort tend to be collected less and less in certain classes of animals. There is a decline due to extinction of species, due to despoliation of the environment around the world, due to the fact that we may already have suites of particular species which are enough.

You simply say at a certain moment, hold it, that is it. We don't need any more of that species or that particular group, genus, or family or whatever it may be.

In the case of whales, how are we to collect more whales than the occasional one that may be taken as a sample, the brain or soft parts or something from a beached whale taken by our whale review group trying to find out why they are dying off?

DEVELOPMENT OF INTERVENING PROCESS

Mr. YATES. What do you do when you find out, as Mr. Blitzer did, that you are missing a few objects, a certain number of valuable objects?

Mr. RIPLEY. In this particular case an inventory is of great importance. If there are objects that are definable, that are in a specific collection that can be ascertained to have really existed back in the 1880's or 1890's, then it is of the utmost importance that we know exactly what we have, what the value of these things are so that they are reappraised every so often and that we have them.

Mr. YATES. Is there an inventory process going on?

Mr. RIPLEY. Yes. It is a mixed inventory because it is under the administration of a different organization.

Mr. PERROT. I would like to answer your questions relating to the figures in the Collection Policy and the Management Study. This, as you may recall, was developed at the request of OMB who wanted a demonstration by the Institution, that we knew what we had and knew why we acquired objects and that we had policies governing acquisitions and that we submitted the acquisition process to an intellectual control.

It is for this reason that a variety of figures were given. One chart is based upon the mathematical growth of the Institution's collections over the last decade and the other compares this to what the knowledge of the appropriate curator suggests would be the actual case by the year 2015. This date was chosen arbitrarily because it was easier for the computer to work with it.

The figures that you have given are very substantially modified by this intellectual process. Some types of collections have reached the point where we don't need to add any more objects. There are others that have gaps. We have good curators and it is their charge to see that those collections be brought to a level of strength that is commensurate with the National Collections.

Concerning your second question, and relating to inventory, several times, you will recall, you have spoken to me personally about your, I won't say amazement, but astonishment that one could gain physical control over a collection of 75,000 objects. I have assured you that we have procedures.

ESTABLISHMENT OF SYSTEM FOR INVENTORYING COLLECTIONS

As a result of your interest, and as a result of the independent initiatives taken by my colleague, Mr. Blitzer, we have found that our procedures are not quite as tight or systematic or set down as clearly as they should be. The Secretary had issued a directive which called for the establishment of a plan. This was to be delivered two weeks after it was requested. However, the person who was developing the plan had illness in the family and it has been delayed.

I expect that this plan will be distributed, after the Secretary's approval, within the next week or two. This will call for a gradual and eventual total inventory of the collections.

Collections cannot all be inventoried in the same way. A whole series of butterflies under glass is very easy to inventory. Other objects, such as minerals which are currently being inventoried, and always have been inventoried on a regular basis, will continue to be inventoried on a piece-by-piece basis.

We expect, somewhere by the mid 1980's, to have a complete inventory based upon the soundest procedures for each particular kind of collection.

To achieve this we are going to initiate this year and will be progressing even more in fiscal 1979, the inventorying of specific collections so that some time toward 1983 or 1985 we can say that we have "eyeballed" individually all the objects in the collection that should be "eyeballed."

Mr. YATES. How much is it going to cost you?

Mr. PERROT. We hope much of it can be done by regular staff, but we may call in volunteers. This is difficult because they will need to be trained. We have \$40,000 requested in the 1979 budget for collections policy and management, that is for developing or sharpening the policies recommended in this document. A portion of this amount will be allocated to that purpose.

I am not able, at the present time, to say how much it will cost. However, I don't think the costs should be that great since we are making major progress in refining our computer facilities and developing suitable programs.

The most difficult thing is establishing systems. Once the system is established, the staff will be able to implement it with relatively little extra assistance.

TECHNIQUES FOR INVENTORYING

Mr. YATES. What is the current system?

Mr. PERROT. Partly computerized, and partly cards that have been inherited and kept in curatorial offices.

Mr. YATES. How do you know whether anything is missing? For example, when you take an inventory, what do you do? Do you refer to cards or your computer and call it out and somebody there says, "I have it here?"

Mr. PERROT. There is a listing of the numbers in consecutive order. From that one goes to the shelves. There are several ways of doing it. One is to inventory something that is on the shelf, no matter what it is, and then collate it back to the master record. There are a variety of different techniques to be used, depending on the nature of the material.

Mr. YATES. Do you have a list of collections rather than objects and do you consider certain of those collections to be more valuable than other collections?

For instance, to a person who doesn't know values, I would have thought that perhaps the silver bowls to which Mr. Blitzer alluded might be more valuable than Dr. Challinor's bugs. He may take issue with that. I don't know whether he will or not. But if you have collections of some art value, gems or silver, which have a material kind of a value, do you intend to do those first?

Mr. PERROT. We intend to establish priorities and in the process to flag collections that could be inventoried on a more regular basis. We also plan on calling in outside referees, colleagues from other institutions, to spot-check a collection so that we will not only have our internal controls but we will also have to some extent the cooperation of our colleagues elsewhere to check on them.

Mr. YATES. Mr. Blitzer has done several spot-checks and Dr. Challinor has done counts on his gems. Who counts the silverware?

Mr. BLITZER. That was included in the History and Technology Museum inventory. Since we have discovered the missing silver, we have now counted pieces and accounted for the collection.

Mr. YATES. Do you have a lot of silver?

Mr. BLITZER. About 2,000 pieces, something of that sort. Might I add a couple of things?

ACCOUNTING FOR SPECIFIC COLLECTIONS

First, to go back to the space question, clearly inventorying is enormously simpler if everything is out where you can see it.

Mr. YATES. You can't see it because you don't have the physical space for it.

Mr. RIPLEY. On exhibition you might say.

Mr. BLITZER. Also, in the Museum Support Center. These factors are clearly related to each other.

Secondly, just to put this in some perspective, if I may, I am confident that the collections in the art museums are well accounted for, are within the last five or ten years well stored and are where they should be.

The major problems are the two vast museums, History and Technology and Natural History. There are several other things I think should be mentioned.

One partial solution is to institute systems to try make it as difficult as possible, if not impossible, for things to disappear, security systems, alarm systems and the like. We have been doing this. I visited the gem collection and it is quite an awesome thing to get in there. You can only go with the curator. This is true of the numismatics collection, in the History and Technology Museum. The silver collection was in locked cases in an alarmed room.

Mr. YATES. How did it get out?

Mr. BLITZER. There is no such thing as a perfect system obviously. That is why we do have to keep up. I think we will continuously be doing spot checks.

Mr. YATES. One of the museums in Florence found that out over the weekend.

The importance of this becomes more impressive I think when you consider how the value of all your objects keeps going up every day. It is just beyond comprehension to think of the value of the Smithsonian collections. I spoke about gems, but your paintings and other objects, I would think you would be a natural attraction for some enterprising character who invaded the Florence museum last week. That is the reason I wondered how you know when something is missing.

If he takes it off one of your shelves, I don't think you are going to miss some action that is out in the open and guards are watching. Rather they will be invading some other of your items.

I keep thinking of one of the most beautiful exhibits I saw years ago of Alfred Stieglitz' photographs that the Smithsonian had. You have one of the great photograph collections in the world. The value of photographs has skyrocketed in the last few years.

When do you know whether you have these things? Mr. Perrot says you will know in the mid-eighties, but aren't you going to have to know before then about some of your more valuable collections and that some were missing as was in the case of the sugar bowl?

Mr. PERROT. We are definitely going to know about the collections of highest value. The process is already under way.

Mr. YATES. Is this something the Regents have considered?

Mr. RIPLEY. Yes. We have talked to the Regents at intervals, first of all, about our inventory problems, and, secondly, our hopes for keeping abreast of the times. We have not talked to them recently about the appraisal situation. This is a problem where it concerns all of us, that from time to time a collection may appreciate in value and the very curators themselves may not realize it because they are so familiar with it. Decorative arts are increasing in value in a formidable way possibly without the knowledge of the curators involved.

We do have troubles with theft and stealing.

Mr. YATES. Staff says if you will know by the 1980's, it sounds like you contracted with the Department of Energy.

Mr. PERROT. I assure you it won't be 1995. We have 78 million items. We have to define the methodology.

Mr. YATES. How big a force are you using?

Mr. PERROT. We are just beginning to muster our forces and issue directives.

Mr. YATES. Will you give us a report on this at a convenient time? Thirty days or 60 days, what do you want to do?

Mr. PERROT. I think the directive will be issued within the next two weeks.

Mr. YATES. All right. I think the implications of it are such that they ought to be called to the attention of the Regents.

JULEY COLLECTION

For storage and photo research equipment you want an additional \$35,000. You say to date 29,000 negatives have been indexed. How many negatives in total will have to be indexed?

Mr. BLITZER. I think you are talking about the Juley Collection in the National Collection of Fine Arts. It is a collection of 127,000 photographs and negatives.

Mr. YATES. When you accept a collection which has 120,000 objects, do you physically look at each one of those to see that you get the full amount?

Mr. BLITZER. No, sir.

Mr. YATES. How would you know whether one is missing? What happens if you take over Warren Robbins' Museum of African Art? He has lots of tiny things.

Mr. BLITZER. The Juley collection is not a collection of works of art. This is a kind of historical documentary collection. The Juley firm was the firm of art photographers for many generations in New York, and although it would be unfortunate if some were missing, they are not individually works of art of great value. As a whole, the 120,000 or whatever are a great documentary resource. We have to work on conserving them because they are nitrate negatives.

If we were to take over the Museum of African Art, I expect we would do a physical piece-by-piece inventory of the entire collection as we did with the Hirshhorn. The numbers at the Museum of African Art are comparable. It is something like 7,000 objects.

PHYSICAL CONDITION OF HIRSHHORN

Mr. YATES. Let's talk about the physical condition of the Hirshhorn. You will recall that at the hearing last year there was some question about the structural condition of the Hirshhorn Museum. Can you tell us about that?

Mr. BLITZER. I think perhaps Mr. Ault can give you a more informed response.

Mr. AULT. The Hirshhorn condition has not been further aggravated.

Mr. YATES. We want to know whether it has improved.

Mr. AULT. It has remained essentially the same. We have a few exterior cracks where we are experiencing some weeping from the exterior of the building.

Mr. YATES. Is that from people who don't like the way it looks or what do you mean by weeping?

Mr. AULT. It is an exuding of some moisture from within the building. It is settling. It is a situation involved with the roofing material.

Mr. YATES. Mr. Ault, it has been a year since you and the committee talked about it. Wouldn't you have known about it by this time?

Mr. AULT. Indeed we have been trying, sir, but we have a new building in an extremely complex form. A building problem of that sort is very difficult to correct quickly. It is nothing that is of a critical nature so far as the structural integrity is concerned. We are trying to do something to prevent it from becoming aggravated.

Mr. YATES. Last year on page 696 the question was asked:

When will repairs on the Hirshhorn Museum be started and when finished? The answer given was that:

The Smithsonian professional architectural and engineering staff is conducting a thorough investigation into the problems to determine the extent of actions to be taken. Once they are determined, a schedule will be established for any corrective work. It should be noted there is no danger of structural failure of the building.

But a year has gone by. Are we no closer to the solution?

Mr. AULT. I believe we are. As I say, we have accomplished some additional corrective work on the roof, on the flashing and the sealing of the roof itself, which we hope will help.

Mr. YATES. What does the architect say? Have you asked the architect about it?

Mr. AULT. Yes, we have, sir. Frankly, we did not get much satisfaction.

Mr. YATES. He just designs a circular building and then goes on to other pursuits?

Mr. AULT. It was handled through GSA.

Mr. YATES. What did they say?

Mr. AULT. They, too, have been a little perplexed and baffled about this.

Mr. YATES. I guess as far as you know, then, currently the building will have to keep on weeping for a while?

Mr. AULT. No. We hope that this last roof sealing and additional flashing put on will correct it, sir.

Mr. YATES. What do you do about cracks in the structure?

Mr. AULT. The other cracks, the residual cracks in the underside of the building we are going to replaster.

Mr. YATES. Without knowing what caused the cracks?

Mr. AULT. We are quite sure that it is settling. This is not at all unusual for that kind of structure.

Mr. YATES. You say if upon conclusion of the investigation you believe all or some of the problems result from workmanship performed by the construction company, you will ask GSA to assess appropriate liabilities. Is that still possible?

Mr. AULT. It is possible, but not highly probable at this late date.

Mr. YATES. Has the bond been discharged?

Mr. AULT. I believe it has. It would have to be determined to be a residual.

Mr. YATES. You say the contracting officer at GSA is responsible for the determination of whether repairs are covered by insurance. Do you know the answer on that?

Mr. AULT. That is correct.

Mr. YATES. Will you try to get an answer from the contracting officer at GSA? I would think we should have had it by this time.

[The information follows:]

GSA DETERMINATION OF APPLICABILITY OF WARRANTY TO HIRSHHORN REPAIRS

GSA managed construction of the Hirshhorn Museum and Sculpture Garden and, in effect, Smithsonian was a client. The warranty for that construction expired some time ago. Since that time, superficial cracking in the facade of the structure has been observed which led to some leaks and staining of the surface. Additional sealing and installation of flashing on the roof were accomplished to correct these problems. We are now seeking the services of an expert consultant to advise us on restoring the facade to its original appearance. Additional superficial cracks detected in the under surfaces of the coffers were determined by both GSA and the Smithsonian engineers to be the result of settling rather than latent defects in the construction of the building. These can be readily repaired by caulking and resurfacing as necessary.

Mr. BLITZER. May I say a word as a layman about this?

Mr. YATES. Yes.

Mr. BLITZER. As I recall last year, the questions really raised the possibility that there were major structural defects in the building or that something drastic was wrong with it. It is my impression, and I have read some of the reports Mr. Ault had prepared, that all of this that you and he have been talking about is a kind of cosmetic, surface, hairline cracking and exuding of moisture and so forth. I must say as a layman and home owner it seems to me this is not unusual in a large, new building and certainly I am quite confident that this in no way reflects major structural problems or any danger to anyone.

RENWICK GALLERY BUILDING REPAIRS

Mr. YATES. What is the condition of your other buildings that house your museums other than Hirshhorn? What about Freer and the building in which the National Collection of Fine Arts operates?

Mr. BLITZER. They all have their regular maintenance problems. The Freer roof is being worked on.

Mr. YATES. What happened to Renwick?

Mr. BLITZER. In Renwick there is a problem that parts of the ornamentation on the front fall off. There is a long, complicated investigation now about who is at fault, whether it was the contractor who did the work or the architect.

Mr. YATES. Is GSA involved in this?

Mr. BLITZER. GSA did manage the original contract for restoration in 1968, but is not involved in the current repair project. This current repair has been undertaken by a highly reputable firm which specializes in this kind of historic restoration.

Mr. YATES. What is its condition now?

Mr. RIPLEY. Mr. Yellin has some information about that.

Mr. YELLIN. Mr. Chairman, we are seeking \$590,000 under the Restoration and Renovation Account for 1979 for roof repair, including the Renwick as well as the Hirshhorn, the Natural History Building, and Fine Arts and Portrait Gallery Building.

Mr. YATES. You are talking about ordinary maintenance and repairs. I am trying to find out about extraordinary conditions. The Renwick is undergoing an extraordinary change.

Mr. Jameson?

Mr. JAMESON. We initiated design work to replace and repair the exterior of the Renwick in May. The initial construction phase will begin next month. We have \$300,000 that has been appropriated to the Smithsonian under the Restoration and Renovation Building Account. We now estimate this to be on the order of half a million dollar which will be requested over the next couple of years and will be placed in the budget.

Mr. YATES. What has to be done for the half million dollars?

Mr. JAMESON. As I understand it, there are two phases, the removal of any damaged—

Mr. YATES. Do you have a construction official who is in charge of that project? You are not, are you?

Mr. JAMESON. No, sir.

Mr. YATES. Who is?

Mr. JAMESON. It would be a representative of our office of facilities planning that would be the Smithsonian representative.

Mr. YATES. What has to be done?

Mr. JAMESON. The project has to be designed in terms of both the removal—

Mr. YATES. What is its condition that requires that it be done?

Mr. JAMESON. There were pieces that were falling off the facade.

Mr. YATES. Is the roof bad or the wall bad or what?

Mr. BLITZER. I believe it is a matter of finding the proper way of anchoring these into the structure. The structure is sound. There was a restoration of the original facade of the building which consisted of a sophisticated process of making molds.

Mr. YATES. Would you furnish a detailed report to the committee about what the condition of the Renwick is and what has to be done and what the cost is likely to be and when you contemplate that it will be repaired? I take it from what you have said that no such extraordinary disability or problem exists with respect to any of the other Smithsonian buildings?

[The information follows:]

FACADE REPAIRS OF RENWICK GALLERY

Under the auspices of the General Services Administration, restoration of the Renwick Gallery was undertaken in FY 1968. The contract work was completed in FY 1970.

In FY 1976, the coping and exterior roofing materials began cracking and pieces of the coping fell, creating an obvious danger to public safety. An initial investigation revealed that the materials used to restore the exterior masonry were not holding fast to the building. The stones bordering the roof were cracking and could break loose from corroded anchors.

Detailed inspection and analysis were made by expert consultants of the building's surface including pictures of each area where deficiencies were discovered. Moisture penetrating the surface, aggravated by freezing conditions in winter, had caused cracking and scaling on both the horizontal and vertical surfaces of the stone facade of the building. There was also evidence of roof leaks. The proposed corrective action entails experimenting with different patchwork to find a material more resistant to corrosive elements of weather as well as roof repair.

The total estimated cost of the repair work is \$850,000. The repair work will be phased because of problems associated with the project including experimenting with chosen patchwork to ascertain its durability. In FY 1977, \$200,000 was appropriated; in FY 1978, \$100,000. The balance of \$550,000 is expected to be requested in FY 1980 if suitable patchwork techniques are developed and competing priorities permit. Work accomplished thus far includes the raising of a protective pedestrian shelter over the sidewalks and the conduct of various technical analyses to explore corrective measures. In January, 1978, an amount of \$275,000 was obligated for the initial phase of work. It is expected that the balance of the project should be nearing completion in FY 1980 pending receipt of further funding.

CONDITION OF OTHER BUILDINGS

Mr. BLITZER. The only one I have been aware of were some problems caused at the Fine Arts and Portrait Gallery by Metro construction and Metro has been responsible for repairing them.

Mr. YATES. That was the cracks in the wall. Have they been repaired?

Mr. BLITZER. Yes, sir.

Mr. YATES. Nothing else, all the other buildings and exteriors are all good?

Mr. BLITZER. I think apart from normal maintenance.

Mr. YATES. None of the roofs are leaking?

Mr. BLITZER. Some of the roofs are leaking.

Mr. YATES. The Kennedy Center had to have a \$4½ million replacement.

Mr. RIPLEY. We have nothing approaching that.

Mr. BLITZER. We are working on the Arts and Industries Building roof. The Freer roof is being worked on. Arts and Industries, I think, is a larger replacement job after 100 years.

ANACOSTIA NEIGHBORHOOD MUSEUM

Mr. YATES. I understand that the Regents have under contemplation the acquisition of the African Art Museum, to be a part of the Smithsonian. If this happens, what will happen to your Anacostia Neighborhood Museum?

Mr. BLITZER. Mr. Chairman, I don't think it would have any major effect on the Anacostia Museum. They are different kinds of enterprises. The Anacostia Neighborhood Museum, as you know, is a community museum devoted to all subjects of interest to the people of Anacostia.

Mr. YATES. As I recall the Anacostia Museum, it spoke about the roots of blacks in this country. Its activities were pretty well centered on that. If the African Museum is acquired, will this still be the thrust of Anacostia, or will this be moved over to the African Museum?

Mr. BLITZER. I think if the African Museum is acquired, it will strengthen the ability of the Anacostia Museum to do the kinds of exhibits that it has been interested in doing. It never has been a collecting museum in any event. It will then have access perhaps more easily to collections.

The focus of Anacostia you are referring to really is on Afro-America rather than Africa. This is an important distinction.

Mr. YATES. All right.

DIVISION OF PERFORMING ARTS

Now, let's talk about the history of jazz project. You want \$12,000, Mr. Euell? You want \$12,000 to accelerate the oral history of jazz?

Mr. EUELL. Yes.

Mr. YATES. How long do you think it will take to complete the project?

Mr. EUELL. I would say another two years, Mr. Chairman.

Mr. YATES. How much money are you giving it now?

Mr. EUELL. We are not giving it any money. We are providing time and staff. We organized it. We have the experts on the staff who can analyze and identify the jazz artists as well as the interviewers, which is very important.

We want to accelerate it because many of the artists are old and will soon be lost to us. We had agreed in the beginning to help as much as we could with this project. Several times we have requested more assistance so we could accelerate this project, but we have been turned down every time we have applied.

Mr. YATES. Is yours the Division of Performing Arts, Mr. Euell?

Mr. EUELL. Yes.

Mr. YATES. What does the Division of Performing Arts do in toto? It is not only music, is it?

Mr. EUELL. No, it is not all music.

Mr. YATES. Is it dance as well?

Mr. EUELL. Dance, all kinds of performances, and recordings, focused mainly on American musical and dance expression.

Mr. YATES. You give concerts of various kinds. Where do you give them?

Mr. EUELL. We give them in several of the museums. The larger concerts are given in the Baird Auditorium, the largest auditorium we have, seating about 560. We present other concerts in the Museum of History and Technology, as well as the Hirshhorn, which has a small, compact auditorium. We do a lot of what we call 20th century musical performances at the Hirshhorn.

Mr. YATES. Do you charge fees?

Mr. EUELL. We charge a minimal admission price.

Mr. YATES. Why minimal? Aren't the people who come able to pay?

Mr. EUELL. The idea is not to make a profit on these programs.

Mr. YATES. To take a loss?

Mr. EUELL. Not to take a loss, either.

Mr. YATES. You charge enough?

Mr. EUELL. I think we always could use more money to pay performers. But the major purpose is to present an artist or a performer who has made a contribution to American performing arts expression. This person may not be what we would call a commercial draw or great attraction.

In fact, some of them haven't been heard from that much. But we present them because we feel they have made a significant contribution to American musical expression and are worthy of presentation.

Mr. YATES. All right.

Mr. EUELL. And very often, by the way, sir, we have had some outstanding performers come to the Smithsonian whom we could never pay. I could name them—Count Basie, Tony Bennett, Margaret Whiting.

Mr. YATES. When did they perform?

Mr. EUELL. They were there last year. They come because of the Smithsonian Institution.

The concerts are sold out one day after announcement.

Mr. YATES. I would think they would be sold out before the announcement.

All right, we are through with your program, Mr. Euell.

REQUEST FOR CONSERVATION—ANALYTICAL LABORATORY

I want to talk about the Conservation Analytical Laboratory. You want \$669,000 in appropriated funds. Are there any nonappropriated funds associated with that program?

Mr. PERROT. No, Mr. Chairman.

Mr. YATES. All right.

We are holding seminars on the study of museum artifacts, and the goal is to stimulate interest in archeometry, right?

Mr. PERROT. These seminars, Mr. Chairman, are conducted in co-operation with the Bureau of Standards, and bring together scholars from various parts of the country and the world, on specific problems

relating to the study of materials, and an understanding of these materials, so we can know better where they came from and how the culture that made the objects which used these materials assembled them and treated them.

It is a fundamental research program of which these seminars are one manifestation.

Mr. YATES. Mr. Perrot, last year you promised to tell us about the restoration needs of the Smithsonian history and art museums. You haven't told us yet.

Mr. PERROT. Mr. Chairman, we have just completed an exhaustive analysis of our conservation needs, which are very closely related to development of the Museum Support Center.

This analysis has been delivered to the Rules Committee of the Senate, and a copy will be made available to you, if indeed it hasn't already. I believe it has.

Mr. YATES. Staff says no.

Mr. PERROT. I will see to it that you get it today, Mr. Chairman.

Mr. YATES. You noticed the look on his face. Shock.

Mr. PERROT. I am shocked that you did not receive the information. I would like to say, Mr. Chairman, that this study does not begin to answer the full magnitude of your question, which was how many objects need to be conserved.

At this point we really do not know. However, in response to your query last year, we have started a major inventory of conservation needs. This is still underway.

Mr. YATES. Okay. Good.

Mr. PERROT. I will provide that for the record.

[The information follows:]

SUPPLEMENTARY DATA ON THE SMITHSONIAN INSTITUTION'S
CONSERVATION ABILITIES AND GOALS

PRESENTED TO THE COMMITTEE ON RULES AND ADMINISTRATION,
UNITED STATES SENATE

April 15, 1978

The Smithsonian Institution, as the keeper of the national collections, and as an organization devoted to "the increase and diffusion of knowledge among men", has a vital stake in conservation. Indeed, it can be said that the mission of any properly constituted museum is to conserve the testimony of the past for the enrichment of the present, and in order for the future to better understand its origins.

Conservation pervades virtually every aspect of the Institution's activities. It must be admitted, however, that in spite of this profound concern for the subject, conservation has not benefited, in the past, from sufficient resources, space, personnel, or funding. Consequently, the Institution has been unable to pursue aggressively the development of new methods and the creation of new laboratories which would be responsive to evolving conditions

For the last ten years, in an attempt to correct this situation the Institution has studied its storage and conservation-laboratory needs, and ways of providing to its staff, and to the nation at large, a means to take advantage of its unique conservation expertise and of the opportunities for learning which are offered by its vast collections.

The proposed Museum Support Center is to be essentially concerned with the conservation of collections, primarily those of the National Museum of Natural History, and of the Division of Musical Instruments of the National Museum of History and Technology. The Center will contain a number of research laboratories and the most up-to-date retrieval facilities so that access to the collections can be achieved with the maximum of speed and the minimum of hazard to the objects.

A major component of the Museum Support Center is to be dedicated to the practical aspects of conservation training and research.

Detailed figures relating to this general summary are appended.

To these purposes, some 49,000 square feet have been set aside. This space will contain the Conservation Analytical Laboratory's Workshop, the Conservation Training Center, the Conservation Laboratory of the Department of Anthropology of the National Museum of Natural History, and its training component, and the Restoration Laboratory of the Division of Musical Instruments of the National Museum of History and Technology.

The training offered at Suitland will be orchestrated with the training that has always been given in the other conservation laboratories and workshops of the Institution. These, aggregating some 22,000 square feet of space, are located at the National Museum of History and Technology, at the National Museum of Natural History, the National Collection of Fine Arts, the National Portrait Gallery, the Hirshhorn Museum, and the Freer Gallery of Art. Some of these laboratories are world renowned and have achieved extraordinary sophistication in the practice and teaching of conservation methods. It is intended that the "faculty" of these laboratories will participate fully in the training program offered at Suitland and that these laboratories, in turn, will be the classrooms where students will be taking internships of various length, depending on their needs, in order to sharpen their skills with the foremost practitioners in the subject.

In developing plans for the Support Center, particular attention has been given to the training function. This is envisaged to be at two levels of proficiency: to train Conservators and Conservation Technicians. Appropriate courses will be developed for each in the basic principles of conservation, in the various scientific subjects relating to conservation, and in practical work.

The planned arrangements would also permit highly specialized advanced training or continuing education for a few practicing conservators or students who have completed conservation internships elsewhere.

The curriculum will be coordinated very closely with the academic offerings at a nearby university and by the time the program is instituted, arrangements will have been completed to insure that it will be a recognized degree program.

In the distribution of space, particular attention has been paid to the need for classrooms and lecture-demonstration areas, and to the individual needs of students for spaces specifically dedicated to their uses. However, a large proportion of the total space, by the very nature of conservation training, must be shared with the work spaces assigned to conservators.

The test of conservation training is in the doing, and the doing cannot be done in a vacuum. It must be carried out virtually on a one-to-one basis, between trainee and trainer, the one observing and working in close harmony with the other, on original objects, collectively diagnosing the nature of the objects' needs and carrying out the required treatment.

There are many advantages in having such a distribution of activities, so long as this distribution is within a fairly narrow geographical confine. It provides variety, avoids boredom, and assures the students that they are not studying in a synthetic atmosphere, but where the action is and where quality can be found.

We expect that 62 students will be in training by the fifth year, and that this will increase to 74 by the tenth.

These students will be subjected to a rigorous curriculum, tailored to their career goals, either as conservators or technicians. It is anticipated, and sincerely desired, that some of the students may wish to continue for an additional year and it may be that there will be some who will wish to go on to a higher degree whether related directly to the practice of conservation, or to the more scientific aspects of archaeometry.

By melding the various training opportunities in conservation that the Institution currently offers into one cohesive program, and by taking full advantage of the special expertise available in members of our staff, we expect to provide a curriculum that will be unmatched in diversity and unexcelled in quality.

To attain this aim, however, increased operating funds will be necessary to staff the laboratories to a level compatible with the number of students served.

Sufficient resources must be at hand so that the practice of conservation on the Institution's collections is not overshadowed by the training aspects. The two are vitally inter-linked and must prosper together. It is because of the Institution's vast collections and the complexity of the work being done on them, that this training program acquires a special value.

In addition, the Institution intends to continue offering opportunities for internships to trainees from other organizations and expects that its own trainees will be completing internships elsewhere, since there is no substitute for practical, supervised, on-the-job experience.

In refining the Center's space requirements, and examining spaces available in other parts of the Smithsonian campus, close attention has been given to spaces occupied by other training and conservation programs across the nation:

TRAINING INSTITUTIONS

The Conservation Center of the Institute of Fine Arts, New York University plans to have a total of 9500 square feet when its new facility is completed.

The Cooperstown Graduate Program in Conservation has 5880 square feet.

The University of Delaware-Winterthur program has 18,000 in its new building.

MUSEUMS AND LIBRARIES

The Conservation Laboratory of the Art Institute of Chicago has 6800 square feet.

The Los Angeles County Museum of Art has 3000 square feet.

The Boston Museum of Fine Arts, including all of its "archaeometrical" space, has 30,000 square feet.

The Asian Art Museum in San Francisco, which specializes in oriental subjects, has 3150 square feet.

The Metropolitan Museum's new laboratory has 14,800 square feet.

The Library of Congress has approximately 13,840 square feet in its present facilities with plans to increase to 19,380 square feet when the Madison Building is completed.

Hence, the Institution's proposed total of 71,610 square feet compares very favorably indeed. One might add to this figure, merely for information purposes, the vast restoration laboratories of the National Air and Space Museum. These, however, are not concerned with conservation in the traditional sense, and due to the enormous size of the objects that are worked on, the area occupied has not been included in our statistics since this would distort the figure and possibly lead to misconceptions. Nevertheless, even excluding that acreage, it is clear that the Institution is far from being a "laggard" nationally or indeed internationally since, in the aggregate, it almost certainly combines the largest budget commitment to Conservation as well as the largest amount of space in any single organization in the world.

While no one questions the great need for trained conservators, it is true that the resources currently available to the nation's museums to hire conservators are extremely limited. In the last few years, the output of trained conservators has kept abreast of the number of openings. From 1975 to March 1978, 50 positions were advertised, while approximately the same number of students graduated. While it is hazardous to match one figure to the other, since many of the vacancies advertised were for experienced personnel, the closeness of the two is indicative of a tight market. It is expected that between now and the first graduating class, the impact of the Institute of Museums Services, the continued concern of the National Endowment for the Arts, the expansion of the Regional Conservation Centers, as well as a greater awareness of the ethic of conservation, and the imperative that this ethic places upon the higher levels of museum management, that more resources will be available to give gainful employment at a level commensurate with their talents to the conservators who will be emerging from the Institution's training program and those offered by other organizations throughout the United States.

SUPPLEMENTARY DATA ON THE SMITHSONIAN INSTITUTION'S
CONSERVATION ABILITIES AND GOALS

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10. Conservation at the Institution: Space and Cost Distribution
by Unit

Conservation at the Museum
Support CenterRevised Space DistributionConservation Analytical Laboratory

	<u>Net assignable square feet</u>
<u>Administrative Area</u>	
Administrative/clerical	1,190
	<u>1,190</u>

Work Area

Work benches, General (Metals, Ceramics,	4,800
Storage wood, etc.)	1,000
Photo Studios/Examination (shared)	1,400
Radiography/Thermography (shared)	1,000
Paper Room	850
Furniture Room	850
Paintings Room	850
Textile Room (shared)	2,765
Large Object Room	1,300
Science Area	630
	<u>15,445</u>

Student Lecture and
Demonstration Areas

Theatre ("Uppsala" type)	2,300
Seminar Rooms (shared)	2,825
Information Center and Library (shared)	2,450
Study Carrels and Video	240
Student Reading Room and Lounge	1,500
Student Laboratories	1,500
Rough Work Room	1,000
Specialized Materials Shops	2,000
	<u>TOTAL</u>
	<u>13,815</u>
	<u>30,450</u>

Anthropology Conservation Laboratory

	<u>Net assignable square feet</u>	
<u>Administrative Area</u>		
Administrative/clerical	465	465
<u>Work Area</u>		
Main Work Room	2,565	
Archaeology Room	1,065	
Textile Room	shared	
Metals/Microscopy Room	100	
Large Object Room	1,065	
Photography Room	shared	
Analytical Room	100	
Radiography Room	shared	
Airbrasive Room	100	
Specimen Storage Room	600	
Supply Storage Room	400	
Outgoing Specimen Room	500	6,495
TOTAL		6,960

Musical Instrument Restoration Laboratory

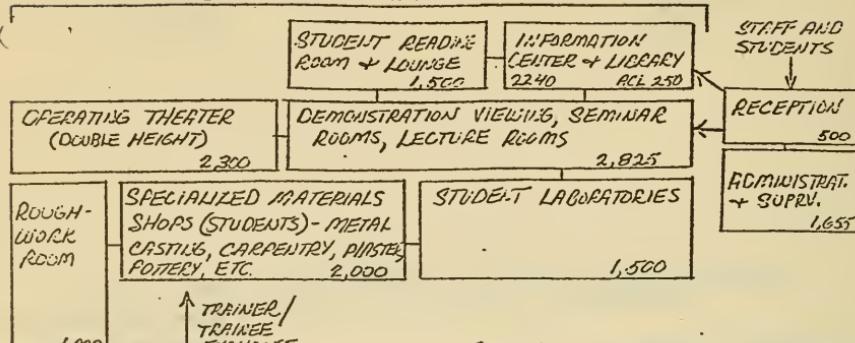
	<u>Net assignable square feet</u>
<u>Administrative Area</u>	
Administrative/clerical	250
<u>Staff and Student Work Area</u>	
Clean Work Room	900
Dirty Work Room	400
Examination/Documentation	300
Tuning Room	150
	1,750
TOTAL	2,000

Registrarial, Receiving, Handling

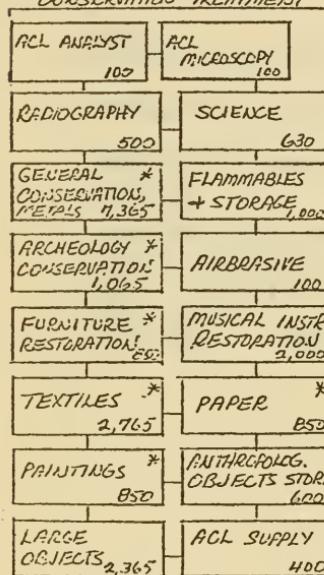
	<u>Net assignable square feet</u>
Registrar Offices	1,000
Handling, Receiving, Holding Rooms	7,000
Fumigation	2,000
TOTAL	10,000
GRAND TOTAL .	49,410

CONSERVATION TRAINING

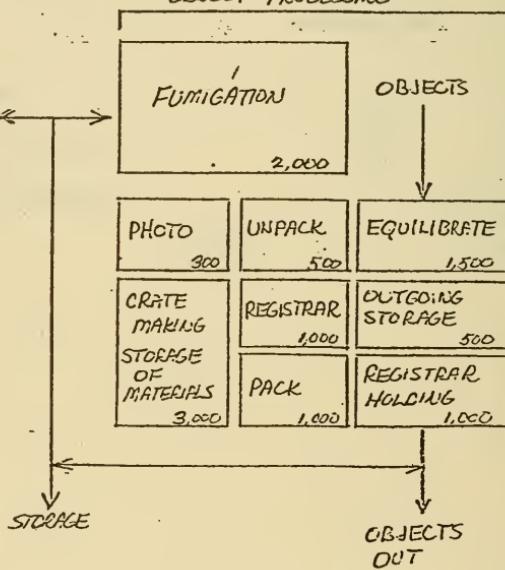
Appendix 2



MUSEUM SUPPORT CENTER CONSERVATION SPACE/FUNCTIONAL RELATIONSHIPS



OBJECT PROCESSING



*PHOTOGRAPHIC SPACE - 1,100

ACL = ANTHROPOLOGY CONSERV.
INSTITUTE

CONSERVATION TRAINING

Course OutlinesCourse I: ConservatorEntrance Requirements:

Bachelor's degree with major in relevant discipline (e.g., art history, anthropology, archaeology), or equivalent. Candidates must show motivation, have a feeling for art, history, archaeology, etc., have an idea of the nature of materials, and academic proficiency.

Candidates with non-academic backgrounds, but with fully developed skills such as musical instrument maker, scientific instrument maker, or furniture restorer, may also be accepted.

Orientation: (6 weeks at the Center)

Definitions, purpose, history, philosophy and ethics of conservation.

Systematic circulation as trainees through all operations of the Center: registration, condition reporting, fumigation, storage, information center, exhibits, etc. Introduction to functions of other museum units as desirable.

(Entrants at the post-Conservation Program level will omit the following and proceed to internships in conservation laboratories.)

Subjects: Materials Science (6 months)

(Lectures and related lab work will be accomplished in cooperation with a local degree-granting university. This phase of training will require six months with the time divided between the Center and the university.)

Workshops: hazards; safety systems and practices; fire prevention and control.

The Object and Its Environment: temperature; humidity; air pollution - its significance, measurement and control; climate within buildings. Effect and control of climate during packing, transportation and display.

Light and Its Sources: properties; effects on objects; control; measurement.

Organic Chemistry: structure; solubility and miscibility; liquid organics; solid organics; synthetic resins.

General Lab Techniques: cross-sectioning; measurement; mechanical properties; miscibility and solubility; acidity; emulsions; polymerisation; thermosetting resins; molding and casting; accelerated aging.

Biology: Terminology; microbiology; biologically-caused deterioration; preventive treatment.

Wood: structure and properties; deterioration; conservation and restoration; water-logged wood and fibrous material.

Textiles: structure and fabrication; deterioration; conservation and restoration.

Paper: structure and fabrication and ink; deterioration; conservation and restoration.

Ceramics and Glass: structure and fabrication; deterioration; conservation and restoration.

Porous Material and Stone: structure and workshop techniques; deterioration; conservation and restoration.

Leather and Skins: structure and preparation; deterioration; conservation and restoration.

Metal: structure and working techniques; deterioration; conservation and restoration.

Associated practical work directed toward full understanding of materials and of processes applied to them. These include casting processes, washing, chemical and electro-chemical processes, protective coatings, consolidation, mechanical cleaning, etc.

Examination of Objects: (6 weeks at the Center)

Theory and practice of methods of examination appropriate to various kinds of complex objects in museum collections. Checklists. Reporting: purposes, standards and repositories.

Simple analytical techniques for identification of materials; preparation of a report.

"Non-destructive" examination by instrumentation; report.

Analytical methods used by the scientist; report.

Structure of Objects: (1 year at the Center)

Duplication of part of an actual complex object by correct techniques. Aging of another student's creation by accelerated methods to show understanding of deterioration processes. Full procedures for treatment of another's damaged synthetic object, working alongside staff member. Full report.

Repeat on other classes of complex objects, e.g., bronzes; panel paintings; decorative art; ethnographic and cultural objects of wood, leather, skin, bone, metal, etc. Performance will be evaluated for carefulness. (Some preference for specialization may be exhibited by trainees at this point.)

Internship: (1 year shared between Center and museum laboratories)

If skills are found acceptable, trainees will pass forward to interning on a variety of museum objects in a chosen specialization in conservation museums at the Smithsonian or in other museums.

Upon completion of the internship, qualified students may elect to continue with advanced studies in Conservation Science or Archaeometry in laboratories on the Mall or in other museums or university laboratories in the United States and abroad.

Course II: Conservation Technician

Basic curriculum for Conservation Technicians is the same as for Conservators (Course I) but at a less advanced level, and with particular emphasis on practical application and the development of manual dexterity. It is expected that technicians will be working under the supervision of conservators on well defined projects but to do so effectively it is necessary for them to understand basic scientific principles.

The proposed course for Conservation Technicians will require two years:

Orientation: 6 weeks--Center

Materials Science: 6 months--Center/University

Examination of Objects: 6 weeks--Center

Structure of Objects: 6 months--Center

Internship: 6 months--Center/Museums

Conservation at the Institution:
Staff Subject Matter Expertise:

National Museum of History and Technology

Chemistry	Metals	Photographic
Ship Models	Graphic Art	Instruments
Textiles	Musical	Guns
Vehicles	Instruments	Stamps
Machinery	Photographs	Coins and Medals
Costumes		Uniforms

Conservation Analytical Laboratory

Furniture	Paper
Paintings	all varieties
Wood	Ceramics and Glass
Decorative Art/ Objects	Textiles Plastics

Advanced scientific analyses:

Spectrography/Metallography	X-ray Fluorescence
Pigments, Fibre Identification	X-ray Diffraction
X-radiography	Infrared Spectrophotometry
Microanalysis	Neutron Activation

Hirshhorn Museum and Sculpture Garden

Painting	Sculpture	Bronze
Paper		et cetera

Smithsonian Institution Libraries

Bookbindings

Anthropological Conservation Laboratory

Ethnographic and Archeological:	skins	textiles
	ceramics	stone
	wood	glass
	fur	composite
	fabrics	objects

Conservation at the Institution:
Staff Subject Matter Expertise:

Fine Arts and Portrait Gallery

Paintings Canvas/
Paper Panels

Freer Gallery of Art

Bronzes Oriental scrolls, Pigments
Paper screens, etc.

Specialised scientific techniques, especially Microscopy

SUMMARY LIST OF CURRENT STAFF EXPERTS

National Museum of History and Technology

Chemistry: JON EKLUND, Associate Curator, Department of History of Science, Division of Physical Sciences. Taught one year of chemistry at Cooperstown Graduate Program.

Ship Models: HOWARD HOFFMAN, Museum Specialist, Department of National History, Division of Naval History.

Textiles: RITA ADROSKO, Curator -Supervisor, Department of History of Technology, Division of Textiles.

DORIS BOWMAN, Museum Specialist, Department of History of Technology, Division of Textiles.

LOIS VANN, Museum Specialist, Department of History of Technology, Division of Textiles.

KATHERINE DIRKS, Museum Specialist, Department of History of Technology, Division of Textiles.

GRACE COOPER, Consultant, formerly Head of Division of Textiles, and member of the Committee advising the Conservation Analytical Laboratory.

Vehicles: JOHN STINE, Museum Specialist, Department of History of Technology, Division of Transportation.

MARTIN BURKE, Museum Technician, Department of History of Technology, Division of Transportation. Trained at International Centre, Rome and in the Conservation Analytical Laboratory.

Machinery: WILLIAM HENSON, Museum Specialist, Technical Laboratory, Department of History of Science. Prepared all of the machinery for the A&I "1876 Exhibit", with the assistance of his staff.

- Costumes: CLAUDIA KIDWELL, Associate Curator-Supervisor, Department of Cultural History, Division of Costumes. Has a strong interest in conservation and recently arranged lectures by two conservators, both European trained, who hold opposite views on acceptable methods of treatment.
- KAREN HARRIS, Museum Specialist, Department of Cultural History, Division of Costumes. Has just published a book on methods of display for costumes which will not abbreviate their lives.
- Metals: WILLIAM HENSON, MARTIN BURKE, see above.
- Graphic Art: JAMES SPEARS, Museum Specialist, Department of Cultural History, Division of Graphic Arts. Uses approved methods of storing prints, drawings, etc.
- Musical Instruments: JAMES WEAVER, Associate Curator, Department of Cultural History, Division of Musical Instruments. Has made a detailed study of the philosophy of restoring instruments.
- SCOTT ODELL, Conservator, Department of Cultural History, Division of Musical Instruments. Has an international reputation for his work and is running a training program.
- Photographs: EUGENE OSTROFF, Curator-Supervisor, Department of History of Technology, Division of Photographic History. Has published on photographic conservation, has taught at courses supported by Eastman Kodak and has been concerned with the American National Standards Institute in standardizing storage methods.

Photographic Instruments: HARRY PATTON, DAVID HABERSTICH, Museum Specialists, Department of History of Technology, Division of Photographic History.

Guns: CRADDOCK GOINS, Curator-Supervisor, Department of National History, Division of Military History.

HARRY HUNTER, Museum Technician, Department of National History, Division of Military History.

Stamps: REIDAR NORBY, Associate Curator, Department of National History, Division of Postal History.

Coins and Medals: V. CLAIN-STEFANELLI, Curator-Supervisor, Department of National History, Division of Numismatics.

Uniforms: DONALD KLOSTER, Associate Curator, Department of National History, Division of Military History.

Conservation Analytical Laboratory, Office of Museum Programs

Furniture: WALTER ANGST, Conservator. Has lectured on scientific methods of treatment of furniture.

Metals: ROBERT ORGAN, Chief of Laboratory.

Paintings: Temporary vacancy

Decorative Art: WALTER ANGST, see above.

Paper: ELEANOR MCMILLAN, Supervisory Conservation specialist.

Ceramics and Glass: Temporary vacancy

Textiles: MARY GARBIN, Conservator.

Leather: MARY GARBIN, Conservator.

Plastics: ROBERT ORGAN, see above.

Spectrography: HAROLD WESTLEY, Chemist.

Metallurgy: MARTHA GOODWAY, Metallurgist

Fibers and Pigments by Microscopy: MARTHA GOODWAY, see above.

X-radiography: JOAN MISHARA, Conservation-Scientist.

Micro-analysis: WALTER HOPWOOD, Chemist.

X-ray diffraction: JOAN MISHARA, see above.

Infra-red Spectro-photometry: WALTER HOPWOOD, see above.

Neutron-Activation Analysis, and Multi-variate Statistics: JACQUELINE OLIN, Research Chemist

Hirshhorn Museum and Sculpture Garden

Painting: LAURENCE HOFFMAN, Chief Conservator.
Bronze and other
Sculpture: STEVEN TATTI, Conservator.
Paper: CONSTANCE WANKE, Assistant Conservator.

Smithsonian Institution Libraries, Office of Museum Programs

Bookbindings: JOHANNES HYLTOFT, Conservator.

Anthropological Conservation Laboratory, National Museum of
Natural History

All materials: CAROLYN ROSE, Supervisory Museum Specialist.
Bone Biology: DAVID VON ENDT, Research Chemist, Department
of Anthropology.
Fur: FRANCIS GREENWELL, Museum Specialist, Depart-
ment of Vertebrate Zoology.
Stone: ROBERT FUDALI, Geochemist, Department of
Mineralogy.

Fine Arts and Portrait Gallery

Paintings: THOMAS CARTER, Senior Paintings Conservator.
STEFANO SCAFETTA, Paintings Conservator.
Paintings and
Sculpture: FELRATH HINES, Conservator, National Portrait
Gallery.
Paper: KATHERINE ERIK, Paper Conservator.

Freer Gallery of Art

Bronzes: W.T. CHASE, Head Conservator.

Oriental Paintings: JOHN WINTER, Conservator.

Archaeological Objects and Radiography: LYNDA ZYCHERMAN, Conservator.

Pigments: ELISABETH FITZHUGH, Conservator-Scientist.

Chemical Analysis: ILONA BENE, Conservation-Scientist.

Oriental Scrolls and Paper: TAKASHI SUGIURA, Restoration Specialist.

PROJECTED 5th AND 10th CLASS STUDENT LEVELS
AND SPECIALTIES DISTRIBUTION

Specialties	<u>5th YEAR</u>		<u>10th YEAR</u>	
	Tech-nicians	Conservators	Tech-nicians	Conservators
Modern Paintings		1		1
Modern Sculpture		1		1
Paper		4		6
Rare Book-binding		1		1
Ethnography/Archeology	8		16	
Costumes		2		1
Textiles		6		7
Vehicles	2		3	
Machinery	3		4	
Photographs		1		1
Musical Instruments		2		2
General (Metal, Ceramics, Glass, Wood, etc.)	8	8	8	8
American Paintings		7		7
Oriental Studies		1		1
Conservation Science	6		6	
Furniture		1		1
Subtotals	<u>27</u>	<u>35</u>	<u>37</u>	<u>37</u>
Totals		62		74

PROJECTED COSTS FOR CONSERVATION TRAINING PROGRAM

It is estimated that the average annual cost for training one student, at either the Conservator or Conservation Technician level, expressed in 1978 dollars, will be \$15,700. This estimate is based upon a stipend of \$3,500 per student plus prorated costs for faculty, overhead and supplies. Based upon this estimate, the total annual cost for the entire student body of 62, in the fifth year of operation, will be \$973,400.

Comparative per student costs for other conservation training programs are:

Cooperstown	\$11,560
Fogg Art Museum	24,000
New York University	14,000
Winterthur	17,000

**A SAMPLING OF CONSERVATION TRAINING PROGRAMS IN
OTHER ORGANIZATIONS**

Space and Budgets at Teaching Facilities

<u>Organization</u>	<u>Square Feet</u>	<u>Budget</u>	<u>Students In Residence Plus Interns</u>
Fogg Art Museum	2,500	\$144,000	6 + 0
N.Y.U. Inst. of Fine Arts	9,500	\$375,000	22 + 6
Cooperstown Grad. Progs.	5,880	\$346,783	20 + 10
Winterthur-Univ. of Delaware	18,000	\$510,000	20 + 10

CONSERVATION LABORATORY SPACE IN SOME OTHER ORGANIZATIONS *

<u>Organization</u>	<u>Square Feet</u>
Chicago Art Institute	6,800
Los Angeles County Museum of Art	3,000
Boston Museum of Fine Arts	30,000
Asian Art Museum, San Francisco	3,150
Metropolitan Museum of Art	14,800
Library of Congress	13,840 (now) 19,380 (upon completion of Madison Building)

* Figures are rounded off.

CONSERVATION ANALYTICAL LABORATORY,
OFFICE OF MUSEUM PROGRAMS

The Conservation Analytical Laboratory is administered by the Office of Museum Programs, but is housed in the National Museum of History and Technology. It serves any of the Smithsonian bureaus which present requests and is, therefore, organized to provide a particularly wide variety of services. Its 5,000 square feet are divided into three areas as follows:

1. Information (staff of 2) - a library on conservation and analytical techniques with computerised access to information and a series of several hundred information sheets which answer the most common questions received.

2. Analytical (staff of 6) - separate minute laboratories for ultra-violet emission spectrography; X-ray fluorescence analysis with dedicated mini-computer; X-ray diffraction and diffractometry; X-radiography suitable for metal objects and for paintings; microscopy in a special clean room, for metals, pigments and fibers; infra-red spectrophotometry for organic materials and pollutant gasses; micro-chemical analysis; neutron-activation analysis carried out in collaboration with Brookhaven National Laboratory and the National Bureau of Standards.

3. Conservation (staff of 4 to 8) - two small areas specialized for furniture and paintings and the remainder adaptable to treatment of any kind of object that can be brought in.

Collectively, the Conservation Analytical Laboratory is staffed with specialists possessing skills in paper, leather, textiles, ceramics, furniture, metals, paintings and for investigating the unknown.

The missions of CAL are: to advise on environmental control; to advise on conservation procedures; to treat objects that cannot be treated in individual museum laboratories; to provide analytical services to conservators and curators; to run archaeometry programs; to provide conservation information.

Interns who have passed through the laboratory in the past are now: an objects conservator with Parks Canada; two general conservators to a museum in Denmark; the head of a regional conservation center; two conservators of textiles with the National Parks Service; two conservators of paper; and a conservation scientist.

ANTHROPOLOGY CONSERVATION LABORATORY

DEPARTMENT OF ANTHROPOLOGY, NATIONAL MUSEUM OF NATURAL HISTORY

This laboratory, of 1,500 square feet, operates in conjunction with the Collections Processing Laboratory for archaeological and ethnographic collections. Its single Conservator, with the assistance of a Museum Technician, cleans and prepares for exhibition many hundreds of objects annually. The laboratory also utilizes the services of students from the George Washington University Museology Program (up to nine), a small group of volunteers and a few paid contractors. The laboratory is equipped with student microscopes, fume extraction hoods, some sinks, and grit-spray equipment. Space for mending and cleaning operations is severely limited. Analytical aid and X-radiography is available within the Department of Anthropology and the Department of Mineral Sciences. Specialized analysis and specialized library facilities are provided by the Conservation Analytical Laboratory in the National Museum of History and Technology. The Conservator of the Anthropology Conservation Laboratory also lectures in the George Washington University Museology Program.

CONSERVATION LABORATORY, HIRSHHORN MUSEUM AND
SCULPTURE GARDEN

This laboratory serves only the museum, which contains a variety of paintings and art objects of great complexity. Since many of the sculptures are out-of-doors, they are subject to considerable stresses and require constant vigilance.

It is a small laboratory (850 square feet), but well equipped for its purposes.

Its three conservators specialise in paintings, sculpture, and paper, and are assisted by two technicians.

Many hundreds of works are inspected or pass through the laboratory for treatment each year.

CONSERVATION LABORATORY, NATIONAL COLLECTION OF
FINE ARTS AND NATIONAL PORTRAIT GALLERY

These two collections share one building and a single conservation laboratory in which separately salaried staffs work on paintings and sculpture (4,325 square feet) and on prints and drawings (575 square feet). The laboratory is well-equipped with hot tables, spray booth, X-ray unit, cameras with infra-red and ultra-violet illuminators, microscopes and testing equipment.

There are four paintings conservators and one paper conservator. Recently, the laboratory has accepted a single intern per year from a graduate conservation program.

TECHNICAL LABORATORY, AND ORIENTAL PAINTINGS RESTORATION
LABORATORY, FREER GALLERY OF ART

The objects in this collection may not leave the building, so the laboratories have an unusually wide range of responsibilities. The Oriental Restoration Laboratory (400 square feet) began in 1923. Its single conservator works on silk, paper and lacquer, using traditional methods, and has accepted one intern from time to time.

The Technical Laboratory, founded in 1951 (850 square feet), has a staff of three conservators and four assistants (three part-time), and is very well equipped for the scientific study of bronzes, paintings and archaeological objects. Techniques available include microscopy, X-radiography, X-ray diffraction, Microchemistry, and Metallography. Thermoluminescent Dating and Radiocarbon Dating services are obtained from other laboratories.

The Technical Laboratory has developed a world-wide reputation, especially for its work on pigments and on the materials and construction of oriental bronzes. A single intern is accepted from time to time.

CONSERVATION ACTIVITIES AT
THE NATIONAL MUSEUM OF HISTORY AND TECHNOLOGY

This museum has enormously rich and varied collections divided among curatorial departments. Many of these departments have individual staff members who carry out conservation functions, some in small specialized laboratories, e.g. Musical Instruments, 1500 square feet; Technical Laboratory, 1200 square feet; and the Textiles Laboratory, 1400 square feet. Others work in storage areas or wherever space can be found. The total area applied to conservation in the Museum is 6,700 square feet.

Faculty available to participate in conservation training include:

Department of Cultural History

Division of Costumes	3
Division of Domestic Life	2
Division of Graphic Arts	3
Division of Musical Instruments	6

Department of National History

Division of Naval History	1
Division of Political History	8
Division of Numismatics	2

Department of History of Science

Division of Mechanisms	2
Division of Physical Sciences	2

Department of History of Technology

Division of Photographic History	1
Technical Laboratory	6
Division of Textiles	4
Division of Transportation	3

Some of the more complex needs are met by the Conservation Analytical Laboratory. The storage areas and storage procedures of some of the Divisions are models of conservation understanding and are frequently demonstrated for this reason. The Division of Musical Instruments already operates a training program, the only one of its kind in the United States. It includes lectures presented by the staff of the Conservation Analytical Laboratory. Newly hired staff of the Technical Laboratory also attend these lectures.

THE FREEZE-DRY LABORATORY - OFFICE
OF EXHIBITS CENTRAL

This laboratory is housed in the National Museum of Natural History. Instead of removing the skins and stuffing them as is done in taxidermy, freeze-drying animal specimens preserves internal features of potential scientific interest. The laboratory is very specialized, containing a high vacuum chamber large enough to accommodate the largest specimen that can be safely treated by this technology together with vacuum pumps, preparation areas, and deep-freeze chambers to contain specimens awaiting the drying operation.

The manager of this laboratory has spent ten years developing his methods, and his experience is matched by only one other specialist, who is in London.

SMITHSONIAN INSTITUTION'S LIBRARIES
CONSERVATION SERVICES AND LABORATORY

The Smithsonian Institution Library supplies and catalogs the books located in the various conservation areas. It will shortly provide a computer-access terminal to various technical bibliographic services needed by scientific conservators. Its recently appointed conservator, plus one assistant, has a laboratory (1,180 square feet) for the rebinding of rare books and rebinding and encapsulation of pamphlets. The laboratory is about to accept one trainee.

Conservation at the Institution:
Space and Cost Distribution by Unit

Museum	Square Feet	Personnel	Salaries	Supplies & Equipment	Current Student Interns
Hirshhorn Museum & Sculpture Garden	800	5	\$ 84,000	\$ 9,000	1
Smithsonian Institution Libraries	1,100	2	\$ 36,000	\$ 8,000	0
Anthropological Conservation Laboratory	1,500	3	\$ 51,400	\$ 6,000	2
Office of Museum Programs (Exhibits Central)	1,350	1	\$ 36,000	\$ 70,000	0
National Museum of History & Technology	6,700	14	\$ 236,900	\$ 14,000	3
National Collection of Fine Arts	4,900	4	\$ 90,300	\$ 5,800	1
National Portrait Gallery (shared with NCFA)		2	\$ 32,100	\$ 1,300	0
Freer Gallery of Art	850	5	\$ 117,500	\$ 22,600	1
Conservation Analytical Laboratory	5,000	16	\$ 474,000	\$ 152,000	0
TOTALS	22,200	52	\$1,158,200	\$288,700	8

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TRAINING AND AVAILABILITY OF CONSERVATORS

Mr. YATES. Thank you.

On page 71 of the justification you talked about the difficulty of recruiting adequately trained staff, and because of that the preservation effort has been slowed considerably.

The savings are being used to contract the work out for several bureaus, and to purchase essential equipment and supplies.

It was indicated last year, however, the competition for training for conservationists is very intense. The job possibilities once they graduate are minimal—because most of the museums really don't have funds to be able to develop conservation labs.

The Smithsonian does have funds. Is it using them to develop trained conservators?

Mr. PERROT. It will be accelerating in this direction, Mr. Chairman. We have difficulty recruiting for the reason that the persons that the Conservation Analytical Laboratory is looking for already must have experience.

We do not have the space in the present facilities to offer the kind of training that is needed and that we should offer. However, this is very closely linked to the justification for the Museum Support Center.

Mr. YATES. Is there as great a discrepancy in numbers of conservators who are women as there are in the arts? How many are men and how many are women that you have?

Mr. PERROT. I could provide statistics, Mr. Chairman. We would intend to make a major contribution to the training in the support center. I will provide a breakdown.

Mr. RIPLEY. I would guess, Mr. Perrot, if you don't disagree with me, it is near 50-50 in this case. It is high. It is good in this respect. I have a daughter who is training. She sees just as many girls as men there in these courses.

[The information follows:]

RECENT GRADUATES IN CONSERVATION

Four major conservation training centers show the following distribution by sex among recent graduates.

Program and years	Women	Men	Total
Cooperstown, N.Y., graduate program in conservation: 1976-78.....	16	14	30
Fogg Art Museum, Cambridge, Mass.: 1977	8	2	10
1978	3	4	7
University of Delaware-Winterthur: 1977	4	1	5
1978.....	7	3	10

The New York University Conservation Center's average number of women in its program has been between 50 and 75 percent. Exact figures were not given since course duration varies depending on qualifications of students.

CIVIL SERVICE CLASSIFICATION FOR CONSERVATORS

Mr. PERROT. Mr. Chairman, one of the problems that federally funded museums have had in the recruitment of conservators, in the past, has been related to the Civil Service classification, and the absence of a proper register for conservators.

This register is, I understand, in the process of being developed in close cooperation with our staff and the Library of Congress. There has been a problem in the past of giving proper positions, titles that are commensurate with the talents and the aspiration of conservators. This has been a holdback.

ACADEMIC AND EDUCATIONAL PROGRAMS

Mr. YATES. In 1979 you want an additional \$40,000 for the Office of Academic Studies. How many fellowships would be provided under this? What would the stipends be for pre- and post-doctoral scholars?

Mr. BLITZER. Mr. Chairman, the purpose of this requested increase is to allow us to maintain roughly the present number of fellowships. This year we are giving 22 pre-doctoral fellowships, and 18 post-doctoral.

The stipends for many years have been \$5,000 for a pre-doctoral and \$10,000 for a post-doctoral fellow. As spelled out in our justification, this stipend is now hopelessly out of date, and almost impossible for these people to live on.

So, we have changed the amounts now to \$7,000 for pre-doctoral fellowships and \$12,000 for post-doctoral fellowships. If we are given the additional \$40,000, we will simply maintain the number of appointments at the present level.

Mr. YATES. You want an additional position for \$9,000. What happens if the increase is not granted?

Mr. BLITZER. The additional position is in the Office of Symposia and Seminars, and is not related to the fellowship program.

Mr. YATES. Okay. We will move out into where you want us to move. But what happens in the event it is not granted?

Mr. BLITZER. I suppose we don't get the person.

Mr. YATES. What happens to the program? Anything? The Office of Symposia and Seminars, you want another position.

Mr. BLITZER. Right.

Mr. YATES. \$9,000. Why do you need the extra job?

Mr. EUELL. That is a clerk typist position, Mr. Chairman, which is necessary because of the increased workload of several seminars we are undertaking.

Mr. YATES. Are you going to have to do your own typing?

Mr. EUELL. We will be in trouble if we don't get typing support.

Mr. YATES. Why, don't you type?

Mr. EUELL. Not very well.

REQUESTED INCREASE FOR ADMINISTRATION

Mr. YATES. Okay. Completion of conversion to an integrated automated accounting system.

Now, one gets the impression the \$165,000 is to meet the recommendations of the Hughes report, to maintain a five-year audit cycle. But then you take a look at the first paragraph on page A-97, and that notion is dispelled.

Would you put in the record a breakdown of how you are going to use \$165,000? Is that you, Mr. Jameson?

Mr. JAMESON. Yes, sir. I can speak to it now or put it in the record.

Mr. YATES. Would you put it in the record.

[The information follows:]

REQUESTED INCREASES FOR ADMINISTRATION

The amount of \$165,000 and 7 positions requested for Administration would be used as follows. Two auditor positions and \$30,000 would be allocated to the Office of Audits in accord with the Hughes recommendation that the Institution speed up the present audit cycle. One budget analyst position and \$15,000 would go to the Office of Programming and Budget to help meet an expanded workload resulting from the growth of the federal budget to be managed, new procedures, such as zero-base budgeting, and additional internal and external reporting requirements. One position and \$30,000 would be used for contract negotiation and administration in the Office of Supply Services, an area of increasing complexity under federal laws and regulations. Three positions and \$69,000 would be assigned to the Office of Facilities Planning and Engineering Services to reduce a current backlog of work (which if delayed will result in higher construction costs). The positions are an electrical engineer (only one is now available) to meet many problems in an aging physical plant, a construction engineer (four are presently available) to help assure that contract work is monitored for design and specification conformance, and a microfilm technician (none is available) to help maintain accurate and current information on existing facilities thus speeding future design efforts. The balance of \$21,000 is required for program support of management and legal services.

SCIENCE INFORMATION EXCHANGE

Mr. YATES. The last time SSIE user fees were raised was 1976. You want to make up the difference in appropriated funds. Why not increase the rates for SSIE?

Mr. CHALLINOR. Mr. Chairman, we felt when we raised the rates 20 percent in April 1976—

Mr. YATES. How much of the user revenues are from federal agencies?

Mr. CHALLINOR. 98 percent.

Mr. YATES. Can't they afford it?

Mr. CHALLINOR. So far, Mr. Chairman, we have found if we raise the rates, they don't give us the required contracts to keep the Science Information Exchange a viable business.

We now have, for example, about \$900,000 in eight contracts with various federal agencies. That is about as much as the traffic will bear. We would get more contracts, if we had a greater input. That is what we are requesting \$356,000 for this year.

SPECIAL FOREIGN CURRENCY PROGRAM

Mr. YATES. Let's talk briefly about the foreign currency program. What about Philae? Is that program over with?

Mr. RIPLEY. After one more year, our pledge will be fulfilled.

Mr. CHALLINOR. This is the last year, Mr. Chairman.

Mr. YATES. Is it all the money you want, or are you still interested in the medieval scripts of Islamic scholars?

Mr. CHALLINOR. The final payment in FY 1978 of \$1 million in excess Egyptian pounds is all the money we wanted for Philae. The FY 1979 request is for funding competitive projects that we receive from universities all around the country, and from museums, for work in those countries where these funds are still in excess.

We anticipate that we will certainly use the whole \$3,700,000 that we are asking for this year.

The demand has not decreased at all. The currency that is surplus is losing value very rapidly because of inflation in India, Pakistan and Egypt, where the bulk of this currency is still located. The money, as you recall, already has been spent.

USE OF FOREIGN CURRENCIES FOR ZOO ACQUISITIONS

Mr. YATES. May I ask Dr. Reed a question on that subject.

Dr. Reed, could foreign currencies be used to purchase animals in the countries where we still have foreign funds? Don't you need a couple of tigers out of India?

Mr. REED. Tigers would be very difficult to get out of India, because of their endangered status protection there. We are hoping to develop some joint projects with the Indian zoos in studying some of their animals which will, if I have my way, accrue to collections here.

Mr. YATES. Can you use foreign funding for that?

Mr. REED. We can use foreign fundings when we have a joint project with the Indians, or with the people in Egypt or Pakistan.

We would develop a joint project with their zoos. We are working on such a project now.

Mr. YATES. Thank you.

NEWSPAPER ARTICLES FAVORABLE TO SMITHSONIAN

These newspaper articles may go into the record at this point, in order to balance the record—we put articles of all kinds into the record, some of which have been critical of the activities of the Smithsonian and Secretary Ripley.

We propose to put into the record at this point some of the bouquets for him. We have some of the bouquets to balance the brick bats.

[The information follows:]

[From the Washington Post, Feb. 7, 1978]

THE MUSEUM MAN

(By Daniel S. Greenberg)

The Smithsonian Institution's depictions of primitive man do not include examples of either the congressional prober or the government auditor. Recent events, however, suggest that samples of the two merit inclusion in the display cases of that venerable conglomerate of museums and research activities.

The reason is that the Smithsonian, delight of museum-trooping Middle America and mainstay of a great deal of important but unglamorous research, is in trouble with its congressional overseers. Following a preliminary reconnaissance by the double-entry drones of the General Accounting Office, tribesmen from Capitol Hill have laid siege to the red stone castle on the Mall. And there is no doubt that they are in quest of Smithsonian chief S. Dillon Ripley, who, in the course of rejuvenating the 131-year-old organization, repeatedly committed an egregious heresy: He did not worshipfully abide by government regulations.

Given the Smithsonian's spectacular growth and popular and professional acclaim in the 14 years since Ripley took over what's been referred to as "the nation's attic," the congressional assault raises a serious question—namely, is excellence compatible with the oatfish ways of government?

Ripley is no run-of-the-mill administrator, and the Smithsonian is no ordinary institution. Of patrician origin and manner, and internationally renowned as an ornithologist, Ripley presides over a vast organization—4,600 employees, 14 museums and scores of research departments—that is a legal anomaly on the American landscape. Though nearly 90 percent of the Smithsonian's budget is appropriated by Congress, and the chief justice, the vice president and six members of Congress sit on its 17-member board of regents, the Smithsonian isn't an agency of the U.S. government. Just what it is is a source of controversy. But the matter was perhaps best put 50 years ago by Chief Justice William Howard Taft, who, as head of the regents, described the Smithsonian as "a private institution under the guardianship of the government."

Whatever that means, the fact is that the Smithsonian is neither executive, legislative nor judicial. And, with some 10 percent of its annual budget coming from gifts, endowments and various other nongovernment sources, S. Dillon

Ripley, nimble administrator, has not been obsessively concerned with slavish devotion to the government's meticulously prescribed ways of doing business. Rather, he's been heavily occupied with running and enlarging a great institution, all the while carrying on—in the tradition of Smithsonian leaders—an active career in research.

If he wants to hire a specialist, and federal funds are not available, he writes the cost off to the Smithsonian's own funds—a practice so out of whack with the government's prescribed hiring rituals that a House subcommittee recently cited the Smithsonian as having "employment funding practices and a work force mix which defy explanation."

That the work force is of superb quality was of no interest to the probers, who dourly observed that the public-private mix "has permitted the Smithsonian to offer the benefits of federal employment with a freedom of flexibility unique among federal agencies."

They also seem to have been irritated by a phenomenal success of the Ripley regime, Smithsonian Magazine, which, in a surprisingly short period, has become a major publication in its field. Though the magazine is a moneymaker—and costs the government nothing—the investigators have mysteriously concluded that it's thriving at the expense of the Smithsonian's scientific functions.

Under Ripley, however, these functions have blossomed, particularly in environmental fields long neglected by government research agencies. Building on a century-old research tradition, Ripley's Smithsonian has come to regard itself as an "environmental bureau of standards"—meaning that, worldwide, it is serving as a central institution for studying the natural environment before man-made intrusions produce irreversible alterations.

The truth of the matter is that under Ripley the Smithsonian has performed extraordinarily well. In fact, before any more congressional boulders roll down on the castle, Jimmy Carter ought to dispatch his Cabinet there to take lessons from S. Dillon Ripley.

[From the Washington Post, Feb. 17, 1978]

PERSPECTIVE ON S. DILLON RIPLEY

I wish to thank Daniel Greenberg for a refreshing perspective on S. Dillon Ripley's stewardship of the Smithsonian Institution and the current investigation of its affairs by Congress ["The Museum Man," op-ed, Feb. 7].

As a long-time resident of this area, I have witnessed the dramatic change in the role of that institution during the last 14 years. Before Dr. Ripley's arrival, the Smithsonian presented the image of a stuffy museum—full of fascinating collections but hardly lively. Since then the entire atmosphere of the place has changed, and the Smithsonian complex is now a vital, exciting part of our community. Witness the folklife festivals that have brought such life, color and diversity to the Mall these past few years, to name but one change. Credit for the new dynamism is surely not Dr. Ripley's alone but, as director, he deserves a large share.

As to the complaints by the congressional committee, I suggest that any irregularities in the management and accounting methods of the Smithsonian are insignificant compared with the colossal mismanagement and waste inherent in some of the projects that had the blessing of Congress, such as construction of the hideous, costly Rayburn and J. Edgar Hoover buildings, and the bastardization of Union Station. Now there's something worth investigating!

JESSIE WOODWELL BUSH,
Washington.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., February 14, 1978.

Hon. SIDNEY R. YATES,
Chairman, Subcommittee on Interior,
Committee on Appropriations, Washington, D.C.

DEAR CONGRESSMAN YATES: I thought you would be interested in Donald Pack's comments on the Smithsonian Institution.

Sincerely,

JOSEPH L. FISHER,
Member of Congress.

Enclosure.

DONALD H. PACK,
 CONSULTING METEOROLOGIST,
McLean, Va., February 4, 1978.

The EDITOR,
The Washington Post,
1150 15th Street, N.W.,
Washington, D.C.

DEAR SIR: This is prompted by the article "Smithsonian Criticised" in the February 4, 1978 issue. It seems to me that the thrust of the article, and especially its "tone" is to imply that the actions of the Smithsonian management are of a dubious character. As an example there is the use of the word "investigation" for the GAO report. The word "study" could have just as well have been used. In a town where "investigation" has an especially ominous ring implications can be stronger than facts.

The point is that the article might just as well be congratulatory. As a resident of Washington for 24 years it is all too easy to recall the Smithsonian two decades ago—a dusty collection of poorly displayed trivia. There was no Museum of History and Technology, no Air and Space Museum, the National Gallery extension was not even a dream. This is to mention only the spectaculars. It takes a combination of vision, money and good management to so successfully rejuvenate an institution.

Management technique seems to be the core of the reported objections. It is a poor manager who does not use all the tools at hand to accomplish a goal. One such tool is the application of differing rules and regulations to expedite needed actions. This is accepted practice, particularly by Federal executives, as they attempt to move programs through the labyrinth of directives. (I did this myself with perfect legality in the course of a 35-year Federal career.) Finding ways to accomplish actions are what managers are for, not to wring their hands and bemoan the constraints.

For example in the field of personnel a portion of the article reports on personnel compensation at the Freer Gallery of Art. The endowment income, due to inflation, became too small to cover the entire "private" payroll and a few employees were transferred to Federal funds. The implication is that this is, somehow, nefarious. What would you have? Fire the employees? Close the Gallery? Reduce its hours?

It is the prerogative for the Congress to change the rules and increase its control over the Smithsonian. (However one can have reservations about Congressional management too.) In the meantime Mr. Ripley should not be faulted, post facto, for operating adroitly and effectively under the rules that now exist.

DONALD H. PACK.

Mr. YATES. Thank you very much, gentlemen. If there are any other questions, we will be back. We do have some questions for you to answer for the record. Otherwise, we are through.

[Note: The Smithsonian submitted a policy statement which is included with the following questions and answers.]

Policy on Use of Funds

A number of the following questions relate to the Secretary's 1975 policy statement on the uses of appropriated and trust funds including gifts, grants, and contracts. The statement referred to is either the brief oral answer to a question at the fiscal year 1976 appropriation hearing (cited on page 18 of the Surveys and Investigations Staff Report of December 1977) or to the 1975 general statement of funding source objectives (listed on pages 19 and 20 of the Report) or both.

As explained in the Institution's response to this chapter of the Report ("How Smithsonian Institution Determines Program Funding--Federal or Private"), the most appropriate source of funding for a program or project is determined by considering all available options and attempting to choose the one (or more) that best fits the particular circumstances taking into account the nature of the planned work, precedents, the timing of the funding need, and other factors. Since no two projects or programs are exactly alike, and since attitudes and realities both inside and outside the Institution change, the results of this weighing of options to arrive at a sensible decision tend to be different from case to case.

The Secretary's answer at the 1976 hearing spoke to "innovative programs requiring research initiatives" and "particular research initiatives" as being funded with trust funds. In this brief oral response the Secretary attempted to draw a distinction between a project or program that might receive initial or continuing support with trust funds and those broad housekeeping functions that have been supported traditionally with appropriations. It was a quick response to a question and, as such, was not an exhaustive reply.

Throughout the Institution's history research projects have frequently been initiated or stimulated with trust funds, most often of a restricted nature since unrestricted funds were not available. With the recent availability of unrestricted trust funds, the Board of Regents has approved an allocation for the current fiscal year for important scholarly studies. Such studies will augment and strengthen the core program of research on the national collections and in astrophysics, biology, and zoology which by their magnitude will continue to require appropriated funds.

The 1975 statement of funding source objectives attempted to categorize in broad general terms the principal functions of the Institution and to suggest for each the most appropriate source or sources of funding for the majority of cases. For each funding source the word "primarily" was used in recognition of the fact that each case would be decided on its own circumstances. This statement continues to have substantial validity.

Source and Application of Funds
(Chart: Tab E of FY 1979 Budget Submission)

The chart on Tab E, "Source and Application of Funds," was prepared in January, 1978. Under the Federal Grants and Contracts category, changes have been incorporated into a revised chart submitted as an

insert to the record. Also, some of the figures in the Restricted Trust Fund category have been updated as a result of more recent information. The revised figures are reflected in answers to the specific questions that follow. However, the chart has not been changed to incorporate these latter changes.

Budgeting and Staffing Procedures

Questions and concerns have been raised about the consistency and propriety of the Institution's budgeting and personnel-hiring policies, procedures, and practices. It has been suggested that many of these uncertainties might be alleviated or eliminated if the Institution would prepare and submit a single budget showing all sources of funds and, thereafter, the budget administered as if the Smithsonian was a Federal agency with all of its employees under the civil service.

The Board of Regents, Secretary, and staff of the Institution are sensitive to these concerns and anxious to take all appropriate steps to lay them to rest. To this end, a number of corrective and strengthening measures have been recommended, approved by the Board of Regents with the full support of the Secretary, and are being placed into effect.

The Smithsonian is firmly committed to providing the Office of Management and Budget and the Congress with information about the sources, amounts and purposes of expenditure of all categories of funds. For several years, the Institution has provided its Financial Report as an appendix to the budget justifications. This financial report contains bureau-by-bureau information on comparative appropriations, Federal grants and contracts and trust fund expenditures for the preceding fiscal year. Recognizing, however, that this historical information was of limited help to the OMB and the Congress in reviewing the proposed Federal budget, a proposed new approach was developed for the FY 1979 budget to show similar breakdowns for the current and budget years. This information will be updated each year or as often as required and, with the Institution's five-year plan, will afford the basis for a full review of the Institution's programs and resource requirements. More detail as to the specific sources of funds that make up aggregated amounts has been requested and will be provided. Further details as to the uses of all funds also can be furnished. The Institution will provide whatever additional information is required by the OMB and the Congress, in as clear a format as possible, to enable those bodies to exercise their oversight responsibilities.

Fuller information on budgetary matters should in turn facilitate a clearer understanding of the reasons for Federal and trust fund employees. The Smithsonian's response to the Surveys and Investigations Report on the Smithsonian Institution describes the general factors which dictate the choice of Federal or trust fund personnel systems for the great majority of the Institution's employees. Since this response has been made a part of the hearing record, these factors need not be repeated fully here. It should be repeated here, however, that the principal area in which some discretion in employment decisions exists is that of central administration which has always been supported in part by trust funds. It is the policy of the Institution that the overall staffing of these functions should be approximately in proportion to the operating program expenditures of the Institution as a whole.

Changes of employees from one system to another are relatively infrequent. Even in these instances it is the policy of the Institution to classify and to fill trust positions in substantially the same manner as civil service positions with regard to merit and equal opportunity considerations. Furthermore, civil service employees may compete for trust positions, as may trust employees for civil service positions. The primary consideration in the filling of a position is the benefit to the Institution; the interests and motivation of individual prospective employees are properly given consideration whenever consistent with the needs of the Institution. In the interest of protecting the Institution and the employee, instructions have been drafted for review by the Board of Regents that will establish a review procedure for any change from one system to the other that might appear to be self-serving or otherwise questionable.

As further actions to establish more clearly and consistently the policies and procedures governing the recruitment, selection, and administration of its employees, the Institution has been at work for some time on the preparation of current and comprehensive handbooks covering Federal and trust employment.

The Institution sees no merit in placing all its employees under the civil service system given the well defined systems under which these employees now work, the low number of conversions which are reviewed carefully, and the complete willingness of the Institution to make all financial and personnel information available for review. Nor does it appear proper to have Federal employees assigned to auxiliary activities, such as the Smithsonian magazine. Aside from these considerations, practical problems envisioned by the Institution in attempting to establish a single system include the limitations of Federal personnel ceilings, difficulty in certifying current trust fund employees and personal hardships to them caused by the loss of leave, insurance, and retirement benefits, and the continuing problem of adjusting a Federal work force to meet the changes to staffing needs caused by fluctuations in the work-loads of the Institution's auxiliary activities or by changes in scientific or technical emphasis in research programs supported by funds from Federal agencies or private organizations.

Effort to structure the Smithsonian's operations as just "another Federal agency" and thus change its character will, it is believed, have most serious consequences with regard to the public's perception of the Institution and their continued willingness to support it with important objects for the national collections, with gifts and bequests of funds for special and unrestricted purposes, and with support through the Associates programs. Such action furthermore would raise serious legal questions concerning the educational and charitable nature of the Institution and its continued ability to receive gifts, grants, and contracts.

Assistant Secretary for Science

Question. No program increase is requested for the Radiation Biology Laboratory. The appropriated funding for FY 1979 is \$1,755,000. \$25,000 is estimated to be received in restricted trust funds, and \$75,000 in federal grants and contracts.

How will these nonappropriated funds be used in FY 1978 and 1979?

Answer. The restricted and federal grant and contract funds are used to support long term research projects. These projects are currently being funded for FY 1978, and it is anticipated that these grants and contracts will be renewed for FY 1979.

The 1979 estimate of \$25,000 from restricted funds will be used to support partially the Flamenco Island, Panama, light monitoring station.

The \$75,000 estimate for 1979 from federal grants and contracts will be for partial support of several research projects:

1. A project studying the properties of accessory pigments associated with photosynthetic membranes and their function in absorbing light energy used in photosynthesis.
2. A project studying the effect of spectral distribution changes at twilight and at sunrise on the photoperiodic induction of flowering in higher plants.
3. A project studying the effect of pulsed (flashing) light on photosynthesis and plant productivity in relation to continuous light.

The major portion of the \$75,000 furnishes the salary of 3 technicians for the above research projects.

Question. From nonappropriated funds the Chesapeake Bay Center receives \$77,000 in general unrestricted trust funds, \$3,000 in special purpose trust funds, \$20,000 in restricted trust funds, and expects to receive \$500,000 for federal grants and contracts. This is roughly the same level as that anticipated in FY 1978.

How will those funds be used in each fiscal year?

Answer. The following depicts use of nonappropriated funds at the Chesapeake Bay Center by fiscal year:

Smithsonian Unrestricted Funds - General (FY 1978 - \$71,000; FY 1979 - \$77,000)

Programs essentially same for both years:

1. CBCES Work/Learn Program - stipends for 18 students
2. CBCES Summer Ecology Program - part year salary for coordinator plus 4 students during summer

3. Docent Coordinator - half-time salary to coordinate docent tour leaders
4. Environmental Information Specialist - salary
5. Land acquisition mortgage repayments
6. Printing of "Rhode River Review" (CBCES newsletter of staff activities)
7. Real estate tax payments
8. Insurance

Smithsonian Unrestricted Funds - Special Purpose Funds (FY 1978 - \$2,000; FY 1979 - \$3,000)

1. Director's discretionary funds
2. Special Event Funds (cost associated with workshops, seminars)

Restricted Funds - \$20,000 each for FY 1978 and FY 1979

1. Donation from Boyd for furnishings of CBCES Education Building
2. Donation for upkeep of boat "Bil-E-Bob"
3. Donation from J. P. Penny Foundation for education activities
4. State of Maryland grant to study bird/plant populations in forest communities
5. Englehard Foundation grant to develop educational materials describing estuaries

Federal Grants and Contracts - Level funding anticipated FY 1978 and FY 1979 (\$500,000 per year)

1. National Science Foundation Grant - Field Trips for Science Learning
2. Environmental Protection Agency - Study of the relationship between die-off of submerged higher aquatic plants in Chesapeake Bay, and herbicides in land runoff
3. Environmental Protection Agency - non-point pollution studies on agricultural land use types prevalent in the coastal plain zone of Maryland
4. Environmental Protection Agency - A quantitative study of the diffuse source loading of Chesapeake Bay

Question. For the National Air and Space Museum you are requesting \$5,876,000, a decrease of \$240,000 in the program area. According to your justifications at page 26, a janitor position is being abolished and \$230,000 is expected to be saved because it is less expensive to maintain and refurbish exhibits than to create and fabricate new ones.

In view of some of the other endeavors you identify on page A-25, aren't you actually saving more than \$240,000? If so, where else are you accomplishing savings in order to provide the funds needed to implement the items identified on page A-25.

Answer. The mix of program elements of the National Air and Space Museum has been in transition from the embryo Museum of FY 1973 through the young Museum of FY 1976 to a much more mature Museum of

FY 1979. The steady decrease of exhibits activities is leveling off while the educational program described on page A-25 is projected to become full-fledged in FY 1979. The level of exhibits effort reflected by the description on the top of page A-26 should be typical of that which should be performed in FY 1979 and subsequent years. Comparing the total program mixes of FY 1978 and FY 1979 yields a dollar saving between the two years of \$240,000. In FY 1979, the educational program will have a larger share of resources compared with the current year. The plans spelled out on page A-26 are expected to be accomplished with base resources devoted to the various programs.

Question. In addition to the appropriated funds, it is estimated that the Air and Space Museum will have \$11,000 in general trust funds, a net of \$205,000 in special purpose trust funds, \$20,000 in restricted use trust funds, and \$375,000 in federal grants and contracts. Comparable amounts are anticipated in FY 1978.

Explain how these funds will be used in 1978 and 1979.

Answer. The general unrestricted trust funds allotment of \$10,000 in FY 1978 and \$11,000 in FY 1979 will be used for costs of museum exhibit openings and the 2nd and 3rd anniversary of the museum's opening.

The special purpose trust funds of \$161,000 in FY 1978 and \$205,000 in FY 1979 will be used for salary and support costs of artist in residence, salary and support costs for bureau auxiliary activities management and publication costs of museum education newsletter.

The restricted trust funds of \$20,000 in FY 1978 and \$20,000 in FY 1979 will be used for salary and support costs of research in naval flight history and for care and maintenance of museums exhibits.

The federal grants and contracts funds of \$375,000 in FY 1978 and \$375,000 in FY 1979 will be used for continuing lunar research and publication of museum guidelines for the handicapped.

National Zoological Park

Question. In addition to appropriated funds, the Zoo expects \$44,000 in unrestricted trust funds, \$25,000 in special trust funds, \$30,000 in restricted trust funds, and \$65,000 in federal grants and contracts. This is a level roughly comparable to the 1978 level.

Explain how these funds will be used for both years.

Answer. The \$41,000 of unrestricted general funds for FY 1978 and \$44,000 for FY 1979 will be used to fund the services of a part-time contracting officer and also provide funding of special events for the opening of new exhibits.

The \$25,000 of special purpose trust funds for FY 1978 and FY 1979 derived from user charges for use of quarters and conference space by staff and authorized visitors will be used for the maintenance and

improvement of the property at the conservation and research center at Front Royal, Virginia.

The \$30,000 of restricted trust funds (Chrysler Corporation Animal Acquisitions Fund) for FY 1978 and FY 1979 will be used for the purchase of animals for the collection and to enable the Zoo to improve the conditions of the existing collection through research.

The \$62,000 of federal grants and contracts for FY 1978 and \$65,000 for FY 1979 enables the Zoo to do research that will provide much needed information on exotic animals. Two current projects relate to Howler and Cebus monkeys in Venezuela and the rare golden marmosets.

Office of Assistant Secretary for History and Art

Question. For the Office of the Assistant Secretary for History and Art you are requesting \$277,000, a net increase of \$23,000 in program funds. In addition to the appropriated funds, this Office anticipates receiving \$72,000 in unrestricted trust funds, \$1,000 in special purpose trust funds, \$5,000 in restricted funds, and \$75,000 for federal grants and contracts. This is approximately the same level as in FY 1978.

Please explain how you expect to use those funds.

Answer. The funds listed here support both the Office of Assistant Secretary and the Joseph Henry Papers. The \$72,000 in unrestricted trust funds should read \$62,000. The amount covers salary and benefits for the Assistant Secretary and his travel. The \$1,000 in special purpose funds is an incorrect estimate and should be dropped. The \$5,000 in restricted funds was the estimated amount of a grant to the Joseph Henry Papers from the National Academy of Sciences. The grant actually will be closer to \$4,000 and the money will be used, as granted, to cover some travel expenses and temporary personnel expenses. The \$75,000 for federal grants and contracts is an incorrect estimate of anticipated funds for the Joseph Henry Papers. It is now known that there will be one grant for \$16,000 from the National Historical Publications and Records Commission. The funding will be used to support a research assistant, travel, supplies, and computer time.

Question. The requested increase of \$23,000 is a net increase of \$28,000 to replace funds which would have been available from the National Endowment for the Humanities and a decrease of \$5,000 in the Office of the Assistant Secretary. The table on page E-3 shows that in fiscal year 1978 you expect to fund two positions and \$70,000 from federal grants and contracts and in 1979 two positions and \$75,000 in federal grants and contracts.

If the \$28,000 is to replace a National Endowment for the Humanities grant, what is the additional grant expected to be received in FY 1979?

Answer. The table on page E-3 is incorrect in projecting continued support from the National Endowment for the Humanities. Only one additional grant for the Joseph Henry Papers is expected in fiscal year 1979, a \$16,000 grant from the National Historical Publications and Records Commission.

Question. If no replacement is anticipated, should you not be transferring the position from federal grants and contract to the appropriated funds for the Office of the Assistant Secretary?

Answer. Yes, and in fact, on the chart, p. E-3, 5 positions are shown for the Joseph Henry Papers, fiscal year 1979 federal funds. The numbers under federal grants and contracts, fiscal year 1979, should read 1 full-time employee and \$16,000.

National Museum of History and Technology

Question. For the National Museum of History and Technology you are requesting appropriations of \$6,452,000. In addition, this office will have \$12,000 in general trust funds, \$180,000 in special purpose trust funds, \$425,000 in restricted trust funds, and \$15,000 in federal grants and contracts.

How will those funds in FY 1979 and the comparable amounts in FY 1978 be used?

Answer. The \$12,000 in general trust funds made available to the Museum from central Smithsonian accounts will be used each year for funding special events (receptions for exhibit openings attended by the public). The \$170,000 in special purpose trust funds made available to the Museum resulting from proprietary activities such as its cafeteria and bookstore and the Institution's product development program will be used in FY 1978 for new, standardized storage equipment in the Museum and at Suitland; for collections acquisitions and related travel; for purchase of archival materials; and for reprinting the Hans Syz catalogue. FY 1979 special purpose trust funds will amount to an estimated \$60,000 and will be used for collections management supplies and equipment.

In FY 1978, restricted trust funds, which are available only for the purposes designated by their donors, will be expended to complete the Hall of American Maritime Enterprise; for additions and maintenance of "Person to Person" exhibit; for the Doubleday Lecture Series; for research projects (costumes, philately, numismatics, ceramics, musical instruments); for "1876" restoration projects; for "Aspects of Art and Science" exhibit; and for a Dibner Library symposium for an estimated FY 1978 total of \$443,100.

In FY 1979, restricted trust funds will be used for the Doubleday Lecture Series and for research projects (costumes, philately, numismatics, ceramics, musical instruments) totalling an estimated \$120,000.

In FY 1978, federal grant and contract expenditures will total \$15,000, the balance in a U.S. Department of Commerce Maritime Administration grant for the Museum's Hall of American Maritime Enterprise exhibition.

In FY 1979, federal grants and contracts will total \$450,000 from U.S. Geological Survey for a centennial Geological Survey exhibition.

Question. In the appropriated funds there is a reduction of \$170,000 in program funds. This net change is a result of a reduction of \$276,000 resulting from production of fewer and less costly new exhibits. Partially offsetting the decrease is a request for five new positions and \$106,000 to expedite cataloguing, accessioning, and storage improvements. No additional positions are shown. The justification on page A-37 indicates that they will be secured by reprogramming existing staff vacancies.

Were those vacancies funded? If so, how much savings will occur as a result of not filling those positions?

Answer. Yes, the vacancies were funded. Only \$4,000 in savings will be realized, however, because the vacancies will be filled by five full-time permanent technicians and two temporary clerk typists, as follows:

Salary savings for five vacancies:	\$73,000
Less: 5 Full-time permanent technicians	-51,000
Less: 2 Temporary typists	<u>-18,000</u>
Total	\$ 4,000

National Collection of Fine Arts

Question. For the National Collection of Fine Arts, you are requesting \$3,003,000 in appropriated funds. In addition to the appropriated funds you will have unrestricted trust funds of \$18,000, \$100,000 in special purpose trust funds, \$75,000 in restricted trust funds, and \$110,000 in federal grants and contracts. This is a \$75,000 reduction in general trust funds, and \$26,000 reduction in special purpose trust funds from 1978.

Please explain how you intend to use the funds in 1979 and 1978 and what accounts for the roughly \$100,000 decrease in general and special purpose trust funds from 1978 to 1979.

Answer. The general unrestricted trust funds of the National Collection of Fine Arts are those made available from central Smithsonian accounts primarily for the costs of receptions for the public at the opening of new exhibitions. The special purpose trust funds are those available from the National Collection's proprietary activities, including its bookstore, and from participation fees paid by other museums around the country to whom exhibitions prepared by and shown at the NCFA subsequently travel. The restricted trust funds include occasional gifts and bequests made by donors for specific purposes at the NCFA, including the Barney Memorial Trust whose income is dedicated to the upkeep and maintenance of Barney Studio House in northwest Washington. Federal grants and contracts have included in previous years funding support from the National Endowment for the Arts for NCFA exhibits and exhibit-related publications. Such support is no longer available under new granting guidelines issued to the Endowments by the Congress.

The trust fund figures cited above do not accurately reflect the NCFA's current position. Our best estimate at this time is that unrestricted general funds will increase by \$2,000 from FY 1978 to FY 1979 (from \$18,000 to \$20,000); unrestricted special purpose funds are correct as shown on page E-3; restricted funds will decrease by \$26,000 (from \$43,000 to \$17,000); and federal grant and contract funds will be zero for both FY 1978 and FY 1979. The \$100,000 decrease in special purpose trust funds from 1978 to 1979 is attributable to the

fact that participation fees received in FY 1978 from other museums for several large traveling exhibitions organized by NCFA will not be received in FY 1979, and funds were provided from the James Smithson fund for a one-time purchase of a painting in FY 1978. During FY 1978 and 1979 we will use available unrestricted general and special purpose trust funds for selective program enhancements beyond that which can be covered by available appropriated funds. Some of these are exhibition installation and shipping costs, necessary travel for professional staff, printing, exhibition openings, acquisitions of works of art, stipends to fellows and interns, and special educational programs. Restricted funds, which are available only for the purposes designated by their donors, represent anticipated Barney Memorial Trust income applied to the upkeep and maintenance of Barney Studio House.

Question. You are requesting an additional \$57,000 for exhibit costs. According to your justification on page A-41, this \$57,000 will merely permit you to maintain the 1977 exhibition schedule.

How much does the National Collection of Fine Arts now have in its exhibits budget?

Answer. The NCFA does not have a separate exhibitions budget, since exhibition expenses involve so many departments within the museum, e.g., curatorial, administration, education, exhibition and design, registrar, conservation, publications, public affairs, slides and photography, etc. However, we estimate that total expenditures for exhibitions in FY 1978 will approximate \$783,000 from all departments. Recent rises in many exhibition costs, especially for materials and services of outside contractors, are beyond the control of NCFA, although no increase in appropriations have been made to cover them. Funds are also necessary on an ongoing basis to replace and update lighting equipment, wall surfaces, and other facilities in our temporary exhibition areas.

Question. Please provide a breakdown of that comparable to the level for which you are requesting the increase.

Answer. Of the \$783,000 estimated total exhibition expenditures for FY 1978, the base for the portions of the exhibit program for which increased funding is requested for FY 1979 is \$520,000, broken down as follows:

<u>Description</u>	<u>FY 1978</u>	<u>Expenditure (est.)</u>
Personnel costs for exhibits technicians and skilled craftsmen engaged in fabrication, installation, and packing of exhibitions		\$175,000

<u>Description</u>	<u>FY 1978 Expenditure (est.)</u>
Staff travel to select and research materials for exhibitions, make cooperative arrangements with other museums, and assure proper packing and safe transit of delicate or extremely valuable pieces	\$10,000
Exhibition materials and equipment, including lighting fixtures, tools, wood, plexiglas, paint, etc., and services of outside contractors	<u>\$335,000</u>
TOTAL	\$520,000

Question. For registrarial costs you are requesting an additional \$38,000. This too is an approximate 10% increase over the base. The justification indicates that you plan to use an additional \$3,000 for storage equipment and computer time to keep abreast of the new objects received into the collection each year.

Do you feel you have an adequate inventory and maintenance system?

Answer. Yes, the basic structure is adequate, but more refinements and continued work are necessary to keep the inventory accurate and current. Ongoing funding is required not only to inventory the 1,000 new acquisitions each year, but also to update information on our existing collections.

Question. How much do you presently spend for storage equipment and for your inventory program?

Answer. For FY 1978 the NCFA will spend approximately \$60,000 on inventory and storage. This figure breaks down to \$55,000 for salaries and benefits for four employees and \$5,000 for equipment and computer time. Our storage areas are still cramped because of lack of proper racks, shelves, and other equipment, despite the considerable improvements made with little funding during the past seven years.

Question. For storage and photo research equipment you are requesting an additional \$35,000. You say that to date 29,000 negatives have been indexed.

How many negatives are there in total which will need to be indexed?

Answer. The Juley Collection, which is only one part of NCFA's rapidly growing slide and photograph archive, consists of ca. 127,000 negatives, of which 29,000 have been indexed. This leaves 98,000 Juley negatives yet to be indexed.

Question. Must the indexing be completed before copies and prints are made from the decomposing negatives?

Answer. Yes, preliminary indexing must precede printing because the only identification of the Juley negatives consists of information hand written on either the boxes or envelopes holding the negatives, on pieces of paper filed with the negatives, or directly on the negatives themselves.

Question. What is your time table for completing preservation of the Juley Collection?

Answer. Preliminary indexing of the entire Juley Collection should be completed by the end of FY 1979 if two additional people are assigned by the beginning of the fiscal year. One person is currently assigned to indexing. (Note: After indexing, the negatives are forwarded in batches to the SI's Office of Printing and Photographic Services where prints from them are made.)

Question. You are requesting an additional \$14,000 for library support.

How many microfilms and microfiche of selected 19th century journals will you acquire with \$3,000?

Answer. We estimate that only the eight most essential journals can be acquired, since for each journal a back run (averaging 40-50 volumes) costs about \$400 from commercial microfilm publishers.

Question. How long do you expect to take to fill the gaps addressed in the justification?

Answer. At the rate of eight journals per year, the project could be completed in four to five years.

Question. How many acid-free folders and envelopes will be purchased with \$7,000?

Answer. Nearly 25,000 folders and envelopes, which is one-third of the total number needed for full conversion, can be purchased for this amount.

Question. How long will that program continue?

Answer. The program of acquiring these acid-free folders in quantity sufficient for total conversion would cover three years, at this rate of acquisition.

Question. Please explain why this action is necessary.

Answer. Our fifty-year old file of research materials on art--pamphlets, letters, clippings, announcements, etc.--shows signs of wear and deterioration, due in part to the use of non-archival quality folders which house the materials. Preservation measures are essential for the protection of this unique resource.

Question. You are requesting \$4,000 for temporary assistance to eliminate a backlog of unfiled reference material.

Is this a one-time cost? If not, how long will it continue?

Answer. No, it is expected to require at least two years, at the work-rate indicated (700 hours a year) for a GS-4 Library Technician. After that, with continuing support, we should be able to achieve current status in these files.

Question. How large is the backlog?

Answer. The backlog consists of 166 cartons, or about 166 running shelf feet of material to be sorted, arranged, and filed by artist name or art institution.

National Portrait Gallery

Question. For the National Portrait Gallery \$2,222,000 in appropriated funds is requested. In addition, the gallery expects to have \$17,000 in general trust funds, \$20,000 in special purpose trust funds, \$100,000 in restricted trust funds, and \$85,000 in federal grants and contracts. This is about the same level as FY 1978.

Please explain how these funds will be used in both FY 1978 and 1979.

Answer. Figures on NPG expenditures from trust and federal grant funds listed on page E-3 of the FY 1979 budget justification have been updated. Revised estimates are given and described below:

Unrestricted				Fed. Grants & Contracts/4	
General/1	Spec. Purpose/2	F/T	Empl.	F/T	Empl.
F/T	F/T	Empl.	\$000	Empl.	\$000
FY 1978	21		21	3	140
FY 1979	59		7	3	83
				3	84
				75	See Notes

Notes:

1. General purpose funds made available to the Gallery from central Smithsonian accounts in FY 1978 and FY 1979 are spent as follows: public receptions for lecturers (FY 1978, 4 events--\$6,000/FY 1979, 11 events--\$15,000); openings of exhibitions (FY 1978, \$12,000/FY 1979, \$15,000); two meetings of NPG Commissioners, one of the Advisory Board of the Peale Papers (FY 1979 only); and eight luncheons for visiting scholars and guests of the Gallery (FY 1978, \$3,000/FY 1979 \$4,000). In FY 1979 additional funds will be spent to mark the 10th anniversary of the Gallery in October; for a banquet for benefactors; and an open house and public reception, \$25,000.

2. Special purpose funds made available to the Gallery resulting from proprietary activities such as its cafeteria and bookstore in FY 1978 and FY 1979 are being used for the following: casting and inscribing National Portrait Gallery medals to be awarded benefactors of the NPG over its first 10 years (\$10,000 FY 1978 only); receptions for public groups (FY 1978, \$2,000/FY 1979, \$3,000); research and public service (\$3,000 FY 1978 only); special assistance with 10th anniversary preparations (FY 1978, \$3,000/FY 1979, \$1,000); publications (FY 1978, \$2,000/FY 1979, \$2,000); and miscellaneous (FY 1978, \$1,000/FY 1979, \$1,000). (Publications funded with trust funds include special printing, invitations, exhibit guides, and informational broadsides published in connection with exhibitions, lectures and public activities--often impossible to issue on time using federal funds.)

3. FY 1978 and FY 1979 expenditures from restricted funds, which are available only for the purposes designated by their donors, are: \$110,000 for acquisitions in FY 1978 and perhaps a comparable amount for FY 1979, although it is impossible to predict with certainty the funds which will be similarly donated in FY 1979; \$20,000 in FY 1978 and \$80,000 in FY 1979 for a national survey of portraits for the Gallery's Catalog of American Portraits; and \$10,000 and \$3,000 respectively to prepare for NPG's 10th anniversary celebration.

4. Of the \$159,000 remaining in federal grants from the National Endowment for the Humanities for the Charles Willson Peale project, \$84,000 will be expended in FY 1978. The resulting balance of \$75,000 will be returned to the Endowment in FY 1979, if support is provided for this project through our federal appropriation.

Question. In the appropriated funds you are requesting an increase in program funds of \$81,000. Of this amount, \$58,000 and three positions is to replace resources previously made available through grants from the National Endowment for the Humanities. The table on page E-3 shows that there were three positions and \$85,000 in federal grants and contracts in 1978 and these continue into 1979.

Shouldn't the grants decrease and the positions be transferred to federal funding?

Answer. Yes.

Question. You are requesting \$30,000 for temporary staff and contractual services for paper conservation. You say you need contractual services for projects too highly specialized or time consuming for staff members. How much of the \$30,000 is for contractual services?

Answer. Of the \$30,000 requested, \$11,000 is required for contractual services.

Question. With whom will you contract?

Answer. We will contract with noted experts in the conservation of paper and photographs like the following: Mrs. Caroline Horton,

New York; Mrs. Marilyn Weidner, Philadelphia; Mrs. Martina Yamin, New York; Mrs. Christa M. Gaeche, Arlington, Mass.; Alice Swann, International Museum of Photography, Rochester, N.Y.; David Kolodny, Boston.

Question. You are requesting an additional \$16,000 for a total of \$56,000 for publications.

How much of the \$16,000 is for expanding activities and collections and how much is to meet inflation?

Answer. Of the \$16,000 requested, \$1,500 is to meet inflated costs of paper and printing, and \$14,500 is toward publications on the permanent collection and other aspects of portraiture and biography. These publications are being prepared by our staff and will supplement the monographs and catalogs accompanying Gallery exhibitions.

Hirshhorn Museum and Sculpture Garden

Question. For the Hirshhorn Museum and Sculpture Garden you are requesting \$2,060,000 in appropriated funds, a reduction of \$20,000 in program funds. In addition to the appropriated funds, you expect to have \$16,000 in general trust funds, \$20,000 in special funds, and \$5,000 in restricted trust funds. This is approximately the same level as FY 1978, although there is a slightly different mix.

Please explain how the funds will be used in 1979 and 1978.

Answer. The unrestricted general trust funds made available to the Museum from central Smithsonian accounts total \$15,000 in FY 1978 and \$16,000 in FY 1979. These funds are used primarily for receptions marking exhibition openings (\$14,000 and \$15,000, respectively) and for luncheons and dinners for the Board of Trustees and other guests (\$1,000 annually).

The special purpose trust funds totalling \$15,000 in FY 1978 and \$20,000 in FY 1979 are raised from various sources, including proprietary activities such as the Museum's bookstore and summer terrace cafeteria, and are spent as follows:

1. The Women's Committee of the Smithsonian National Associates has given \$2,000 each year to the Museum for the Hirshhorn Holiday, which is a celebration for children held in early December.

2. Staff members request funds from the Secretary's Fluid Research Fund to enable them to respond to unexpected research opportunities. Approximately \$1,000 for each year is anticipated.

3. Special supplies, for which federal funds are not available, are purchased from these monies. About \$2,000 a year is used for such supplies.

4. Acquisitions for the collections are also budgeted from these funds. Five thousand dollars was estimated in FY 1978 and \$10,000

in FY 1979.

5. Travel connected with acquiring objects for the collection or viewing exhibitions may also come from these funds. Five thousand dollars was budgeted in FY 1978 and FY 1979.

The restricted trust funds are available only for the purposes designated by their donors. During fiscal year 1978, \$850 was given by the American Philosophical Society to assist in research for the exhibition, The Noble Buyer: John Quinn, Patron of the Avant-Garde. The Armand Hammer Foundation is contributing up to \$25,000 to support costs for the exhibition Orozco, Rivera, and Siqueiros, A Selection from Mexican Collections. In addition, the Board of Trustees provided \$10,000 to support staff research. In fiscal year 1979, it is anticipated that the Museum will receive a \$5,000 grant from a corporation to help support an exhibition of work by Saul Steinberg and \$5,000 for research from the Board of Trustees. The figures of \$20,000 in FY 1978 and \$5,000 in FY 1979 originally presented in the table on page E-3 were based on incorrect estimates.

Freer Gallery of Art

Question. For the Freer Gallery you are requesting \$590,000 in appropriated funds. In addition to the appropriated funds, you expect to have \$1,000,000 in restricted funds and \$30,000 in federal grants and contracts.

How do you plan to spend those funds in FY 1979 and how do you plan to spend comparable funds in 1978?

Answer. As provided by the language of the Freer Gift and Bequest, the restricted funds available to the Freer Gallery of Art are used to pay the professional curatorial staff, to pay for travel costs, for collection and library acquisitions, for maintenance of the Freer's enclosed courtyard and grounds, and for support of the Freer museum sales shop. Federal grants and contracts in previous years have supported conservation work on the Freer's collection of American paintings, largely those of James McNeill Whistler. This grant activity is not expected to continue in FY 1979.

Question. Why is it that you fund 30 federal positions with \$590,000 and fund 18 trust fund positions with \$1,000,000?

Answer. The Trust Fund positions total approximately \$450,000 in salary costs, the difference between that figure and \$1 million comprising the other object class costs referred to above. Nonetheless, the average Trust Fund position does cost more than the average federal position at the Freer; the federal staff are largely building management and clerical employees whereas the Trust Fund staff are mainly the higher paid curatorial staff, as provided in the Freer Gift and Bequest.

Archives of American Art

Question. For the Archives of American Art you are requesting \$480,000 in appropriated funds. In addition, you have ten positions and \$285,000 in restricted trust funds.

How do you plan to use the nonappropriated funds in FY 1979 and the comparable sum in 1978?

Answer. In any fiscal year, all nonappropriated funds, with the exception of grants, are restricted trust funds raised by the Board of Trustees of the Archives to support general operating expenses of the Archives. These expenses include salaries and benefits for clerical and technical support staff, personal service contracts, printing, publication and filming.

Question. You are requesting an additional \$46,000 in program funds. According to the justifications on page A-51 you plan to raise \$270,000 and fund 15 positions. Page A-83 shows you plan to support only 10 positions with that amount of money.

Please reconcile the difference.

Answer. The 10 positions shown on the chart (p. E-3, not A-83) represent only full-time, permanent positions. In addition to the 10, there are 5 part-time positions which Archives supports with its restricted trust funds.

Question. In 1977 you showed \$288,000 in restricted trust funds. Can you explain for the Committee the differences in the 1977 and 1978 numbers and why you need to generate \$270,000 in an area where you had \$288,000 in 1977?

Answer. The \$288,000 includes \$18,000 of non-recurring, non-federal grants for work on oral and biographical art history in the State of Michigan. The Archives continues to seek this type of support for special projects but can not count on any particular grants in fiscal year 1979.

Question. You are requesting \$19,000 to implement a plan to distribute the Archives of American Art Journal at no cost to colleges, museums, and interested individuals.

How many copies will be distributed?

Answer. 3,500 copies will be distributed.

Question. Why should this be done with federal funds rather than private funds? It does not appear to be a maintenance or housekeeping activity.

Answer. That is true, it is not, but the Archives of American Art Journal is an important activity in the Archives' program and the

chief means of informing the national community of art historians on research material available at the Archives. Started in 1963 for members only, the Journal has long since proven its value as a major scholarly publication. However, the practice of financing the Journal through membership fees has frequently kept it out of the reach of students and scholars who could benefit most from it. Federal funding of \$19,000 would enable the Archives to print the Journal through the Government Printing Office and to distribute it free of charge. Circulation would more than double from the current distribution of some 1,600 copies to some 3,500 copies including all colleges and universities with art history departments, students and scholars who request it, and researchers who use Archives' five regional centers. In addition, GPO would distribute the Journal to the appropriate depository libraries and could choose to offer it for sale in government book-stores. Finally, the trust funds raised through membership fees which are now used to print the Journal would be available to help minimize the effects of inflation in the Archives other trust fund activities.

Question. You are requesting \$27,000 to eliminate the clerical work of archival technicians and support the continued development of the card catalogue. You will use part-time clerk typists to accomplish routine clerical tasks.

What will you do with the funds now used to support archival technicians that had been doing the clerical work?

Answer. The funds would continue to support archival technicians. Once relieved of the clerical duties, they will be able to concentrate full time on the collections and thus reduce a standing backlog of processing, cataloguing and preserving valuable materials.

Cooper-Hewitt Museum

Question. For the Cooper-Hewitt Museum of Decorative Arts and Design you are requesting \$562,000 in appropriated funds, an increase in program funds of \$196,000. In addition, the Cooper-Hewitt will have \$315,000 in general trust funds, \$25,000 in special purpose trust funds, \$1,120,000 in restricted trust funds, and \$30,000 in grants and contracts. Nonappropriated funds for FY 1978 were roughly comparable.

Please explain how you plan to use those funds in FY 1978 and 1979.

Answer. The Smithsonian policy in regard to funding the Cooper-Hewitt Museum has been and continues to be that: to the extent possible, federal appropriations support the care and maintenance of the collections and the maintenance of the building and property; trust funds support program, including exhibitions, research, publications, and educational activities. The trust funds come from a variety of sources, but the larger portion by far must be raised each year by the Museum.

General trust funds are provided the Cooper-Hewitt annually from central Smithsonian sources. Of the \$315,000, \$300,000 supports

salaries and benefits for 12 employees including six in the curatorial department, two in the Registrar's office, three in administration and one in the exhibits department. The remaining \$14,000 and \$15,000 amounts are special events funds used for receptions marking the opening of exhibitions.

The \$25,000 special purpose trust fund comes from interest on the Cooper-Hewitt endowment. The money is used for general operating expenses, and as such, is included as part of the Museum's restricted funding.

Funds in the restricted trust fund category are the monies raised in various ways by the Cooper-Hewitt Museum to support its program. The figures listed were based on incorrect estimates and should read \$725,000 in fiscal year 1978 and \$785,000 in fiscal year 1979. The funding supports salaries and benefits for 15 employees, which comprise the personnel for the programs and membership departments, the coatroom and the Museum Shop; for travel, transportation of objects, printing and membership materials, purchase and/or rental of equipment for exhibitions and membership programs, personal service contracts for design of exhibitions, production of exhibitions, and supplies and materials. The \$60,000 increase in fiscal year 1979 represents salary and benefits for two additional employees, one in the exhibits department and one in administration, with the remainder spread over general operating expenses.

Under Federal grants and contracts, the figures listed were also based on incorrect estimates. The figures should read \$105,000 in fiscal year 1978 and \$62,000 in fiscal year 1979. The amounts represent in fiscal year 1978 a \$25,000 grant from the Urban Mass Transportation Administration to support the "Subways" exhibition and unpended salaries in three earlier NEA grants supporting two exhibitions ("Subways" and "Neo-classical Drawings"), a handbook on the collections and the Museum's new Textile Study Center. In fiscal year 1979, there will be another grant for \$50,000 from the Urban Mass Transportation Administration to enable the "Subways" exhibition to be circulated to other cities, and approximately \$12,000 remaining to be spent from the earlier NEA grants for the Textile Study Center and the handbook.

Question. The unrestricted trust funds expand considerably from 1977 when there was only \$37,000 in general trust funds, and your restricted dropped \$351,000 between 1977 and 1978.

Please explain why that occurred.

Answer. The apparent large fluctuations are not real but rather the result of changing the way in which certain trust funds are provided to the Cooper-Hewitt Museum from central Smithsonian sources. Up through fiscal year 1977, funds were transferred to the Museum throughout each year to cover specific expenditures as they occurred. These funds were then listed in the restricted category. As of fiscal year 1978, a set amount is being allotted to the Museum at the beginning of each year in accordance with an established budget (the funding is

currently used to support salaries and benefits as explained above). Accordingly, the funds are now listed in the unrestricted category. The expansion in general trust funds and the drop of \$351,000 in restricted funds between 1977 and 1978 is simply the result of this change in form.

Question. One hundred thousand dollars of the program increase is identified as an alternative to seeking grant funds from the National Endowments for the Arts and the Humanities. You say that you have received funding from the Endowments since 1973. However, in FY 1977 federal grants and contracts were \$21,000, and in 1978 you show \$30,000 and 1979 an estimated \$30,000 also. This is not quite the same as earlier circumstances where the justifications said that you were seeking replacement funds. This is simply an alternative. This appears to be a misleading justification statement. According to the justification on page A-55 the \$100,000 will be applied to research for and design and production of exhibitions.

If this is research, why is this not funded out of private funds, pursuant to the Secretary's 1975 stated policy?

Answer. The character of grants to the Cooper-Hewitt Museum from the National Endowments for the Arts and Humanities is not the same as the earlier circumstances mentioned--the Peale Papers at the National Portrait Gallery and the Joseph Henry Papers. The latter are continuing programs supported by existing grants, while projects at the Cooper-Hewitt funded by the Endowments have all been single, one-time projects. For this reason, it seemed more accurate to characterize the Peale and Henry Papers requests as "replacement funds," and the Cooper-Hewitt request as an "alternative" to future grants.

The kinds of money sought for Cooper-Hewitt Museum have varied. Grants have been received for research on the collections and for exhibitions, for renovation of the Carnegie Mansion, for consultation on the library, and for catalogues and handbooks on the collections. The amounts have ranged from a low of \$17,500 in a single fiscal year to a high of \$215,395, and the majority of the grants were received before the Museum was open. Both Endowments have provided funds although more than a year before the Congressional ruling, the Museum was discouraged by NEH from applying because the Endowment would no longer give money to the Smithsonian. A complete list of grants is shown below.

Now that the Cooper-Hewitt Museum is open with a full program in operation, the need for funding of the sort provided by the Endowments is more pressing than ever. The ruling which prohibits grants from the Endowments "to Federal agencies or organizations which rely primarily on federal appropriations" places the Cooper-Hewitt Museum, as part of the Smithsonian Institution, in a unique position. It is now the only museum in America which neither receives appropriated funds for its programs nor is able to seek funds from the Endowments.

The amount requested, \$100,000, is not more than amounts sought

in some previous years, and it is not the most ever sought and received. It is also less than museums of comparable size in New York receive from the same Endowments. It represents what the Cooper-Hewitt Museum needs annually to help support an active, public program, and its use for research for, and design and production of, exhibitions as well as preparation of catalogues is no different from the way funding from the Endowments has been used previously.

Question. You request an increase of \$65,000 to purchase suitable and secure cabinets, to design and construct cabinets, shelves and racks if necessary.

Where are the objects that would fill those cabinets now stored? How many objects are we talking about?

Answer. The objects comprise a major portion of the decorative arts collection and number in excess of 12,000 pieces. Included are one of the finest assemblages of wallpapers in the country, a unique collection of Japanese sword guards, valuable jewelry, objects of silver, copper, pewter and wrought iron as well as bibelots and buttons. Approximately half the wallpaper collection is now properly stored in metal cabinets. The remainder of the wallpapers and all the other objects--some 9,000 pieces--are in old, wooden cases or in temporary packing boxes and crates left from Cooper Union and the move to the Carnegie Mansion. Such storage is neither suitable nor secure, and appropriate, safe cabinetry is badly needed for the protection of these collections as well as to allow use of the material by both the Museum and visiting students and scholars.

Question. You are requesting \$31,000 to hire one electrician and to purchase necessary maintenance and equipment and tools.

How much of the \$31,000 is for the electrician and how much for maintenance equipment and tools?

Answer. Of the \$31,000 requested, \$18,000 is required to cover salary and benefits for a WG-9 electrician/mechanic. The remaining \$13,000 would be used for supplies and tools for the maintenance department including saws, a rote tiller, snow plow, floor polishers and vacuum cleaners.

Awards to Cooper-Hewitt

<u>Source</u>	<u>Purpose</u>	<u>Amount</u>	<u>Date</u>
National Endowment for the Arts	Sidewalk Shows	\$10,000	7/31/72
National Endowment for the Humanities	Wallpaper in 19th Century Frangiamore	\$14,980	11/8/72
National Endowment for the Arts	Utilization of Museum Textile Collection	\$9,789	4/17/73

Awards to Cooper-Hewitt (continued)

<u>Source</u>	<u>Purpose</u>	<u>Amount</u>	<u>Date</u>
National Endowment for the Arts	Visiting Library Specialists	\$7,880	3/19/74
National Endowment for the Arts	Immovable Objects	\$9,600	6/1/74
National Endowment for the Arts	Exhibition of French and Italian Prints	\$15,395	6/24/75
National Endowment for the Arts	Renovation of Carnegie Mansion	\$200,000	6/6/75
National Endowment for the Arts	Immovable Objects II; The Subway	\$25,000	6/22/76
National Endowment for the Arts	Handbook on Cooper-Hewitt Collections	\$27,620	12/1/76
National Endowment for the Arts	Equipment for Textile Study-Storage Center	\$24,910	12/1/76

Office of the Assistant Secretary for Public Service

Question. For the Office of the Assistant Secretary for Public Service you are requesting \$232,000 in appropriated funds. In addition, you will have a net of \$5,000 in general trust funds and \$15,000 in federal grants and contracts.

What activity will be funded with nonappropriated funds?

Answer. Nonappropriated funds support staff and program costs for the Office of Telecommunications which develops and produces educational and informational audio-visual materials for distribution to educational institutions as well as to public and commercial radio and television outlets and the Visitors Information and Associates Reception Center which is entirely trust funded. Minimal discretionary funds for the Assistant Secretary are also provided. Please note that the federal grant and contract related to our Museum Outreach program was terminated in December 1976. Therefore, the amounts shown for FY 1978 and FY 1979 under this category should be deleted.

Question. What are the activities that will generate \$685,000 in this office?

Answer. The \$685,000 represents expenses of the Office of Telecommunications and the Visitors Information and Associates Reception Center. Support for these activities stems from the Institution's unrestricted general trust funds.

Anacostia Neighborhood Museum

Question. For the Anacostia Neighborhood Museum you are requesting \$626,000 in appropriated funds. In addition, you expect to have \$23,000 in general trust funds, \$10,000 in special purpose trust funds, and \$75,000 in restricted trust funds. In FY 1977 you had \$171,000 in restricted trust funds.

Please explain how you expect to use these funds in FY 1978 and 1979 and explain the decrease from \$171,000 to \$75,000 between 1977 and 1978.

Answer. Appropriated funds for FY 1978 and 1979 support personnel and other costs for administering the Museum and for research, design and production of exhibits (such as the West African Kingdoms exhibit for FY 1978) and for educational activities. General unrestricted trust funds from central Smithsonian accounts provide salary for a Woodcraftsman position; and special purpose trust funds enable the Museum to assist the Anacostia Historical Society and provide some support for other community activities. The restricted trust funds are a foundation grant from Ford Foundation to finance a program to train minorities in exhibits design and production. Ten students entered the program in September 1976 and received training through December 1977. Eight students were placed in employment situations during or following this training period and the remaining two students received additional specialized training through March 1978. The program terminated April 30, 1978. The decrease from \$171,000 to \$75,000 between 1977 and 1978 is due to the decline in the number of students and termination of the program in 1978. No expenditures are now anticipated for FY 1979.

International Exchange Service

Question. For the International Exchange Service you are requesting \$213,000 in appropriated funds, a program decrease of \$22,000. No non-appropriated funds are available to this organization.

Why is that?

Answer. The International Exchange Service (IES) is staffed only by federal employees, and its services are all federal in nature, in accordance with section 1719, Title 44 of the United States Code. For this reason, the IES has no need for nonappropriated funds.

Question. You say that the Smithsonian and GPO have reached an agreement under which GPO assumes physical responsibility for the international exchange of government documents for which it will be reimbursed an amount not to exceed \$125,000.

What is the status of legislation to permanently transfer this responsibility?

Answer. A proposed amendment to section 1719, Title 44 has been agreed to by Smithsonian and the Library of Congress, and is currently under consideration.

Question. Do you anticipate with enactment of legislation that GPO or the Library of Congress will also provide the funding? If not, why not?

Answer. If the permanent transfer of transmittal responsibility is authorized, we anticipate a one-time base transfer from Smithsonian to either the Government Printing Office or the Library of Congress; however, funding arrangements are still under negotiation.

Smithsonian Institution Press

Question. For the Smithsonian Institution Press, \$749,000 is requested in appropriated funds. In addition, \$25,000 is expected to be received in federal grants and contracts and you expect to receive revenues in the amount of \$575,000 in general trust funds.

Please explain what activities are carried out within those areas.

Answer. For the Smithsonian Institution Press, non-appropriated funds support personnel as well as production costs for scholarly publications which the Institution considers necessary to publish in support of its research, collections, exhibitions and other programs. Projected revenues for FY 1979 are projected to be \$425,000. The net anticipated operating loss will be offset by a general unrestricted trust fund allotment made available from central Smithsonian accounts. Federal grant/contract funds are received from smaller agencies which do not have editorial/design staff and with which the Institution wishes to co-publish (e.g., the National Capitol Planning Commission for publication of Worthy of a Nation).

Office of the Assistant Secretary for Museum Programs

Question. For the Office of the Assistant Secretary for Museum Programs you are requesting \$1,901,000 in appropriated funds for FY 1979. In addition, you expect to have \$7,000 in general trust funds and a net of \$20,000 in special purpose trust funds and \$5,000 in restricted funds. You also expect \$55,000 in special purpose trust funds which are covered in part from revenues of activities. This non-appropriated funding level is comparable to the funding level in FY 1978.

Please explain how you will use the non-appropriated funds in 1978 and 1979 and explain the special purpose activities that are funded by revenues.

Answer. The Assistant Secretary for Museum Programs receives an allocation of up to \$6,000 a year from unrestricted trust funds, primarily for representational purposes, receptions for special groups, and unforeseen situations of that kind. For FY 1977, the total expended was \$4,400. In 1978, it is expected to be \$4,700. \$7,000 has been allocated for these purposes in the 1979 budget.

The restricted amount of \$5,000 consists of funds that have accumulated in the last few years, resulting, in part, from donations in memory of deceased staff members. These funds, which were set aside either to underwrite lectures or publications, will, for the major part, be expended by FY 1979. When the budget was prepared, plans had not progressed sufficiently so that this could be clearly indicated.

The \$53,000 special purpose funds for FY 1978, with a similar amount credited, result from the issuance of the special commemorative medal in honor of Queen Elizabeth II's Silver Jubilee. The initiative for producing this medal came from the Smithsonian Institution, but it was produced with the cooperation of the Pilgrims and the English-Speaking Union. It was expected that all costs connected with the production of this medal would be covered and that any surpluses, above these costs, would be allocated to a fellowship fund to bring young American scholars to Great Britain and a similar number of Britishers to the United States. Due to several delays incurred in the production of the medal, delivery came late in the Jubilee year and sales have been relatively slow. As a result, it is not expected that any surpluses will result from this project.

In preparing the budget for FY 1979 it was anticipated that activity from the medals will continue at a reduced rate, and therefore the \$53,000 in special purpose funds has been reduced to an estimated \$20,000.

With regard to the Office of Museum Programs, the \$18,000 of special purpose funds in FY 1978 and \$15,000 in FY 1979 relate to the sale of video taped programs and slide sets on conservation. These are sold at cost to other museums, conservation training organizations, colleges and universities in the United States and abroad. The return on these sales is used to reproduce additional sets of the programs for circulation on a loan basis.

For the Office of Horticulture, an amount of \$13,000 of special purpose funds in FY 1978 and \$20,000 in FY 1979 relates to sale of plants through the museum shops.

Question. A net reduction of \$25,000 is proposed in the appropriated program funds for FY 1979. There is a reduction of \$51,000 and four positions by providing specialized cleaning services on an as needed basis rather than on a regular schedule. An additional \$16,000 is requested to hire an assistant foreman in the Office of Horticulture and \$10,000 for a clerical position.

What will these two additional positions enable you to do that cannot be done with the 28 positions in the base?

Answer. The programs of the Office of Horticulture have been steadily increasing as the Institution has accelerated its efforts at improving the maintenance and appearance of the grounds surrounding its buildings. Horticulture is a scholarly discipline, and plant arrangements are being increasingly used inside our museums to supplement the offerings of permanent or special exhibitions. Lastly, the Office of Horticulture has developed over the years an extraordinarily fine collection of orchids. It has become impossible to maintain this collection adequately without the services of a specialist. For these reasons, the pressure on the staff has increased and it has become necessary to add another horticulturist.

As the staff of the Department has been increasing and the volume of equipment and supplies purchased has grown, the need for additional secretarial help has become acute.

Question. You are requesting an additional position and no additional funds for the Native American Training Coordinator.

What is the funding level for this activity in FY 1978 and 1979?

Answer. In 1978, \$25,000 has been allocated to this program, and a like amount in 1979. These funds are used to support the Native American Training Coordinator who is currently on a term appointment. Some general support is provided in the Department's general budget. This program is a natural outgrowth of the other training activities of the Institution. It was developed in response to the strongly expressed need by numerous Native American communities for adequately trained personnel to staff existing or proposed tribal museum and cultural centers. The Institution is in an ideal position to offer such training. In addition, many Native Americans come to Washington because the collections of the Museum of Natural History are so rich in the documentary evidence of their past. This gives the trainees an opportunity to work with primary material and study at firsthand the Institution's collections.

Question. Is this not an innovative type program which would meet the criteria set forth by Secretary Ripley in 1975? If not, why not?

Answer. This program is innovative only in the sense that it is being given a distinct structure in response to a need that has been

constantly growing. However, essentially, it is a continuation, on a larger scale, and with more clearly defined objectives, of activities in which the Institution has participated in the past and which were included in general operations. It is anticipated that foundations and other private sources will supply funds to provide for travel and stipends to the Native American participants since the federal appropriation is intended for administrative and minor program costs.

Question. For Smithsonian Institution Libraries you are requesting \$2,372,000 in appropriated funds. In addition, you expect to have \$165,000 in general trust funds available in 1979 and \$148,000 available in 1978.

Please explain how those funds would be used in both fiscal years.

Answer. The funds requested to be appropriated are necessary for the continuing operation of the Smithsonian Institution Libraries system which provides library and information services to support the research, exhibits, public service and education programs of the Institution. These services are delivered through 13 bureau libraries and 6 major branch libraries, as well as many departmental library locations. As explained in the Budget Justification for FY 1979, increases are needed for acquisitions, conservation, and increased bibliographic control of uncatalogued material.

With respect to the trust funds: the Libraries traditionally has charged a portion of its expenses to trust funds. Some of the research carried out by the Institution is funded by private sources, endowments and gifts, and therefore it is fair and reasonable that some part of library costs be charged to trust funds, rather than all to the Federal appropriation. Of the \$148,000 available in FY 1978, \$129,000 was for personnel (9 positions), \$500 travel, \$15,000 bin ling, \$2,000 training, \$1,000 supplies, and \$500 other services. The \$165,000 requested in FY 1979 will be expended in a similar fashion, with the addition of one person to organize and service trade catalogue collections.

Question. You are requesting an increase of \$75,000 in appropriated funds. That is a net increase composed of increases of \$121,000 and a reduction of \$46,000. Of the \$121,000 increase, \$98,000 is to add 600 new journal subscriptions and 750 new books and inflation.

How much of the increase is related to the journal subscriptions, how much to new books, and how much for inflation?

Answer. New subscriptions account for about \$34,000; new books for \$34,000; and about \$30,000 is budgeted to offset inflationary costs of new books and journals.

Question. How many journals do the Smithsonian Libraries now subscribe to and how much is spent overall for journal subscriptions?

Answer. In FY 1978 there were 3,100 subscriptions amount to \$200,000; in FY 1979, 3,700 are expected to cost \$249,000 including about \$15,000 to offset inflation.

Question. In addition, you are requesting an additional \$14,000 to continue the implementation of a new system of bibliographic control for uncatalogued material.

When did you receive the funds to implement this program?

Answer. The system was initiated in FY 1977, and implemented in March 1978. To date, 3,770 titles have been coded and 400 have been processed.

Question. How long do you expect to take to complete the effort?

Answer. The new system permits a simplified, less comprehensive cataloguing process producing machine readable lists for large masses of materials received through gifts or transfers from other sources, thus providing an immediate control not available in the past. The system also applies to certain types of materials continuously received by the Libraries but not requiring full cataloguing. Use of the system will be a continuing activity of the Libraries.

Question. You are requesting \$9,000 to bind the 600 new journals and continue rebinding selected volumes.

How much of the \$9,000 is for the new journal binding and how much for binding of present volumes?

Answer. We expect to spend \$5,000 to bind new journals and \$4,000 to continue binding selected volumes.

Question. For the Office of Exhibits Central, you are requesting \$1,111,000 in appropriated funds. You anticipate having \$15,000 in non-appropriated special purpose trust funds.

How do you plan to spend those funds in FY 1979? How are you spending the comparable funds in FY 1978?

Answer. With appropriated funds, the Office of Exhibits Central designs, produces, installs and maintains exhibits; provides specialized exhibit-related services including making models, films, and audio-visual presentations, doing editorial work for exhibit labels, and freeze-dry taxidermy; and operates production shops to support the exhibit programs of the Institution.

These special purpose trust funds will be expended in both fiscal years to provide clerical assistance to the motion picture unit, and for miscellaneous expendable supplies and office expenses, overhead, and travel related to consultation with other museums.

Question. There is a program reduction of \$50,000 in appropriated funds due to improved management of exhibit production and schedule coordination.

Do you anticipate any deleterious impact as a result of this reduction?

Answer. No. The relocation of the Office of Exhibits Central in well laid facilities at 1111 North Capitol Street, better coordination in the planning and construction of exhibitions and in phasing the special needs of the bureaus and staff realignments have all led to greater efficiencies. It is not anticipated that this proposed reduction will curtail either the quality or the output of Exhibits Central.

Question. For the Traveling Exhibition Service you are requesting \$168,000 in appropriated funds. This will support one position. In addition, you expect to generate revenues of \$550,000 in general trust funds which will support 18 positions, and \$225,000 in federal grants and contracts which will support one position.

Please explain what it is you do for these funds. Why is only one position associated with the \$225,000 in federal grants and contracts?

Answer. The Smithsonian Traveling Exhibition Service produces and circulates traveling exhibitions which are rented to museums, academic institutions and civic organizations throughout the country. The correct number of positions supported by \$168,000 is eight. The \$225,000 federal grants and contracts is an estimate based upon exhibitions that have been planned, for which research is underway or has been completed, and which now remain to be constructed. Normally, funds received through grants are applied to exhibit development and production. Temporary personnel are added only when the complexity of an exhibit requires a coordinator to work with the exhibits staff to assure that schedule commitments are met. The Traveling Exhibition Service is negotiating with a number of agencies such as the National Institute of General Medical Science for an exhibit on cells and the Office of Coastal Zone Management for an exhibit on coastal marsh lands. The position that had been forecast when the budget was originally prepared is no longer needed, and the resources for it have been allocated in total to exhibition construction costs. The correct number of Trust Fund positions is currently 14 not 18 as previously reported. We anticipate that the \$550,000 in general trust funds is generated by rental fees for the traveling exhibitions.

Question. Appropriated funds have been received for this program since 1974. For FY 1978 you requested a doubling of the federal support from \$104,000 provided in 1977 to \$206,000 for 1978. We agreed to \$165,000. Since this is an innovative program outside the bricks and mortar for maintenance like activities, couldn't a good case be made for funding this totally with private funds rather than using federal funds to supplement a much larger portion of private funds which are available?

Answer. The Smithsonian Institution Traveling Exhibitions program was created in 1952. Until 1974 this program was almost entirely funded from the proceeds of rental fees. However, with increased expectations on the part of museums, for exhibitions of higher quality, constructed with better materials, and the impact of inflation, it was no longer possible to maintain rental fees at a level that most of the museums of the country could afford. It is for this reason that a federal

appropriation was requested. The Smithsonian Traveling Exhibitions Service's offerings are seen by approximately 8,000,000 visitors a year. At present, over 200 exhibitions are in circulation. Since the programs of SITES are serving the nation at large, are greatly appreciated and have demonstrated their usefulness, it seems appropriate that federal funds be used to underwrite a portion of the basic costs.

As indicated in our introductory statement, "Policy on Use of Funds," which precedes these answers, the most appropriate source of funding is determined by a consideration of all available options and attempting to choose the one (or more) that best fits the particular circumstances. In the case of SITES, the circumstances explained above brought about the mix of federal and trust funds.

Question. For the Smithsonian Institution Archives you are requesting \$296,000 in appropriated funds. In addition, you expect to receive \$25,000 in non-appropriated general trust funds. This is approximately the same level as provided in 1978.

Please explain how the non-appropriated funds in both fiscal years will be used.

Answer. Since a portion of the Archives' holdings relate to the trust fund side of the Institution, it seems reasonable that part of the expenses incurred be charged to trust funds. The sum budgeted for 1978 covered an Archives technician, travel, and the publication of a Guide to the SI Archives. It is anticipated that funds will be expended in a similar manner for FY 1979 as in FY 1978.

Question. For the National Museum Act you are requesting \$795,000 in appropriated funds. No non-appropriated funds are scheduled for use for this activity. No program increase is requested for this activity. According to page A-82 of your justification, 31 grants, for a total of \$286,000, were made in 1977 for museum conservation training and research activities. To date, for 1978, 19 grants have been made for conservation studies.

Answer. In FY 1978, 78 grants were made for a total of \$719,232; 34 of those grants were allocated to conservation related projects for a total of \$336,071. This is the highest amount given by the National Museum Act in any single year for conservation related subjects.

Question. In view of the avowed need expressed for qualified conservation personnel, is the apparent slow-down in 1978 reasonable? Do the grants for conservation activities even relate to the conservation needs of the Smithsonian and other museums throughout the country?

Answer. In view of the great demand made on the National Museum Act, from a wide variety of organizations, for very worthwhile purposes, the amount that has been given to conservation may be considered not only reasonable but generous. The large proportion given to conservation in the 1978 allocation reflects the concern of the National Museum Act Advisory Council for conservation.

Question. Is it possible that you are spending too much on conservation committees and not enough on conservation training?

Answer. In 1978, \$70,450 has been allocated to the National Conservation Advisory Council. This Council is assessing the nation's need in conservation and assembling data which will be essential for charting the future growth of conservation laboratories and of training organizations in the United States. Its activities are providing a basis upon which future action, private and governmental, can be founded.

Folklife and American Studies

Question. For the Office of American and Folklife Studies you are requesting \$293,000 in appropriated funds. In addition, you expect to have \$136,000 in general trust funds, \$20,000 in special purpose trust funds, \$10,000 in restricted trust funds, and \$30,000 in federal grants and contracts. This is roughly comparable to the 1978 funding level for nonappropriated funds.

Please explain how you expect to use those funds in FY 1978 and 1979.

Answer. The general trust funds, made available from central Smithsonian accounts, support a staff of 6 people in the Smithsonian's Folklife Unit. The special purpose trust funds representing tuition rebates from area universities support the other object class costs of the Office of American Studies' graduate education program. The restricted trust funds are available from donors specifically to support the production of ethnographic films and monographs in the Folklife Unit, and the Federal grants and contracts represent Department of Energy support for the energy-related components of the Folklife Festival.

Question. From the accounts listing provided to the Committee it is seen that \$979,000 was received from American Airlines for Folklife Festival transportation and that in excess of \$1 million was actually spent. How was the difference taken care of?

Answer. The funds received from American Airlines were not restricted to use for transportation purposes but were made available in the form of an unrestricted gift for use in the production of the 1976 Festival of American Folklife. The total Festival transportation costs were borne by numerous funding sources, and there was no shortfall. The difference appears because certain charges were made against the American Airlines fund that properly should have been charged to the General Foods fund. The correction (transfer to the proper fund) was made in FY 1978.

Question. For FY 1979 you are requesting an additional \$52,000 in appropriated funds for this program. Of this amount, \$42,000 is for ethnomusicologist and folklorist positions. Each year we discuss the relationship between this office and the American Folklife Center in the Library of Congress which has an appropriation request of

\$685,000 for FY 1979.

Please provide for the record a comprehensive statement of both of these programs and their relationship.

Answer. The Smithsonian Folklife Program, as a museum-based endeavor, has been shaped over the past eleven years by concerns appropriate to its museum base. These are twofold: the scholarly research, documentation and presentation of people and cultural traditions which lie behind the objects in our museums' collections; and the conservation of these cultural traditions whose continued existence is endangered by the encroachment of advanced technology.

The authorization which established the American Folklife Center (AFC) in 1976 mandates a wide variety of activities, including some which are similar to those in which the Smithsonian Folklife program has been engaged and several which are beyond the scope of activities with which the Smithsonian has experience and in which it is customarily involved. The first major goal of the Folklife Center is cooperative leadership in the field, especially coordination of folklife activities within all branches of the Federal government. While the Smithsonian has long provided leadership in the folklife field by example, active coordination efforts are more properly the domain of the Folklife Center. The second and third goals, assistance to the field and model projects in the field, encompass activities common to both the Folklife Center and the SI Folklife Program, although the emphases of the two differ and relate to the strengths and direction of the larger organizations of which the programs are part. The Library program brings its experience as a library, an archive, and collector of research documentation to the programs and projects in which it is involved. The Smithsonian program brings the experience of eleven years of research and public museum presentations of living folklife traditions to its activities. The relationship of the two programs is developed and the coordinative leadership responsibility of the AFC is exercised through Secretary Ripley's participation in the Board of Trustees of the Folklife Center as an ex-officio member, through the participation of the Director of the SI Folklife program in the Projects Committee of the Folklife Center Board, and through planning cooperative endeavors involving the two programs. A collaborative endeavor in the field has been developed and is based on the complementary mandates of the two agencies. The relationship of cooperation and collaboration developed by the two agencies since the Folklife Center was established two years ago permits our two organizations to work in tandem when our programs are complementary and to work separately when our responsibilities and authorizations diverge.

Question. On page 86 is your justification for the program changes. It states that the folklife unit performs research and programming in preparation for the annual Festival of American Folklife, research work related to the collections of documentary source materials, and all work entailed in the program of cooperative technical assistance provided to outlying state and local organizations interested in furthering their own folklife programs. Under Secretary Ripley's

1975 guidelines, it would appear that this work should be funded with private rather than appropriated funds. Is this an accurate assessment? If not, why not?

Answer. No, it is not. From the time of the Folklife Program's inception, the research and programming done in preparation for the annual Folklife Festival has been supported with federally appropriated funds. After an 11 year history, our annual Folklife Festival is very much an ongoing program, not an experimental project whose work is still to be proven. Some trust funds have been provided and are likely to continue to be provided to enrich the festival.

Question. Your justification goes on to say that it is anticipated that during the course of the coming year the Smithsonian's Folklife Advisory Council will study the Institution's museum-based collecting, exhibiting, and curatorial activities, and that further budget recommendations may be forthcoming for FY 1980 to strengthen Folklife capabilities in these areas as well.

Who makes up your Smithsonian's advisory council? I am sure it is not your intention that this justification constitutes advice to Congress as to the scope of your activity in this area in future years.

Answer. The advisory council is composed of the following individuals: Wilcomb E. Washburn, Director, Office of American Studies, Chairman; Richard Ahlborn, Department of Cultural History, Smithsonian Institution; Robert H. Byington, Deputy Director Folklife Program, Smithsonian Institution; William Fitzhugh, Chairman, Department of Anthropology, Smithsonian Institution; Lloyd Herman, Director, Renwick Gallery, Smithsonian Institution; Robert Laughlin, Curator, Department of Anthropology, Smithsonian Institution; Scott Odell, Conservator, Department of Musical Instruments, Smithsonian Institution; Bernice Reagon, Cultural Historian, Division of Performing Arts, Smithsonian Institution; Ralph Rinzler, Director, Folklife Program, Smithsonian Institution; Roger Abrams, Chairman, English Department, University of Texas, Austin; Richard Dorson, Director, Folklife Institution, Indiana University. The advice of this Council will of course first be seriously considered by the management and Board of Regents of the Institution. Only if that advice is deemed to be worthy and important will it form the basis of future years' budget requests. In any event we will look forward to the opportunity to outline our folklife program goals in further detail in next year's budget submission.

International Environmental Science Program

Question. For the International Environmental Science Program you are requesting appropriated funds of \$384,000. No nonappropriated funds are anticipated in FY 1978 or 1979.

Please provide for the record a table which would show how much of 1978 funds and anticipated 1979 funds will be spent at the Tropical Research Institute, the Chesapeake Bay Center, and each of the other non-permanent sites identified on page A-88 of your justification. Also identify the organization and individuals within the Smithsonian who are the specialists who do the studies at these sites.

International Environmental Science Program

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Location of Project	<u>Project Title</u>	<u>Researchers</u>	Est.	
			Amount FY 1978	Amount FY 1979
Nepal	Ecological Study of the Nepal Terai	Dr. Christen Wemmer Mr. David Smith	NZP NZP	\$ 33,135 \$ 32,000
Venezuela	Venezuela Ecology Project	Dr. John Eisenberg Dr. Eugene Morton Dr. Dale Marcellini Dr. Richard Thorington	NZP NZP NZP MNH	35,000 35,000
New Guinea	New Guinea Ecology Project	Mr. Thane Pratt	STRI	9,500 10,000
Brazil	Amazonian Ecosystems Program	Dr. Clifford Evans Dr. Ronald Heyer Dr. Stanley Weitzman Dr. Thomas Soderstrom	MNH MNH MNH MNH	30,000 30,000
Galapagos	Galapagos Ecology Project	Dr. James Norris Dr. Duane Hope	MNH MNH	
Venezuela	Venezuela Neotropical Mammals Monitoring Project	Dr. Gerald G. Montgomery	STRI	11,000 11,000
Tropical Research Institute, Canal Zone	Marine Monitoring Program Terrestrial Program Core Monitoring Litter Arthropods Data Processing	Dr. John Cubit Dr. Nicholas Smythe Dr. Stanley Rand Dr. Donald Windsor	STRI STRI STRI STRI	40,480 41,000 18,502 20,000 2,330 2,000 32,194 32,000

International Environmental Science Program

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Location of Project	Project Title	Researchers	Organiza-	Amount	Est.
			FY 1978	FY 1979	FY 1979
Tropical Research Institute, Canal Zone	Bottomic Algae	Dr. James Norris Dr. David R. Robertson Dr. Bruce Harger	MNH MNH MNH	\$ 27,109	\$ 28,000
	Howler Monkeys	Dr. Richard Thorington	MNH	3,000	3,000
	Ground Beetles	Dr. Terry Erwin	MNH	4,300	4,000
	Bats	Dr. Charles Handley	MNH	3,000	3,000
	Lichens	Dr. Mason Hale	MNH	670	1,000
	Solar Radiation	Dr. William Klein	RBL	19,147	20,000
Chesapeake Bay Center for Environmental Studies, Maryland	Rhode River Decomposers Data Processing	Dr. Maria Faust Dr. David L. Correll Vacancy	CBGES CBGES CBGES	1,000 34,252	1,000 35,000
	Energy Flow - Tidal Marshes	Dr. David L. Correll	CBGES	18,679	19,000
	Animal Ecology	Dr. James Lynch	CBGES	14,208	14,000
	Plant Ecology	Dr. Dennis Whigham	CBGES	11,233	11,000
	Chemistry	Dr. Tung Lin Wu	CBGES	25,782	26,000
	TOTAL				\$380,821 / \$384,000

/1 Includes \$10,821 requested pay supplemental.

Note: In addition to the appropriated funds for the International Environmental Science Program in FY 1978, an amount of approximately \$120,000 has been received from outside sources. These funds were received as grants to the individual bureaus and are included in the table "Source and Application of Operating Funds (All Sources)" for each bureau involved.

Academic and Educational Program

Question. For Academic and Educational programs you are requesting appropriated funds in the amount of \$775,000 for FY 1979. This budget activity is comprised of the Office of Academic Studies, the Office of Symposia and Seminars and the Office of Elementary Education. In addition to the appropriated funds, you expect to receive \$74,000 in general trust funds, and \$70,000 in restricted funds in FY 1979. This is roughly comparable to the level of funding in these areas provided in FY 1978.

Please explain how you plan to use these funds in both fiscal years.

Answer. For the Office of Academic Studies, the \$18,000 in unrestricted general trust funds made available from central Smithsonian accounts supports a staff member who assists in the administration of the fellowship program. The \$10,000 in restricted trust funds supports publication of the book "Research Opportunities at the Smithsonian," which gives prospective fellowship applicants necessary information about the work they may pursue at the Institution.

For the Office of Elementary and Secondary Education, unrestricted general trust funds of \$10,000 made available from central Smithsonian accounts and restricted trust funds of \$10,000 will be used to support the Summer Intern Program for high school students who work closely with the professional staff in areas of their interest.

For the Office of Symposia and Seminars, unrestricted general trust funds of \$61,000 in FY 1978 and \$55,000 in FY 1979 made available from central Smithsonian accounts are used to support the salary of the Director and to defray miscellaneous office expenses. Restricted trust funds of \$50,000 in FY 1978 and FY 1979, drawn from private sector gifts and grants, are used to support the direct expenses of seminars, symposia and lectures.

Question. This too appears to be an arrangement of programs which meet the Secretary's 1975 criteria for private funding.

Please explain why they are not totally funded by nonappropriated funds.

Answer. The Secretary's 1975 statement was directed at the research of the Institution's professional staff whose work has frequently been made possible by the stimulus of small amounts of trust funds, either to get a project started in order to demonstrate its merit or to help an established project cope with an unanticipated requirement, such as an equipment need. The activities within Academic and Educational Programs are well-established efforts of a pan-Institutional nature relating more to education than to basic research. Each of these activities is a logical extension of the work of the Institution's museums and research laboratories supported primarily with appropriated funds, although small amounts of trust funds are available to this program to assist with administrative support (similar to other administrative activities) and for special projects.

The major component of this grouping, the Smithsonian's fellowship program which brings to the Institution promising pre- and postdoctoral scientists and scholars from colleges and universities around the world, has been supported by Congress with appropriated funds from its inception. We are pleased that this has been the case, for the program has been a highly successful one, producing benefits we believe far in excess of its costs.

Question. For the Office of Elementary and Secondary Education you are requesting one position and \$23,000 additional to strengthen the publications program. The position is for a writer/editor who will assume responsibility for the news bulletin and an annual brochure. This includes \$16,000 for printing funds to expand the distribution of a publication from 7,000 elementary schools to 17,000 schools in 1979.

Does that mean all you are requesting for the writer/editor is \$7,000? If that is the case, it might be that you would be better off with part-time help. What are your observations on this matter?

Answer. The Office of Elementary and Secondary Education currently employs a part-time writer/editor on its staff. The additional position and \$7,000 will enable this position to be converted to full-time.

Smithsonian Research Awards Program

Question. For the Smithsonian Research Awards Program you are requesting \$390,000, an increase of \$280,000 over the 1978 appropriation. This program was terminated as a result of Congressional action on the 1978 budget. The \$110,000 provided for 1978 was to maintain the ongoing cost of awards that had been initiated in prior years. The investigative staff recommends that this program continue as long as there is a mandatory internal and external peer review of proposals and approval of administrative procedures by the Smithsonian Board of Regents and the Committee. The Smithsonian response to the study notes that the Institution endorses the report's recommendation that a research awards program be approved. However, nothing is said in there about complying with the conditions attached to the staff recommendation. The Smithsonian response is found on page 31 of their document.

Please provide for the Committee a copy of the procedures you would use to administer this program.

Answer. The following guide presents information, policies, and procedures for the administration of the Smithsonian Research Awards Program.

Introduction

It is the policy of the Smithsonian Research Awards Program to fund worthy research projects for which support has not been forthcoming from outside agencies. The Smithsonian Research Awards Program is not intended to be used as a substitute for consideration and support by outside agencies. Therefore, whenever possible, staff members are encouraged to submit their research proposals to the Smithsonian Research Awards Program concurrent with their submission to an outside agency. If this procedure cannot be followed, a suitable explanation should be included in the proposal submitted to the Smithsonian Research Awards Program. (When a proposal is to be submitted to an outside granting agency, it must be sent through the Smithsonian Institution Contracts Officer and the Office of Development. See Office Memorandum 722 as amended regarding extramural support.)

The Smithsonian Research Awards Program involves no concession to quality. It is assumed that all the proposals have undergone a careful scientific or scholarly review in the respective bureaus. These proposals will subsequently be reviewed by a panel whose judgment will confirm that the standards of the Smithsonian Research Awards Program and of the Smithsonian Institution are being met.

The termination date (usually in the spring) for the submission of proposals which seek financial support from the Smithsonian Research Awards Program will be announced annually in the fall. It is important that staff members submit proposals to outside agencies as soon as possible. It should be noted that, in most agencies, several months normally elapse between the receipt of a proposal and the issuance of a notice of approval or disapproval.

The review process for the Research Awards Program will continue to be administered by the Office of the Assistant Secretary for Science. Until further notice, history and art projects are included in the responsibility. Mr. Harold J. Michaelson is the Research Awards Administrator.

Proposals are submitted by Principal Investigators to the Research Awards Program administered by the Office of the Assistant Secretary for Science. Funds for approved research are allotted by the Smithsonian Institution to the Bureau for the principal investigator.

Awards may be made for one year only. An award does not in any way imply a commitment on the part of the Secretary of the Smithsonian Institution to provide continued financial support beyond the period of the grant. However, a renewal proposal may be submitted for consideration in subsequent years, but projects may not be funded for more than a total of five years. A \$20,000 ceiling is placed on each grant.

Who May Submit Proposals

All members of the Smithsonian Institution science, history, and art research staff (Federal and non-Federal employees) may submit proposals as Principal Investigators.

Preparation of Proposal

Principal Investigators are urged to consult with the Research Awards Administrator as early as possible in the formulative stages of the proposals. Two months advance notice is recommended. The diversity of Smithsonian Institution research interests precludes the use of a standard form for submission of research proposals to the Smithsonian Research Awards Program. However, a typical format is provided at the end of this guide. Principal Investigators are requested to follow this format insofar as possible.

At the request of the Principal Investigator, the Research Awards Administrator will advise on the format and content of the proposal, review a draft proposal, and assist in the final preparation of the proposal.

Submission of Proposal

Research proposals may be submitted at any time. However, the original and ten copies must be received by the Office of the Assistant Secretary for Science no later than the termination date as announced annually in order to be considered for support in the next fiscal year. The signed original and 9 copies must be submitted to the Office of the Assistant Secretary for Science through the appropriate department and bureau heads who should attach their comments.

Scientific Review and Award

The Research Awards Administrator receives the proposals;

coordinates the reviews by the Research Awards Advisory Committee; and performs the administration associated with the reviews, recommendations, and action taken on each proposal.

The Assistant Secretary for Science sends a letter (with copies to the appropriate bureau and department heads) to each Principal Investigator informing him of the amount of the award and the conditions under which the award is made. The Principal Investigator is asked to sign and return one copy of this letter. If the funding level is different than originally proposed, the Principal Investigator is asked to submit a revised budget.

The Principal Investigator is informed by the Assistant Secretary for Science if it is not possible to support the proposed research.

Award Administration

Awards will be provided as direct annual allotments to the Bureau for the Principal Investigator. Each allotment will have its own accounting number. The Principal Investigator will prepare travel and procurement requests, which will be sent directly to the appropriate administrative support unit for processing with a copy to be sent to the Research Awards Administrator. Requests for personnel actions must be approved by the Office of the Assistant Secretary for Science and should be routed through that Office before going to the Office of Personnel Administration. The Accounting Division will prepare financial status reports on each project and send copies of the reports to the Principal Investigators and the Research Awards Administrator. These reports will be reviewed jointly throughout the year with particular attention being given to the last quarter to avoid end-of-year deficits or over expenditures.

Adherence to Original Research Objectives

The Smithsonian Institution believes that the researcher operating within established policies should always feel free to pursue interesting and important leads which may arise during the conduct of the research. Therefore, the researcher may discontinue or materially modify unpromising lines of inquiry without fear of jeopardizing the continuance of support of the remainder of the award period. When major deviations from the original research objective seem required, the head of the organization unit concerned should be consulted and appropriate recommendations submitted to the Assistant Secretary for Science.

Research Reports

Two copies of an informal final technical report should be submitted to the Assistant Secretary for Science as soon as practicable at the expiration of the award. Researchers are encouraged to publish all useful research results in outside journals, or in one of the Smithsonian Institution series. Where reports resulting from the research are published or where news releases are issued with regard

to work performed under a Research Award, there shall be included an appropriate statement acknowledging that the research being reported was performed with the support of the Smithsonian Institution. As soon as available, a reprint of each publication resulting from work performed under the grant should be provided to the Assistant Secretary for Science. Reprints of publications, or a manuscript summary and outline of the research accomplished may be submitted as final reports.

Disposition of Specimens and Objects Collected

Specimens collected during the research normally will be accessioned into the collections of the Smithsonian Institution's museums, galleries, or zoological park as appropriate.

Equipment Purchases

Equipment (non-expendable personal property), purchased is subject to the policies contained in the Smithsonian Staff Handbook 530, "Property Management." Normally, the Research Awards Administrator, at the end of the project, will recommend to the Smithsonian Institution Contracting Officer that the equipment be retained in the appropriate Smithsonian Institution division or department.

Non-Discrimination

The Research Awards Program is administered in accordance with the Smithsonian Institution's equal opportunity policy and the provisions of the Civil Rights Act of 1964 which provides equal opportunity for everyone regardless of race, color, religion, sex, or national origin.

Revocation of Awards

The researcher should promptly inform the Research Awards Administrator through the head of his organization unit whenever there is reason to believe that circumstances may require revocation, as in the case of the researcher's inability to carry out the planned research or if he plans to leave the employ of the Smithsonian Institution.

An example of a Research Awards Proposal format follows:

Typical Research Awards Proposal Format

PROPOSAL

TO SMITHSONIAN INSTITUTION RESEARCH AWARDS PROGRAM

Principal Investigator: Name, title, organization unit

Title of Proposed Research: Brief but properly descriptive in
laymen language

Project Period:

Budget Amount: (By year)

Statement indicating whether this project has been funded
previously by the Research Awards Program.

(Signature)

Principal Investigator

Date

Department Chairman

Bureau Director

Abstract

200 words or less

Research Objectives

Detailed statement of research objectives: expected significance, relation to present state of knowledge in the field, relation to previous work done on this project and to similar or related work in progress in the Smithsonian or elsewhere.

References

Publications referred to above.

Proposed Plan of Work

Outlined plan of work. Mention available facilities and major items of equipment especially adapted or suited to the proposed research. It is expected that the Principal Investigator will be responsible for direct supervision of the research, and, in most cases, will participate in the conduct of the research.

Vita of Principal InvestigatorBibliography of Principal InvestigatorVitae and Bibliographies of other professional personnel involvedOther Personnel

The number of technical or other assistants, together with information about their level of academic attainment. Names and titles of other scientific and technical personnel indirectly associated with the project in an advisory or consulting capacity.

Budget

Provide details under each object class. For example, specify positions and individual salaries under 111, travelers and itineraries under 211, number of computer hours and rate under 252 and equipment items under 310. Indicate expenses to be incurred in other countries. Justify unusual items. Break down budget by year.

Object Class See Office Memorandum 721 for details

- 111 Personnel Compensation
- 120 Personnel Benefits
- 211 Travel and Transportation of Persons
- 220 Transportation of Things
- 231 Real Property Rental
- 232 Equipment Rental
- 233 Communications

Object Class

234 Postage	
235 Utilities	
240 Printing and Reproduction	
252 Computer Time	
256 Personal Service Contracts	
259 All Other Contractual Services	
260 Supplies and Materials	
310 Equipment	

TOTAL

Prior Funding

Show budget totals funded in previous years.

Submission to Other Organizations

Statement indicating whether proposal has been or will be submitted in whole or in part to Federal agencies or other granting organizations. Give current status of such submissions. Identify sponsors of any portion of the project.

Allotment for Research, Collections Acquisition, and Public Outreach

Question. On page E-6, on the line "Allotment for Research, Collections Acquisition, and Public Outreach", there is \$2,000,000 in FY 1978 and \$2,100,000 in FY 1979.

How will these funds be used? What programs do they augment?

Answer. This budget entry results from a recognition by the Board of Regents that unrestricted trust fund income, stemming largely from the Associates activities, which is available after setting aside in our unrestricted endowment funds to help secure our outlook for future years, should be used in ways that would benefit the public. In effect, returning funds to the public that have resulted from the public's enthusiastic acceptance of the Smithsonian Magazine and their use of other educational products and services.

Consequently, at their January 16, 1978 meeting the Regents voted to recognize the opportunity to support a number of important unmet needs and therefore approved the expenditure of an amount up to \$2,000,000 for fiscal year 1978 for acquisitions of collections, scholarly and educational programs. They further agreed to consider future years' allocations for these purposes; thus the fiscal year 1979 amount of \$2,100,000 is shown for planning purposes assuming the continued availability of funds. The development of the national collections, scholarly studies, and public education represent the major program emphases of the Institution.

Subsequent to the Regents meeting, guidelines have been developed to assist our bureaus and offices in obtaining allocations of funds for important acquisitions, projects, and programs to be used in ways that complement and reinforce the total program of the Institution supported by appropriations, grants and contracts, and some restricted trust funds. These guidelines have recently been issued to the staff.

The guidelines for the collections acquisition program recognize that while the Institution's museums and galleries now have some purchase funds these are inadequate to purchase major objects. Consequently, the new trust fund program will be limited to major objects. Furthermore, as a stimulus for continued fund raising and donation activity, one-half of the trust funds designated for each of the participating museums shall be available only to supplement partial gifts or to match cash contributions.

The guidelines for the scholarly studies program recognize that while appropriations and federal grants and contracts will continue to provide the foundation for the Smithsonian's research effort, such sources of support are often not available in a timely fashion for many of the needs of the Institution's professional staff. Under this program, criteria for proposals include situations where trust funds could match outside support from foundations, urgent, unanticipated research opportunities, or multidisciplinary research projects to be carried out within and/or between bureaus.

The guidelines for the educational outreach program stress that the primary emphasis will be placed on projects that would serve segments of the public that may not have been served adequately in the past. These guidelines also emphasize proposals that would receive matching fund support or that would encourage collaboration among bureaus.

Administration

Question. For Administration you are requesting appropriations of \$6,513,000. In addition, you show nonappropriated resources of \$239,000 in general trust funds, \$70,000 in special purpose trust funds, \$150,000 in restricted trust funds, and \$100,000 in federal grants and contracts.

Please explain how you would utilize those funds and the comparable funds in 1978 and 1979.

Answer. The amounts shown on page E-7 of the justification represent the federal budget request for fiscal year 1979 and the best estimates of other expenditures in that year. The \$6,513,000 appropriation amount represents the requirements of 11 management and program support units responsible for the overall direction of the Institution; legal, financial, personnel, procurement, management analysis, engineering, and computer services; public information; and internal audit.

With regard to the general unrestricted trust fund estimate (expenses of \$4,439,000 less overhead recovery of \$4,200,000 for a net expense of \$239,000), this represents the costs of administrative staff and related expenses that work in these same organization units. As explained in the "Policy and Procedure" statement provided to Congress concerning the use of funds, the Institution's administrative units are supported approximately in proportion to the operating program expenditures of the Smithsonian as a whole. The special purpose unrestricted trust fund amount (\$100,000 of expenses less revenues of \$30,000 for a net of \$70,000) includes costs of legal seminars conducted by the General Counsel's office, miscellaneous costs incurred by the Director of Support Activities, a Christmas dance hosted by the Women's Committee with net proceeds awarded to Smithsonian bureaus by the Women's Committee, fluid research awards made to administrative units for seminars and research and an escrow fund established for payment of property tax at the Chesapeake Bay Center in accordance with the terms of the property acquisition. The \$150,000 in unrestricted trust funds includes research funds for which the Secretary is responsible, expenditures for the financial services of a consultant from Dykes endowment fund, contractual services from private foundations for computer services and seminars and meetings hosted by the Office of Membership and Development for scholarly activities at the Institution. And, finally, the \$100,000 in federal grants and contracts is the estimated amount of services that may be performed by the Office of Computer Services for outside users.

The comparable amounts for fiscal year 1978 are \$6,292,000 in appropriations, \$3,971,000 less overhead recovery of \$3,758,000 for a

net of \$215,000 of general unrestricted trust funds, \$84,000 less income of \$30,000 for a net of \$54,000 of special purpose funds, \$125,000 of restricted funds, and \$100,000 of grants and contracts. These funds are being used in essentially the same ways as projected for fiscal year 1979.

Question. Please explain the revenue generating activities you perform that require 150 permanent positions in the general trust fund area.

Answer. The 150 positions referred to (and the associated \$239,000) are shown on page E-7 of the budget justification as part of the Administration (net) line item. The 150 projected positions for FY 1979 are not part of "revenue generating activities", but rather they represent the Trust Fund administrative staff which, as we explained in the answer to the previous question, works with staff supported from federal appropriations, in serving the entire Institution. The \$239,000 is the difference between the total projected Trust Fund administrative costs of \$4,439,000 less overhead recovery estimated at \$4,200,000. Overhead recovery is determined by assessing an administrative charge against all Trust Fund activities, including federal grants and contracts, of the Institution. The method of charging and the amount charged to each activity are reviewed and approved annually by the Defense Contract Audit Agency and the Office of Naval Material, respectively.

The net cost to the general unrestricted Trust Funds (estimated at \$239,000 for FY 1979) is a result of either donors or grantors to the Institution specifically requesting that overhead not be assessed against their particular gift, grant or contract; or the Institution as a matter of administrative convenience not charging certain categories of Trust Funds, such as unrestricted general fund disbursements, or restricted endowment income expenditures.

Office of Printing and Photographic Services

Question. For the Office of Printing and Photographic Services, you are requesting \$954,000 in appropriated funds. In addition, you will have a net of \$65,000 in general trust funds. Please explain how you will use those funds in FY 1979 and a comparable sum in 1978.

Answer. The \$65,000 as shown for FY 1979 (\$460,000 minus \$395,000) represents an administrative allotment to the Duplicating Branch of the Office of Printing and Photographic Services to provide funding for four employees (one production controller, one bindery helper and two equipment operators) and for miscellaneous supplies and equipment. A similar allotment was made in FY 1978 (\$58,000) for the same purpose.

The \$395,000 allotment for FY 1979 (bringing the total trust fund administrative allotment to \$460,000) covers the operating costs of the Photo Services Auxiliary Activity from which anticipated revenues of approximately \$395,000 are expected from the sale of slide sets and photographs. A slightly smaller allotment of \$353,000, with offsetting revenues, has been projected for FY 1978.

Office of Protection Services

Question. For the Office of Protection Services there is a request of \$8,974,000 in appropriated funds. In addition, you anticipate \$20,000 in special purpose trust funds, compared to \$45,000 in special purpose trust funds in 1978.

Please explain how these nonappropriated funds are used.

Answer. Many non-federal organizations use Smithsonian facilities for special events, and these events require additional guard services and related overtime compensation from the Office of Protection Services (OPS). These users of Smithsonian facilities reimburse OPS with non-appropriated funds, which are used to purchase such items as office supplies, guard accessories and canine supplies.

Question. A program increase of \$100,000 is requested. This is a new increase made up of an increase of five positions and \$260,000 to upgrade groups of security force positions commensurate with General Services Administration standards, \$80,000 for an alarms maintenance capability, and \$20,000 for health services. These are offset by a reduction of two positions and \$160,000 associated with the planned rescheduling of extended summer hours. This will be done by having summer hours begin on Memorial Day weekend, rather than beginning April 1. The increase for the security force is for an upgrade of selected groups of positions on the security force.

From what will they be upgraded? To what?

Answer. An internal management study recognized an apparent discrepancy in the classification of certain guard posts. Under the direction of the Office of Personnel Administration, a classification expert conducted a complete review of all police and guard jobs within the Office of Protection Services (OPS) and discovered that certain guard posts manned by guards classified at the GS-4 level conform more closely to the criteria established for the GS-5 positions in OPS. This finding

resulted in the identification of approximately 160 additional positions which should fall within the GS-5 category, thus creating promotional opportunities for a like number of guards.

Question. What specifically is involved in the expansion and improvement of the alarm system?

Answer. The expansion and improvement of Smithsonian's alarm system is a continuing program, requiring the review of existing, new and altered space and the installation and maintenance of additional security and fire protection alarms where they are needed. Additionally, security and fire alarm systems must be modified or extended to accommodate new or altered exhibits and other construction projects. The level of security and fire protection required in any given area is determined by such factors as the value of the collections items displayed, the materials used for the construction and the physical arrangement of the space. The four new alarms maintenance positions will provide an inhouse capability for installing, maintaining, repairing and testing all security alarms throughout the Institution.

Question. How much do you now spend on health services? Why would you provide pre-employment physical examinations? Have you considered contracting with the Public Health Service for a comparable service?

Answer. OPS spends approximately \$145,000 on Health Services; of this amount, \$125,000 covers the salaries of one part-time doctor, five full-time and two part-time nurses, and one part-time receptionist. The remaining \$20,000 is used to purchase medical supplies.

Pre-employment physical examinations would be provided primarily for new guards. Guards must have a high degree of stamina and an ability to perform their jobs under stressful situations. We have considered contracting with the Public Health Service for this service, but they have indicated that they have insufficient resources to handle the volume of work we would provide.

Office of Plant Services (OPlants)

Question. For the Office of Plant Services, you are requesting appropriated funds of \$16,110,000. In addition, you anticipate \$250,000 in general trust funds and a net of \$10,000 in special purpose trust funds in 1979.

How will you use these non-appropriated funds in FY 1978 and 1979?

Answer. The \$250,000 in general trust funds will be used to pay salary costs of 5 trust funded employees (\$61,000), purchase miscellaneous supplies, materials and equipment for these employees (\$9,000), and pay the costs of 40% of the Smithsonian annual long distance telephone bill (\$180,000). The \$10,000 in special purpose trust funds will be used to purchase supplies and materials to replenish stock used on projects for trust funded organizations within the Smithsonian which were originally purchased with appropriated funds.

Question. You are requesting \$31,000 to implement a preventive maintenance program for the roofing systems.

How do you now handle this problem?

Answer. The Smithsonian currently does not have the staff to perform preventive maintenance tasks on our roofing systems. We respond to leaks and other emergencies and perform necessary repairs after-the-fact. The requested \$31,000 will enable us to hire 2 roofing mechanics to perform needed preventive maintenance tasks on our roofs on a routine frequency. Such action should result in a reduction or elimination of water leaks and the resulting potential danger of water damage to the National Collections. Equally important, however, is the reduction in future expenditures for major renovation and repair work on roofs that the preventive maintenance program should provide.

Question. You are requesting an additional position and \$16,000 for maintenance supplies and maintenance supply management.

What is the present situation and why is it so bad that it needs this drastic improvement?

Answer. In order for OPlants to fulfill its responsibilities in a timely manner, our craft, trade and preventive maintenance mechanics must receive their supplies, materials and equipment when needed. The responsibility for identifying, ordering, stocking, issuing and controlling the flow of supplies rests with the centralized OPlants' Material Management Branch. The increase in the volume of material orders during the past several years due to the opening of the NASM, increases in our general exhibits programs, and increased emphasis on our preventive maintenance program has reached a point where current staff is unable to provide the needed timely service. As a result, delays are now being experienced in the performance of necessary repairs, improvements and preventive maintenance tasks. The requested 1 position (\$10,000) will assist in reducing these delays and improve the general flow of supplies. The remaining \$6,000 is requested to purchase additional shelving and materials handling equipment to improve our stockroom capabilities and current space utilization.

Question. You are requesting \$30,000 to expand the switchboard capability.

How many lines do you now have and how many additional lines are you planning to acquire?

Answer. The present switchboard capacity is 2,100 lines. At our current rate of use, the existing spare lines are estimated to be used by January 1979. We are proposing to increase our line capacity by 100 lines which should be sufficient until early 1980. Since this increase will fully use existing space, the Smithsonian is currently studying whether to convert its telephone system to some alternative form of operation or obtain additional space for continued expansion of our present system. The result of this study will be completed in time for inclusion in our FY 1980 budget, to allow adequate lead time to implement the decision that is made.

Smithsonian Science Information Exchange

Question. Your justification on page B-3 says SSIE has been able to reduce its federal support requirements from 80% to an estimated 60% by 1979. However, it would appear that the most significant thing that occurred is a substantially higher effort to process the input. In 1974, it took 18,000 hours to process 112,000 projects or 6.2 per hour. You are projecting for 1978 that it will take 45,600 hours to process 110,000 documents, or only 2.4 per hour. If you were to apply the 1974 productivity against the 1978 workload, you would be able to accomplish the work with 17,742 hours of effort, rather than 45,000 hours of effort.

What accounts for the great decrease in productivity since 1974?

Answer. As noted in Table II on page B-5 of the justification, it is true that there has been a substantial decrease in the federally appropriated portion of the Exchange's total operating budget and that this is due to the increase in user income. The statement that the Exchange is processing fewer projects/hour in FY 1978 vs. FY 1974, however, is apparently based on a misreading of the information contained in Table II. This table does not indicate the number of hours required to process input over the years FY 1974-FY 1978. The hours which are referred to by the Committee, on line two of this table, are to process output (products and services supplied to users) as footnote 2 for that line denotes in the Table. Hours are used to reflect output rather than numbers of items because of the considerable variation in time involved in different types of output, and consequently are a better measure of workload than are numbers for each type of output.

Efficiency in processing of input is reflected by the fact that in spite of increasing inflationary cost over the past three years, the actual cost/project of processing input has been relatively stable and has not increased significantly (see table below).

Fiscal Year (1)	Federal Appropriation (2)	# Projects Registered (3)	Appropriated Fund Cost Available Per Project (2) divided by (3)	Actual Average cost per project Registration
1975	\$1,805,000	132,300	\$13.64	\$16.51
1976	1,940,000	119,500	16.23	17.51
1977	1,972,000	125,000	15.77	17.36
1978	1,862,000	Est. 110,000	16.92	?

The Exchange has borne part of the cost of input in the past few years with user income which was originally intended to cover only the cost of providing output products and services. These relatively stable rates for input processing were only possible through continued processing improvements and are among the lowest rates reported for registration of similar data in any information system.

Question. What would be necessary to bring the SSIE employees within the Civil Service?

Answer. The following response summarizes our preliminary assessment of the problems and costs which might be associated with the Federalization of the Exchange's employees.

The major impact of bringing the SSIE within the Civil Service would be on the number of federal positions. Approximately 100 new federal positions would have to be established, an action in conflict with current efforts to hold down federal employment. Without special legislation or other arrangements with the Civil Service Commission, it appears unlikely that a majority of the current SSIE employees could be converted to Federal Civil Service status. Thus, the dissolution of SSIE as a corporation would disrupt its work force and, at least in the short term, disrupt its capability to function. Consequently, it is likely that user revenue would diminish.

Furthermore, if the Smithsonian were required to fill all the positions within the new organization competitively from the Civil Service Registers, many present SSIE employees may not successfully compete and thus would be involuntarily separated. SSIE could face severance pay claims of several hundred thousand dollars. In the event that approval would be given by the Civil Service Commission for the conversion of all positions to Federal Civil Service status, and even assuming that all employees could be converted, there would be a hardship on those employees who would lose their benefits that result from seniority, such as reduction in force preferences, accumulated sick and annual leave, and higher leave earning rates. Many SSIE employees, especially those with extended service, would be disadvantaged by the forced conversion to the Civil Service Retirement System from the retirement plans now provided by the Teachers Insurance and Annuity Association and College Retirement Equities Fund and the Social Security System. Under all conversion procedures as now contemplated, SSIE employees would have to be paid for accumulated annual leave, which presently totals about \$120,000 for all SSIE employees. Depending on the magnitude of the need to recruit and train new employees, such costs might be in excess of \$100,000. Funds would have to be provided to SSIE to meet these conversion costs.

Aside from personnel disruptions and additional costs, there would be additional cost increases, ranging between \$100,000 and \$200,000, attributable to conversion planning by management, including the assignment or novation of existing contracts for the marketing of SSIE's information services. Another cost of converting SSIE to a directly federally funded activity is the probable reduction in user revenue due to the legal restriction on the copyright of the work product of a federal entity. Such losses of revenue would have to be made up by an increased federal appropriation.

Question. What guidelines do you have for operation of the SSIE to assure the rights of Exchange personnel?

Answer. The Exchange has prepared a personnel manual which consolidates and clearly defines the rights and obligations of its employees. Copies are available to all employees. The manual includes previously existing policies and brings them all together for a quick review. It was prepared with the assistance of the SI Personnel and General Counsel's offices and approved by the Exchange's Board of Directors. A copy of the manual is provided for the Committee's files.

Special Foreign Currency Program

Question. For the Special Foreign Currency Program appropriation, you are requesting \$3,700,000, a reduction of \$300,000 from the 1978 appropriation. A table on page C-1 actually shows an availability of \$4,269,000. A review of the SF-133, a report on budget execution, would lead the subcommittee to believe that \$4,376,000 is available for obligation in FY 1978.

What happened to the other \$107,000?

Answer. The amount of \$4,269,000 reflects estimated obligations during FY 1978, not availability. Estimated availability in FY 1978 at the time of the FY 1979 Congressional submission was \$4,382,000. A comparison between the components of this estimate (also shown on page C-6) and availability as reflected on the SF-133 follows:

	<u>FY 1978 Estimate</u>	<u>SF 133</u>
Actual Unobligated Balance start of year	\$282,000	\$282,506
Actual Appropriation	4,000,000	4,000,000
Recovery of Prior Year's Obligations	<u>100,000</u>	<u>93,607</u>
Estimated Total Available Funds	\$4,382,000	\$4,376,113

The difference in these numbers is in the amount of recoveries of prior year obligations.

The SF-133 shows actual recoveries as of December 31, 1977, while the amount of recoveries reflected in our FY 1979 budget submission represents an estimate through September 30, 1978.

Based on previous years' experience, an unobligated balance of \$113,000 is estimated at the end of FY 1978 (availability of \$4,382,000 less obligations of \$4,269,000). It is this amount, offset by the variance in estimated recoveries, which represents the difference of \$107,000.

Question. Beginning on pages C-1 through C-6, the pages are covered with words which discuss such topics as the importance of research in the natural sciences and cultural history, the importance of multi-year grants, scientific review under the Smithsonian programs, the importance to Smithsonian employees of awards for new research, Special Foreign Currency appropriations and the U.S. taxpayer. Nowhere do I find anything which explains what is being done in 1978 and what is proposed to be done in FY 1979.

Answer. On pages C-1 through C-6, the objectives of and justification for the 13-year old national grants program are discussed. The Program

anticipates no change in policy from its basic purpose stated on these pages to provide funds for field research to senior scholars of United States institutions of higher learning for use in "excess" foreign currency countries.

The Smithsonian does not discuss the specific projects to be funded in FY 1978 or the year for which funds are requested, FY 1979, because it is not possible to anticipate actual activity in a competitive program.

Estimates on pages C-1 (by discipline) and C-6 (by country) are based on projections of continuation of ongoing projects, multi-year funding for continuity, and prospects for new activity.

Question. The Congress, in approving the appropriation for FY 1978, directed that grants totaling only \$500,000 to complete ongoing projects be made to employees of the Smithsonian Institution to carry our research. Your justification on page C-5 says no new funds have been allocated since the summer of 1977.

Do you anticipate providing any 1979 foreign currency funds to Smithsonian employees for this Program? If so, why is this not mentioned?

Answer. Prior to answering this specific question, we would like to clarify certain points in the above statement. Discussion in the Senate report on the Department of the Interior and Related Agencies Appropriation Bill, 1978, and subsequent wording in the appropriation language for the Special Foreign Currency Program provided that "not to exceed \$500,000 may be used to make grant awards to employees of the Smithsonian Institution." While it was the Smithsonian's understanding that this limitation applied to ongoing projects, there was no indication either in the Senate report or the appropriation language that these funds were to complete ongoing projects.

The statement made on page C-5 states that "no new funds have been allocated to the Smithsonian Research Foundation since the summer of 1977..." Rather, awards for approved employee research projects have been executed as normal federal allotments to the individual bureaus of the Institution following all appropriate federal personnel and procurement regulations.

In response to the specific question, the Smithsonian does anticipate funding research of Smithsonian employees in FY 1979, and has justified on page C-4 the importance of Smithsonian employees' access to these funds. Furthermore, the Institution has proposed revision of the appropriation language for the FY 1979 Special Foreign Currency Program appropriation to remove the limitation applied last year.

Question. The fourth of four payments for the Temple of Philae was to have been made in FY 1978. However, there is only a \$603,000 reduction in obligations in Egyptian funds in FY 1979.

Is any of that \$1,676,000 to go for preservation of the Temple of Philae?

Answer. The \$1,676,000 equivalent estimated for Egypt in 1979 does not include any further payment for the preservation of the Temples of Philae. This amount does represent an anticipated increase in activity over previous years. New initiatives between the U.S. and Egypt have resulted in a favorable climate for collaborative research, and the easing of Egyptian security regulations has allowed full scale resumption of archeological projects. Anthropological studies are being encouraged along with modern Islamic inquiries.

Construction

Question. The next account is Restoration and Renovation of Buildings. The 1979 request is \$3,100,000. Those funds would be used for nine different projects as displayed on page D-7 of the justification. The first of these is \$1,000,000 for general repairs and improvements.

How much was provided under a comparable heading for FY 1978?
How much for 1977?

Answer. For FY 1978, an amount of \$815,000 was appropriated under general repairs and improvements. For FY 1977, an amount of \$825,000 was appropriated under this category.

Question. Your standard form 133, report on budget execution of December 31, 1977, shows that \$2,697,781 was brought forward from FY 1977.

How did that unobligated balance develop and for what programs was it appropriated and in which fiscal year?

Answer. Several major factors contributed to the development of the unobligated balance brought forward from FY 1977 in the Restoration and Renovation of Buildings account. One factor is the inadequate level of architectural and engineering staffing in the Office of Facilities Planning and Engineering Services. The varied age and complexity of Smithsonian facilities has resulted in the need for extensive architectural and engineering participation in the development and review of construction plans and specifications. Moreover, frequent space modifications related to exhibit changes and office relocations have created an additional demand for services of this kind. In an attempt to improve the timeliness of architectural and engineering services available to the Institution, three additional positions have been requested in FY 1979 in the Salaries and Expenses account.

Other contributing factors include construction delays resulting from the need to obtain various design approvals as well as the need to accommodate public access to the buildings and to ensure public safety during the construction process. An example of the first instance is reflected in the alterations designed to improve access for handicapped individuals to the Hirshhorn Museum sculpture garden. Prior to initiation of this project, design approvals had to be obtained from the Fine Arts Commission and the National Capital Planning Commission. An example of the second instance is the replacement of the Arts and Industries Building roof. Before this project could proceed, a means had to be devised of protecting the visiting public as well as irreplaceable exhibit components from the possibility of falling debris and/or weather-related damage. Similarly, the installation of fire protection systems is being performed on an incremental basis, coinciding with exhibit changes and other construction projects in an area. By this means, the Institution is able to minimize costs as well as disruption to public exhibit areas.

Further factors involved in development of the unobligated balance are the requirement to maintain a small contingency, pending completion of a construction project, for the possible accommodation of unforeseen cost overruns, and the general weather condition during the past two winters which have hampered our ability to accomplish certain outside projects. Finally, the substantial architectural/engineering detail that must be worked out for each project does not commence until funds are appropriated and therefore some delays in obligations can be expected.

<u>Project</u>	<u>Unobligated Balance September 30, 1977 (\$000)</u>	<u>Fiscal Year Funds Appropriated</u>
History and Technology Building terrace repairs	100	1977
Library space improvements	65	1973 and 1975
Arts and Industries Building roof replacement	804	1977
Renwick Gallery exterior repairs	190	1977
Mt. Hopkins road improvements	117	1977
Mt. Hopkins power and water system improvements	125	1975 and 1977
Fire detection and suppression systems	389	1976, Transition Quarter, and 1977
Handicapped access and correction of hazardous conditions	175	1977
Building Equipment Monitoring Systems	12	1977
General Repairs and Improvements	648	1977
Miscellaneous prior year projects	72	1972 - 1976
	\$2,697	

Question. You are requesting \$590,000 for facade and roof repairs.

Why is that not included under general repairs and improvements? How does that relate to the two positions and \$31,000 requested on page A-103 under preventive maintenance in the Salaries and Expenses appropriation?

Answer. Because of the magnitude and likely recurring nature of facade and roof repairs, we felt this area of work should be highlighted for Congressional review.

The two positions and \$31,000 requested on page A-103 are specifically to implement a preventive maintenance program for our roofing systems. This program would assure that our roofing systems are inspected on a routine, periodic basis, thereby allowing us to identify and correct minor problems before they become major and capable of affecting the interior environments of our buildings. While no preventive maintenance program will eliminate the need for eventual roof replacements, it can extend the life of the roofing systems to the maximum.

Question. You are requesting \$100,000 for History and Technology Building terrace repairs. You say apparent original construction deficiencies have led to general deterioration of the waterproofing under the paving material and consequent extensive leakage into walk and collection areas.

Have you attempted to recover any damages from the builder? If so, what is the status of the negotiation? If not, why not?

When did these deficiencies become known?

Answer. The General Services Administration (GSA) served as contracting officer for construction of the History and Technology Building which opened to the public in 1964. During the period of construction, we understand that action was taken to correct leaks in the terrace. According to standard GSA procedures, however, the builder was released by GSA from any and all claims by the Government in connection with its responsibilities, several years prior to the time in late 1972 when leakage in the terrace area was again determined to exist. Therefore, there is no legal recourse against the builder.

Question. You are requesting \$260,000 for the Mt. Hopkins Observatory Site Development. Last year funds were provided to build a very expensive sleeping dormitory. Part of the justification was that it took so long to drive the hazardous single lane road which you are now proposing to pave and improve.

Why was nothing said about that road last year?

Answer. The Institution has developed a phased program for site improvements at Mt. Hopkins Observatory. Since FY 1973, \$506,000 have been appropriated for road improvements. Through FY 1982, if competing priorities permit, we plan to request approximately \$1,300,000 additional for road improvements. In view of the nearing completion and conversion to an operational status of the multiple mirror telescope, the highest priority of the Mt. Hopkins Observatory Site Development Plan in FY 1978 was the dormitory. The following chart depicts the Mt. Hopkins Observatory Site Improvement Plan by project through FY 1982.

Mt. Hopkins Observatory
Projected Cost for Site Improvements - R&R Funds (\$000)

<u>Project Description</u>	<u>FY 1973-78</u>	<u>FY 1979</u>	<u>FY 1980*</u>	<u>FY 1981*</u>	<u>FY 1982*</u>	<u>Total</u>
Road improvements	\$ 596	\$ 125	\$ 360	\$ 185	\$ 758	\$ 2,024
Water supply system	114	60	--	--	--	174
Electrical:						174
Distribution system	520	--	--	--	--	520
Generators & building	--	--	154	--	--	154
Distribution to caretaker's residence	--	--	--	40	--	40
MMT support facilities:						714
Day dormitory	240	--	--	--	--	240
Dining/Recreation building	--	--	300	--	--	300
Night dormitory	--	--	--	275	--	275
Maintenance building	--	--	--	--	30	30
7,600 ft. support facilities:						845
Annex	--	75	--	--	--	75
Caretaker's residence	--	--	95	--	--	95
Day dormitory	--	--	--	271	--	271
Wikiup renovation	--	--	--	40	--	40
Night dormitory	--	--	--	--	290	290
Base facilities:						771
Office/Maintenance building	--	--	363	--	--	363
Storage/Shops	--	--	--	200	--	200
Visitors' Center	--	--	--	110	--	110
Totals	<u>\$1,470</u>	<u>\$260</u>	<u>\$1,272</u>	<u>\$1,121</u>	<u>\$1,078</u>	<u>\$5,201</u>

*Requests contingent on overall Smithsonian Institution priorities.

Question. You are requesting \$500,000 for fire detection and suppression systems.

What is the status of this effort throughout the Smithsonian facilities?

Please provide a table which would show by year the structures and the amounts for providing the fire detection and suppression systems.

Answer. Fire protection surveys have been conducted in all major facilities to identify specific needs for fire detection and suppression systems. Engineering studies are now underway to develop a long-range improvement program, on a building-by-building basis. The Natural History Building, being the largest space with the least protection, is scheduled to be studied in the near future. With funds appropriated to date, our approach has been to provide systems in those areas which are already scheduled for disruption; i.e., where major exhibits are being changed.

FACILITY	FY 1977 (\$000)	FY 1978 Est.Amt.	FY 1979 Est.Amt.	FY 1980* Est.Amt.	FY 1981* Est.Amt.
MHT	25	75	50	50	50
MNH	125	100	400	300	300
A&I	--	--	--	50	25
S.I.	70	--	--	25	25
Freer	20	--	--	15	30
HMSG	--	--	--	25	10
NASM	--	--	--	10	10
FA&PG	10	--	--	50	25
Renwick	--	--	--	10	10
CBCES	--	--	--	150	25
STRI	--	--	--	25	25
Mt.Hopkins	--	--	--	25	25
ANM	--	--	--	--	--
Silver Hill (all bldgs.)	--	--	--	100	100
Cooper-Hewitt	--	--	50	50	10
Totals	250	175	. 500	885	670

*Requests contingent on overall Smithsonian priorities.

Question. You are requesting \$325,000 for handicapped access and correction of hazardous conditions.

Provide by year, by structure, where improvements have been made and where they are expected to be made.

Answer.

Handicapped Access and Correction of Hazardous Conditions

Past and Expected Future Improvements:

<u>Year</u>	<u>Facility</u>	<u>Project</u>
FY 1976	Fine Arts and Portrait Galleries Fine Arts and Portrait Galleries Silver Hill	West Step Modifications Courtyard Paving Guard Rails
FY 1977	Hirshhorn Museum and Sculpture Garden History and Technology Building Natural History Building	Plaza Handrails Fountain Steps Roughening Safety Nets
FY 1978	Fine Arts and Portrait Galleries Anacostia Natural History Building Fine Arts and Portrait Galleries Freer Hirshhorn Museum and Sculpture Garden Hirshhorn Museum and Sculpture Garden History and Technology Building	Fume Hoods Fume Hoods Entrance Access Study Courtyard Access Doors and Ramp Handrails Plaza Paving Garden Access Study Automate Entrance Doors
FY 1979	Natural History Building Natural History Building Arts and Industries Building History and Technology Building	Alcohol Storage Handicapped Access Elevator Railroad Hall Access
FY 1980	Freer Fine Arts and Portrait Galleries Several Bldgs.	Bldg. Access and Elevator Access Restroom Modifications
FY 1981	Natural History Building Smithsonian Institution Building Several Bldgs.	Balcony Access Access Restroom Modifications
FY 1982	Cooper-Hewitt	Building Access
FY 1983	Fine Arts and Portrait Galleries	Mezzanine Accesses
FY 1984	Renwick	Access

Question. You say a major portion of the requested funds will be used to construct a critically needed storage facility for the safekeeping of combustible materials used in the work of research scientists and curatorial staff.

How much is involved in that effort? How much is involved in handicapped access?

What is the nature of the combustible materials and what have you done in the past to alleviate the hazardous condition.

Answer. Of the \$325,000 requested, approximately \$250,000 is anticipated to be used for construction of the storage facility, and \$75,000 for improvement of handicapped access.

The combustible material is primarily alcohol, a highly volatile substance used on a day-to-day basis by scientists and researchers in the Natural History Building to preserve specimens and for other scientific purposes. It has been estimated that between 3,000 to 5,000 gallons of alcohol are present in the Natural History Building at any given time stored under various conditions, without proper safeguards. Since FY 1977 when the need for the construction of a special facility to house alcohol was enunciated, the Institution has been actively involved in designing and budgeting for the construction of such a facility. The proposed facility will be specially equipped to measure vapors and will contain a fire suppression system to respond to impending danger.

Question. You are requesting \$125,000 to construct a dormitory at the Tropical Research Institute.

Is that the full cost of the dormitory? If not, what is the full cost and when will it be completed.

Answer. We believe the request of \$125,000 represents the total amount required for construction of the dormitory. It is likely, however, that some additional expenditures will be incurred in the upgrading of furnishings. The facility is scheduled for completion in early FY 1980.

Question. You are requesting \$50,000 for building equipment monitoring systems.

Prepare a table which shows by building, by year, the cost associated with this three-year project.

EQUIPMENT MONITORING SYSTEM

<u>Building</u>	<u>FY 1977</u>	<u>FY 1978</u>	<u>FY 1979</u>	<u>TOTAL</u>
History and Technology	\$ 98,800	\$ 22,700	\$ 0	\$121,500
Renwick	28,400	5,700	0	34,100
Fine Arts and Portrait Galleries	18,000	28,400	0	46,400
Natural History	7,100	67,300	0	74,400
Smithsonian Institution	7,000	15,200	13,600	35,800
Arts and Industries	7,000	14,400	19,300	40,700
Freer Gallery	7,100	14,100	17,100	38,300
Hirshhorn Museum	7,100	14,100	18,900	40,100
National Air and Space	<u>7,100</u>	<u>25,000</u>	<u>36,600</u>	<u>68,700</u>
TOTAL	\$187,600	\$206,900	\$105,500	\$500,000

Question. You are requesting \$150,000 for the Chesapeake Bay Center to provide for the construction and partial equipment of a 26,000 foot maintenance building.

Will the construction of this facility not impede your ability to sell this location at any time you so desire?

Do you feel that your comments on page 27 of your response provide adequate protection to the federal treasury for its investment?

Answer. As noted in the question, we addressed this issue in the Smithsonian Institution's response to the Surveys and Investigations Report to the Committee on Appropriations. We indicated in this response that if funds for this building are appropriated, the Smithsonian will take the necessary steps to insure that in the extremely unlikely event this property is some day sold, with prior Congressional approval, the appropriate credit to the U.S. Treasury will be made from the proceeds to reflect this funding. We believe that this statement which is underwritten by a deep commitment by the Smithsonian to carry out its intent provides full protection to the federal treasury for its investment.

We would add that the request for federal funding for construction at the Center was made at this time as a result of the evolving relationship between the Center's programs and public policy. The ecological research programs of the Chesapeake Bay Center for Environmental Studies have reached a point where they are recognized as having national significance in the formulation of environmental policy and in making environmental management decisions. Moreover, the Center's education/public information programs strive to disseminate research findings to appropriate agencies and the general public.

Question. For museum support center planning you are requesting an appropriation of \$575,000.

What is the status of the authorizing legislation to construct the building?

Answer. S.1029, a bill to authorize the Smithsonian Institution to Construct Museum Support Facilities was introduced in the Senate on March 17, 1977. Hearings were held before the Rules Committee on April 12, 1978, and the bill was reported out on April 26. A companion bill, H.R. 6068, was introduced in the House on April 5, 1977, and hearings are expected sometime after May 15, 1978.

Question. We discussed earlier the status of the inventory.

What assurances are there that this building is really needed?

Answer. The need for a Museum Support Center has been evident for over a decade. In the last few years, due to the lack of adequate space, collections of the Museum of Natural History, and some of the collections of the Museum of History and Technology have been housed in corridors, hallways, attics, often under conditions which are detrimental to their safekeeping. Furthermore, public spaces in the Museum of Natural History have also been used for storage and thereby lost to the enjoyment of the public. Photographic evidence, as well as visits by independent experts have concluded that this situation has become intolerable.

Spaces in the proposed building have been calculated and recalculated, and, wherever possible, have been shrunk or consolidated. The 338,000 square feet proposed now is an irreducible minimum. If this building is not constructed soon, there will be a major shrinkage in the programs of the Museum of Natural History, a diminishing of the research output, a lessening of services to the public and a continued danger to irreplaceable collections.

Question. Please provide a listing, regardless of funding, of the number of people who have research grants from you, the type of grants, and the amounts. This will be comparable to what you have provided on pages 757, et seq., in the 1978 hearing.

Answer. The listing follows.

FY 1978 - Research Awards Program Projects:

<u>Principal Investigator</u>	<u>Brief Description of Grant</u>	<u>Amount</u>
Dr. J. Laurens Barnard	An ecological investigation of freshwater shrimp and their relationship to pollution of aquatic environments	\$18,062
Dr. Raymond Fosberg	Ecological and botanical studies of the South Pacific	9,239
Dr. A. Stanley Rand	The role of malaria as vectors of disease in a natural population of reptiles	19,600
Dr. Alan P. Smith	Ecological and evolutionary study of plant forms in East Africa	1,950
Dr. Daniel J. Stanley	Mediterranean Basin (MEDIBA) Project; Oceanography and sedimentology of deep basins, and application to the geological record	33,884
Dr. Paul Gorenstein	The development of scientific instrumentation to measure high energy sources in space	3,800
Dr. D. E. Kleimann	The Fabrication instrumentation to determine the source of certain galactic energy	13,656
Dr. Donald J. Ortner	The skeletal biology of early human populations in the Bab edh-Dhra region of Jordan	1,181
Dr. Richard S. Cowan	Botanical study of tropical trees	8,304
Dr. W. Ronald Heyer	Zoological studies of New World amphibians	324
TOTAL		\$110,000

Research Associate Grants
Awarded in Fiscal Year 1977

Mr. YATES. Are you talking about the non award recipients?

Mr. RUPERT. Both. I mean you normally are employed in the science bureaus and departments to perform research on the collections and help to enhance the resulting exhibits as well as keeping the collections, and that research productivity is, of course, something that is a matter of each human's individual capacity to do so.

LIST OF AWARDS

Mr. YATES. Is there in the justification a listing of the awards and the recipients?

Mr. RUPERT. We are preparing that.

Mr. CHALLINOR. We have one here.

Mr. YATES. Would you place it in the record?

Mr. CHALLINOR. Yes; we will give you the names and a brief description of the grants they are working on, and do you want the amounts, too?

Mr. YATES. Please do that in the record.

Mr. CHALLINOR. Certainly.

[The information follows.]

Principal Investigator	Award	Brief Description of Grant
Dr. J. Lauren Barnard	\$20,700	An ecological investigation of freshwater tar shrimps and their relationship to pollution or aquatic environments
Dr. Richard B. Cowan	10,800	Botanical study of tropical trees
Dr. Raymond Fullerton	26,100	Ecological and botanical studies of the South Pacific
Dr. Kurt Fudermann	7,600	Analysis of marine-like objects and compilation of regular file
Dr. Paul Gorenstein	14,500	Development of high efficiency X-ray detector for astronomical observations for use on Mariner Space Vehicle
Dr. Jeffrey S. Graham	7,200	An investigation relating to the origin of air breathing fishes and their relationship to the evolutionary process
Dr. Clinton F. Gray	18,600	Veterinary research on the anaesthesia of animals
Dr. Ronald Hoyer	7,000	Zoological section of New World exhibition
Dr. Devra G. Kleiman	21,800	Research in animal behavior in the wild finally
Dr. D. E. Kleiman	15,600	The formation of metaplasia to determine the source of certain galactic energy
Dr. Olga F. Lissauer	6,000	Study of social and political organization of African weaver cultivators
Dr. Neurice M. Herquelum	17,000	A study of the development and movement of cell proteins in the photosynthesis process
Dr. Paul A. Nair	10,000	Investigation of geologic faults in the Ethiopian Rift Valley
Dr. Donald J. Ortner	26,000	The skeletal biology of early human populations in the Sub-Saharan region of Jordan
Dr. David L. Pawson	\$16,300	Study of marine invertebrates in the Southern Ocean
Dr. A. Stanley Reed	- 17,600	The role of malaria as vectors of disease in a natural population of reptiles
Dr. Clayton E. Ray	10,000	Studies of the evolution of marine mammals
Dr. Alan P. Smith	18,000	Ecological and evolutionary study of plant forms in East Africa
Dr. Thomas R. Soderstrom	24,000	A taxonomic and ecological investigation of herpetofauna and their role in the development of the Amazon
Dr. Daniel J. Stanley	34,500	Investigation of the (SO2)IBA project: characterization and sedimentology of deep boreholes and application to the geological record

Principal Investigator	Amount	Brief Description of Grant
Dr. William Trousdale	\$0,300	Archaeological studies of Southeastern Afghanistan
Dr. Trevor C. Weeks	9,300	An investigation into the origins of cosmic radiation at high energy sources in space
Dr. Richard L. Zast	4,000	A comparative study of the systematic and adaptive value of hamadryads and their role in evolution
Dr. D. E. Kistnerman	\$190,000	The fabrication instrumentation to determine the source of certain galactic energy

Research Awards Grants
Awarded to Institutions
July 1 through September 30, 1970

Principal Investigator	Amount	Brief Description of Grant	Principal Investigator	Amount	Brief Description of Grant
Dr. J. Lawrence Barnard	\$4,300	An ecological investigation of freshwater fishes and their relationship to pollution of aquatic environments	Dr. J. Lawrence Barnard	\$19,000	An ecological investigation of freshwater fishes and their relationship to pollution of aquatic environments
Dr. Richard B. Dunn	2,800	Botanical study of tropical trees	Dr. Richard S. Cowan	8,000	Botanical Study of Tropical Trees
Dr. William French	7,300	Archaeological investigation of Central Labrador Coast	Dr. Bert G. Drake	11,000	New Obj. Teaching and Primary Production in Three Chesapeake Bay Estuarine Marsh Communities
Dr. F. Raymond Forder	7,000	Ecological and botanical studies of the South Pacific	Dr. H. Ronald Buddeworth	9,000	Studies of New World Niche
Dr. Jeffrey B. Graham	1,800	An investigation relating to the origins of air breathing fishes and their relationship to the evolutionary process	Dr. Clifford Evans	17,000	A study of Primate Human Ecology in the Amazon
Dr. Clinton R. Gray	7,100	Veterinary research on the acanthizing of animals	Mr. John Ferguson	0,000	Spanish and American Orangefishing in Mexico 1960-1960
Dr. W. Ronald Hoyer	975	Zoological studies of New World lepidoptera	Dr. William Fitzhugh	10,000	Archaeological Investigations of Central Labrador Coast
Dr. Evelyn G. Klemm	6,400	Research in animal behavior in the wolf family	Dr. P. Raymond Forbes	24,000	Ecological and Biological Studies of Selected Deep Sea Fishes of the South Pacific
Dr. Olga F. Linckus	4,000	Study of social and political organization of African antarctic communities	Dr. Kurt Fredriksson	\$1,000	A Mineralogical Study of Metamorphic Igneous Objects
Dr. David L. Pawson	3,100	Study of marine invertebrates in the Southern Oceans	Dr. Robert F. Fuoss	7,000	A study of tree structure and origin of selected crevices in Australia
Dr. Clayton E. Ray	5,945	Studies in the evolution of marine mammals	Dr. Robert Gibbs	11,000	A biological investigation of selected deep sea fishes of the South Pacific
Dr. Barry B. Simpson	7,000	A selected study of plant-herb coevolution and biogeography	Dr. Fausto Gutierrez	13,000	The development of scientific instrumentation to assess high energy sources in space
Dr. Thomas R. Soederstrom	5,025	A taxonomic and ecological investigation of bamboo and their role in the development of the human	Dr. Jeffrey S. Graham	12,000	An investigation related to the origin of air breathability and their relationship to the evolutionary process
Dr. Daniel J. Stanley	12,200	Mediterranean Beach (MEDB) project: coracology and sedimentology of deep basins, and application to the geological record			

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Principal Investigator	Amount	Principal Investigator	Amount
Mr. Clinton V. Gray	\$20,000	Mr. Trevor C. Warken	\$2,000
Dr. W. Donald Boyce	14,000	Dr. John Wurck	7,000
Dr. Leo J. Kirby	14,000	Dr. Richard L. Lutz	7,000
Dr. Louis D. Jacobson	14,000	Dr. George C. Kiesahn	18,000
Dr. Elin D. Kaufman	7,000		\$150,000
Dr. G. S. Kleinmann	9,000		
Dr. Diego F. Linares	9,400		
Dr. Mauricio M. Magdaleno	11,000		
Dr. Lawrence Marks	5,600		
Dr. Arthur P. Molala	3,600		
Dr. David L. Penman	12,500		
Dr. J. W. Plaza	14,000		
Dr. Clayton E. Ray	15,000		
Dr. Nathan Salatino	3,200		
Dr. E. Schmid	15,000		
Dr. Sergio N. Sangleon	\$ 5,000		
Dr. Thomas A. Sebastian	21,000		
Dr. Daniel J. Stanley	26,000		
Dr. William Troubridge	26,000		
Dr. Dieter C. Weishausen	4,700		

Brief Description of Grants		
Mr. Trevor C. Warken	9,000	An investigation into the origins of species in species of high energy
Dr. John Wurck	7,000	The taxonomy of selected flora in Ecuador
Dr. Richard L. Lutz	7,000	A comparative study of the systematic and adaptation of homologous and their role in evolution
Dr. George C. Kiesahn	18,000	Research in animal behavior in the Wolf Family

SMITHSONIAN INSTITUTION
MUSEUM PROGRAMS AND RELATED RESEARCH
(SPECIAL, FOREIGN CURRENCY PROGRAM)
Fiscal Year 1977

List of Grants

ARCHAEOLOGY AND RELATED DISCIPLINES

The study of archaeology, anthropology, and related fields such as ethnology, is the study of changes in man's condition brought about by his environment, by cultural factors including man's own inventiveness, and limited by his biology. Societies such as our own that are undergoing rapid change are subject to increasing pressures to accomodate new factors. These societies must look to studies of the long history of man as well as to studies of today's condition to find answers to such questions as:

- a) How have societies responded to similar pressures in the past?
- b) What are those elements in our condition that are biological imperatives or are so culturally interdependent that we dare not change them? For example, is the family unit essential to the survival of our civilization?
- c) What are the current options available to today's societies?

The urgency to understand the forces demanding change in human societies has caused scholars to study man and his communities, past and present, for a better grasp of the process of social change. Modern archaeology and anthropology seek to understand such change.

Projects of United States institutions contributing to understanding man's condition, which received support in FY 1977, are listed below.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqty.</u>
EGYPT			
1. FR6-50002 - Amend. 5 FC70549800 and Amend. 162	American Research Center in Egypt, Princeton, NJ	P. Walker	\$491,294 ^{1/}

The American Research Center in Egypt (ARCE) is a consortium of 22 United States universities and museums and over 600 individual scholars devoted to research and teaching about ancient and modern Egypt. The ARCE is an unique national resource because it is the principal source of money on an annual basis in the United States for the advancement of knowledge and understanding of ancient and Islamic Egypt as well as the training in Egypt of area specialists. Moreover, the ARCE has served the U.S. national interest by sustaining active scholarly collaboration between the U.S. and Egypt during periods of political stress when other contacts have been interrupted. SFCP support of the ARCE has totalled \$3,477,411 equivalent in Egyptian pounds over a twelve year period for the support of 39 research projects. Projects receiving new funds in FY 1977 are listed below.

^{1/} Total for following parenthetical amounts (items 1a through 1L)

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
f.	Brooklyn Museum New York, NY	B. Bothmer	(\$13,713)

The preparation of this catalog documents 150 previously unpublished ancient Egyptian statues found at Karnak. These statues were found early in this century by Georges Legrain.

g.	New York U. New York, NY	D. Hansen	(\$42,949)
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This excavation of the stratified ancient port of Mendes in the Nile River delta involves Greek and Roman settlements dating from 300 B.C. to the early Christian era. This site is providing greater insights into the life of an ancient Mediterranean port town.

h.	Smithsonian Institution	O. Gingerich and D. King	(\$58,500)
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The Smithsonian and the Egyptian National Library are preparing a critical catalogue of the Library's medieval scientific manuscripts and analyzing scientific works of particular importance in astronomy and mathematics. Several of these documents suggest that some of the geometrical mechanisms employed by Copernicus were developed 250 years earlier in the Islamic world.

i.	U. of California, Berkeley	K. Weeks	(\$19,073)
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The preparation of a detailed map of archaeological remains in the Theban necropolis on the West Bank at Luxor will provide a very valuable research tool for Egyptologists.

j.	U. of California at Los Angeles	S. Vryonis	(\$41,846)
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English translations of recent literary works evolved in Egypt under the impact of modern Western thought are being made available to the English reading public for the first time. One volume on the short story and another on drama have been published; a third, on the literature of ideas, is being translated. These complete texts of current Arab literature will provide a unique opportunity for insight into this important culture.

k.	U. of Chicago	C. Van Siclen	(\$54,997)
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A 50 year project has carefully preserved through color reproductions the rich history of ancient Egypt carved and painted on the surfaces of its temples and monuments. The work is being carried out at Luxor before the monuments there are completely eroded and undecipherable.

l.	U. of Maryland	C. Butterworth	(\$14,051)
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Averroes or Ibn-Rushd, as he was called in the Arab world, was one of the most important students of Aristotle. His commentaries on Aristotle's work are unequalled. The goal of this project is to edit and publish Arabic manuscripts of Averroes' Middle Commentaries on Aristotle's Organon.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
a.	American Museum of Natural History, NY	W. Fairservis	(\$32,011)

Excavation continues at Hierakonpolis, a major urban complex continually occupied from 4500 to 1500 B.C. The most sophisticated scientific techniques are being employed in the examination of this little studied period of Egyptian history.

b.	American Research Center in Egypt, Princeton, NJ	P. Walker	(\$121,130)
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Smithsonian grants to ARCE have supported the Cairo Center which serves as an American scholarly presence in Egypt by maintaining a reference library and by sponsoring lectures and symposia which involve the scholarly community in Egypt. The Cairo Center also provides administrative support for its members' research by obtaining research and import and export permits, housing, supplies and personnel, and by keeping project financial records and publishing research results.

c.	American Research Center in Egypt, Princeton, NJ	P. Walker	(\$59,700)
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Support was given to the ARCE Fellowship Program for research in ancient and modern Islamic thought, history, and art. ARCE fellows receiving support during FY 1977 are listed below.

Harvard U.	K. Lacey
Harvard U.	J. Ragep
Harvard U.	M. Ryan
Harvard U.	L. Shumaker
U. of Arizona	S. Jadon
U. of Connecticut	J. Keith
U. of Virginia	F. Douglas
Utah State U.	M. Dunn
Yale U.	A. Spalinger

d.	American Research Center in Egypt, Princeton, NJ	P. Walker	(\$18,324)
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The study, development, and analysis of a restoration plan for a major Mamluk palace will be a model for experimental art historical restoration methodology in Egypt. It is hoped that this restoration will serve as a catalyst for other restoration projects and the revitalization of medieval Cairo.

e.	Brooklyn Museum New York, NY	B. Bothmer	(\$15,000)
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American museum professionals are preparing a catalog on the art objects in the new Luxor Museum of Ancient Egyptian Art as well as designing and writing label information. All data will be provided in English, French and Arabic.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
2. FC70578600	American Research Center in Egypt, Princeton, NJ	P. Walker	\$1,000,000

A contribution was made through the ARCE to the international campaign to help save the monuments at Philae which include early Christian temples as well as Egyptian and Roman treasures that have been inundated by waters impounded between the two dams at Aswan. These temples are being dismantled for transfer to a nearby island which is above the water level. This is the final phase of the campaign which has already rescued Abu Simbel and certain Nubian monuments.

3. FC70769500	Brown U.	R. Caminos	\$34,908
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An epigraphic and architectural survey of all the pharaonic and pre-pharaonic remains at Gebel es-Silsilah, Upper Egypt, will complete a twelve-year study of the site which has exceptional significance in the history and religion of ancient Egypt.

4. FC70945800	City University of New York H.E. Lehman College	L. Saunders	\$15,885
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An anthropological re-study of a village in the Egyptian Delta will analyze cultural change since 1962 and determine long-term socio-economic processes and trends.

5. RD-IFT00180	Smithsonian Institution	E. Atil	\$3,002
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A survey of Islamic art of the Mamluk period (1250 to 1517 A.D.), particularly the architectural monuments of Cairo, was undertaken as a preliminary step in the development of an exhibition and documentary film as well as a scholarly examination of the material (research development).

6. RF-IFT00136,-137	Smithsonian Institution	G. Van Beek	\$6,486
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A study of ancient and modern pitched mud brick vaultings in Egypt, with special emphasis on the construction techniques involved, is part of a larger investigation into the origin and development of a unique style of architectural construction found throughout the Near East.

7. FC70174900	Southern Methodist U.	F. Wendorf	\$56,579
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Geological and archeological studies of the Egyptian desert are establishing a chronology of environmental changes and the appearance and development of early man. This study of the geological past has resulted in discovery of a great quantity of water available at shallow depth, which seems to be a useful source of water for modern agriculture.

8. RD-IFT00096, -097	U. of Chicago	J. Johnson	\$3,628
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The feasibility of a thorough study of the Red Sea port town of Qusair and its relationship with overland and maritime trade throughout history was examined (research development).

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
9. RF-IFT00062	U. of Chicago	L. Zabkar	\$7,923

Salvage excavation of the foundations of the last temple to be dismantled at Philae was undertaken. The site has since been inundated by Nile River waters and the protective coffer dam is being removed.

10. FR6-50007 - Amend. 1
FC7062900 Washington State U. F. Hassan \$19,000

Excavations of prehistoric sites in the Siwa Oasis region of the Western desert will contribute to the reconstruction of early agricultural life in an area where cultural forms of the Egyptian desert and of the Nile Valley overlapped in a period likely to have witnessed the climatic changes which led to the present arid conditions of North Africa.

INDIA

11. FC70634700	American Institute of Indian Studies Chicago, IL	E. Dimock, Jr.	\$312,111
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The American Institute of Indian Studies (AIIS) was founded in 1961 and today has a membership of 29 United States institutions. The AIIS is a unique national resource because it is the principal source of money on an annual basis supporting in the United States the advancement of knowledge and understanding of India as well as the training in India of area specialists. Moreover, the AIIS has served the U.S. national interest by sustaining active scholarly collaboration between the U.S. and India during periods of political stress when other contacts have been interrupted. Disciplines sponsored by the AIIS are increasing from the original concentration on social sciences and the humanities to include the natural sciences as well. Smithsonian support of the AIIS has totalled \$3,760,637 equivalent in Indian rupees over a twelve year period.

a. American Institute of Indian Studies Chicago, IL E. Dimock, Jr. (\$90,000)

The AIIS provides support for its fellows and for a major language program from a headquarters in New Delhi and small offices in Bombay, Calcutta, Madras and Poona.

b. American Institute of Indian Studies Chicago, IL E. Dimock, Jr. (\$222,111)

The principal activity of the AIIS has been the appointment of fellows. The SFDP currently provides most of the funds for this fellowship program. AIIS fellows receiving support during FY1977 are listed below.

American Museum of Natural History	Ruth and Stanley Freed
Amherst College	Susan Lewandowski

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
	Brandeis U.	Marvin Davis	
	Brooklyn College	Leonard Gordon	
	Columbia U.	Barbara S. Miller	
	Cornell U.	Carol Breckenridge	
	Cornell U.	Mary Katzenstein	
	Cornell U.	Gerald Kelley	
	Oakland U.	Richard Tucker	
	Temple U.	Manak Gupta	
	U. of Arizona	Robert Varady	
	U. of California Berkeley	Ann Pescatello	
	U. of California Berkeley	Bonnie Wade	
	U. of California Berkeley	Stuart Blackburn	
	U. of California Berkeley	Mary-Ann Lutzker	
	U. of Chicago	Norman Cutler	
	U. of Chicago	Daniel Ehnboim	
	U. of Chicago	Cynthia Livermore	
	U. of Chicago	Rekha Morris	
	U. of Chicago	Gloria Raheja	
	U. of Chicago	Marsha Tajima	
	U. of Michigan	Douglas Twells	
	U. of Minnesota	Vishakha Walker	
	U. of Minnesota	Frederick Asher	
	U. of Minnesota	George Hoynacki	
	U. of Minnesota	Rocky Miranda	

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
	U. of Minnesota	Ram Dayal Munda	
	U. of Missouri	William Noble	
	U. of Pennsylvania	Arjun Appadurai	
	U. of Pennsylvania	Helen Baig	
	U. of Pennsylvania	Wilfred Malenbaum	
	U. of Pennsylvania	James Moore	
	U. of Pennsylvania	Eliot Stern	
	U. of Pennsylvania	Gregory Possehl	
	U. of Pennsylvania	Lise Vail	
	U. of Pennsylvania	Richard Young	
	U. of Texas	Kenneth Jackson	
	U. of Virginia	Richard Barnett	
	U. of Virginia	Murray Milner	
	U. of Washington	Theodore Adams	
	U. of Washington	Frank Conlon	
	U. of Wisconsin	Edward Bastian	
	U. of Wisconsin	Robert Frykenberg	
	U. of Wisconsin	Robert and Beatrice Miller	
12. FC70564900	American Institute of Indian Studies Chicago, IL	F. Asher	\$92,650

The Center for Art and Archaeology at Benares, India, is a vital research facility serving scholars of ancient and modern India from all over the world. The Center was established to apply rigorous scholarly standards to the massive job of photographing and indexing the art collections and the temples and monuments of India which abound in every region of the sub-continent. The archive of more than 30,000 photographs continues to grow as important projects like photographing collections in the India Museum in Calcutta are undertaken.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
13. RD-IFT00284	American Institute of Indian Studies Chicago, IL	J. Gutman	\$2,528

Examination of 19th and early 20th century photographs in India will enable scholars to reconstruct the social history of the period (research development).

14. FC70669700 Asia Society, NY, agent for
and Amend. 1 the American Panel of the
Indo-U.S. Subcommission on
Education and Culture D. Dillon \$60,000

The Indo-American Fellowship Program, established in late 1975, was created to widen the circle of scholarly/professional contacts and increase the extent of collaboration between the U.S. and India. Fellowships are granted for research in India, primarily at the post-doctoral or equivalent level with substantial collaboration with Indian colleagues. The fellows who received support in FY 1977 are:

Columbia U.	C. Worswick
San Diego State U.	E. Henry
U. of California Los Angeles	M. Helstein

15. RF-IFT00112 Smithsonian Institution R. Organ \$1,900

Travel support was provided for a Baroda University scholar to participate in the Smithsonian/National Bureau of Standards Symposium, "Sources of Tin."

16. RD-IFT00201,-150 Smithsonian Institution E. Sorenson \$5,389

As part of a comprehensive effort to document changing and vanishing cultures using newly developed anthropological filming techniques, locations are being selected for a study of the impact of Indian acculturative pressures on the family organization of the nomadic Pashtoon people of Afghanistan (research development).

17. RD-IFT00075,-076, U. of Wisconsin J. Elder \$11,237
-221 Madison, WI

Arrangements were made to make six documentary films on selected aspects of contemporary South Asian civilizations (research development).

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
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PAKISTAN

18. RD-IFTU0276 Smithsonian Institution E. Sorenson \$2,242

The Burusho people of Hunza in Pakistan will be studied and filmed using new anthropological filming techniques. These people pursue an ancient way of life which will be altered by a modern road through their area linking Pakistan and the People's Republic of China. These people recently gained world attention when it was determined that they had the lowest recorded incidence of cancer in the world (research development).

19. RF-IFT00195,-220, -234, -235 Smithsonian Institution W. Trousdale \$22,314

Examination of the techniques of early mining and smelting in Pakistan is expected to determine the relationship of smelting sites in Afghanistan with early metallurgy in the Indus Valley and Baluchistan.

POLAND

20. FC70246900 U. of Louisville S. Jernigan \$55,434

A study combining archaeological and art history approaches is providing insight into the history and cultural development of Poland in the medieval period and its relationship with Central and Western Europe at that time.

TUNISIA

21. FC70496500 American Schools of Oriental Research, Cambridge, MA J. Pedley and F. Cross \$279,500

The American Schools of Oriental Research (ASOR) is made up of 135 United States institutions and three scholarly associations. The ASOR has provided, since its incorporation in 1900, most of the field training opportunities in the archeology of the Bible and of the Near and Middle East in general, which have been available to United States scholars and clergy. Four generations of Americans have felt the impact of ASOR-sponsored research as it enriched the accounts of the origins of western civilization and of the Judeo-Christian tradition presented at every level of secular and religious education in the United States. Despite the constant political turmoil which has afflicted the Near East in recent years, the ASOR has sustained uninterrupted collaboration with the scholars of the area by maintaining a year-round American scholarly presence in Jordan, Iraq, and Cyprus as well as in Israel and Tunisia. Smithsonian support of the ASOR has totalled \$1,086,500 equivalent in Israeli pounds and Tunisian dinars through FY 1977 to support seven archeological excavations in Israel and two in Tunisia over an eleven year period.

Obligation Number	Institution	Principal Investigator	\$ Eqv.
ASOR is now engaged in the first modern archeological excavations at Carthage as part of a combined effort to reconstruct the history of the successive occupations of ancient Carthage (the Punic, or original inhabitants; the Roman conquest; the Vandal conquest; Byzantine; and finally Arab occupation) in an effort to salvage as much as possible of this important period of ancient history before the archeological remains are destroyed by the encroachment of the modern city of Carthage.	Dumbarton Oaks Center for Byzantine Studies Washington, DC	M. Alexander	\$103,500

22. FC70549700 Dumbarton Oaks Center
 for Byzantine Studies
 Washington, DC M. Alexander \$103,500

A descriptive and photographic inventory of the tile and stone mosaics from the Roman colonial period in Tunisia, resulting in the publication of scholarly reference material, is making available a wealth of data on the social, religious and other cultural and artistic aspects of life in Roman times in Tunisia.

SYSTEMATIC AND ENVIRONMENTAL BIOLOGY

For much of our history as a nation, we have regarded technology as the key to the betterment of the human condition. It is a concept that once stood virtually unquestioned, and which has profoundly influenced changing cultural patterns around the world. Today, however, it is becoming increasingly obvious that technology exacts its price, one that is multiplied by new levels of population. Biological scientists who once concerned themselves with laying the brick-work of the edifice of human knowledge now find themselves with a new responsibility. We now know that it is imperative to establish norms for our environmental systems, to monitor changes, and to predict the consequences of social policies on an Earth that has grown less forgiving of our abuses. American scientists are again the leaders in international research efforts in these new fields. Through the long-term collaborative relationships between American and foreign institutions and scholars, research conducted under the Smithsonian Foreign Currency Program serves as a foundation for the intense efforts that will be required to solve the problems of biological science that transcend national boundaries.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
BURMA			
23. RD-IFT00148, -147	U. of California Berkeley	D. Savage	\$1,000
A research development trip was made to seek approval of the Burmese government for collaborative investigations of fossil remains of man's early primate ancestors in Burma.			
EGYPT			
24. FC70869600	Duke U.	E. Simons	\$28,154
The Fayum Province of Egypt is the only accessible site in Africa for recovery of land vertebrates dating to the Oligocene epoch some 35,000,000 years ago. Quarrying of this site promises to expand our knowledge of the early primate ancestors of man and related primates and to improve our understanding of their ecological setting.			
25. FC70928900 RD-IFT00049,-050 (research development)	Texas Tech U.	J. Goodin and D. Northington	\$30,240
A study of the ecology of arid and semi-arid halophytes (salt-tolerant plants) which inhabit the saline regions of Egypt will demonstrate how these plants thrive under desert conditions and if they might be cultivated as a source for high-protein forage for livestock feed.			
26. FC70706800	U. of Michigan	J. Burch	\$38,391
Research into the freshwater snails of Africa, Genus <u>Bulinus</u> , is providing the basic systematic, geographic and ecological data for the eventual control of these carriers of schistosomiasis, a serious public health problem.			

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
27. RD-1FT00181,-182	U. of Pittsburgh	M. Mares	\$3,789

Analysis of Egyptian desert rodent ecology will seek to provide new information concerning desert adaptation, population regulation, and behavioral mechanisms in desert habitats (research development).

28. RF-IFT0014	Yale U.	G. Meyer	\$116
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The skull of a 28 million year old ape, *Aegyptopithecus zeuxis*, the oldest ape skull yet uncovered, was found in the Fayum region of Egypt in 1967. This ape is thought to be directly ancestral to man. After ten years of study at Yale University, the skull was returned to Egypt.

INDIA

29. RD-1FT00194	Smithsonian Institution	E. Ayensu	\$139
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As part of a worldwide effort to identify endangered plant species, a project is developing in India to study endangered plants of known or potential economic value (research development).

30. FC70117000	Smithsonian Institution	R. Higgins and G. Saunders	\$19,558
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Study of the interdependence of living organisms in some tropical freshwater Indian lakes is developing principles of management of biological productivity in these lakes and comparing results with similar studies of temperate lakes in North America, contributing to understanding the processes of life in all bodies of freshwater.

31. RF-1FT00051	Smithsonian Institution	K. Krombein	\$2,812
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An examination of entomological specimens of the Zoological Survey of India is providing comparative material for related studies in Sri Lanka.

32. RD-IFT00230	Smithsonian Institution	T. Reed	\$3,334
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Exchanges are being developed between the National Zoological Park in Washington, D.C. and the Delhi Zoo in general zoo management and captivity breeding (research development).

33. RD-IFT00003,-145, -146	U. of Michigan	J. Burch	\$1,013
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Aquatic and sub-aquatic mollusks (particularly snails) of India will be studied to determine evolutionary trends and links to other mollusk families around the world (research development).

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
34. RF-IFT00059	U. of Washington Seattle	D. Farmer R. Hazelwood J. Wingfield	\$596 \$356 \$2,608
RF-IFT00057			
RF-IFT00058			

Three Americans participated in the First International Symposium on Avian Endocrinology in Calcutta to discuss new research techniques and new research designs with other leading investigators in this field.

PAKISTAN

35. AF-IFT00063, -185, -186, -187, -280	Smithsonian Institution	F.R. Fosberg	\$12,050
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Scientists from all over the world are contributing to the revision of Trimen's Handbook to the Flora of Ceylon, the handbook which has provided the basic nomenclature for tropical flor. In 1977, five scholars visited the National Herbarium at Rawalpindi to compare herbarium specimens with those collected in the field.

36. RF-IFT00077, -074	Smithsonian Institution	R. Grant	\$4,865
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The nature and timing of the mass extinction of marine faunas of the late Paleozoic and early Mesozoic era of Pakistan are being investigated by a team of scholars from Pakistan and the United States.

37. RD-IFT00232	Smithsonian Institution	P. Spangler	\$3,846
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Biosystematic investigation of the insects of Pakistan will establish the roles of these insects in their ecosystems and provide information that could be of medical importance (research development).

38. FC70760400	U. of Michigan	P. Gingerich	\$11,830
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A search for Paleocene and Eocene (55-65 million year old) fossil mammals in Pakistan will substantially contribute to our knowledge of the evolution of mammals and their geographic distribution.

39. FR4-60116- Amend. 2 & 3	Yale U.	D. Pilbeam	\$24,016
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In a search for fossils of small and large animals in Pakistan, particularly primates dating from the time of man's earliest development, a collaborative effort between Yale University and the Geological Survey of Pakistan is striving toward a better understanding of the evolution of man.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
POLAND			
40. FC70239000	Academy of Natural Science Philadelphia, PA	T. Uzzell	\$49,950
For a number of years American and Polish geneticists have been studying the <u>Rana esculenta</u> , a complex of European frogs that exhibit marked patterns of variability in the passing of genetic material to offspring, producing both genetically stable and unstable species. This research is directed toward both understanding the mechanism of heredity and toward development of techniques of genetic research.			
41. FC70249300	Smithsonian Institution	T. Erwin	\$4,000
A comprehensive study of ground beetle faunas at lowland forest areas in Panama and Brazil has been expanded to include a primeval forest in Poland. This site, with the only accessible primeval fauna in the Old World, provides a unique baseline for comparison to secondary faunas of the New World.			
TUNISIA			
42. FR6-50006- Amend. 1 FC70663800 and Amend. 1	Utah State U.	F. Wagner	\$360,418
A comprehensive study of the lands in Tunisia bordering the Sahara desert and their inhabitants, including man, is uncovering the natural and agricultural processes which are causing the desert to expand, reducing productive agricultural land. This study will help to develop land use plans to assist in reversing the "desertization" process.			

ASTROPHYSICS AND EARTH SCIENCES

The study of astrophysics and earth sciences is the study of man's available energy and mineral resources. Studies of the stars and their origins reveal much about the origin, composition, behavior and fate of the Earth. The forces governing the stars are the same as those governing the star which is our Sun. The Earth was born of solar minerals, and the Sun remains the source of all energy, fossil or otherwise, available to man today. Uranium, for example, which provides the fuel for atomic power plants, is present in the Sun as well as in the Earth. Coal and oil are fossil remains of plants and animals which once relied on sunshine for life, just as all life does today.

Studies, like those listed below, which received Smithsonian Foreign Currency Program support in FY 1977 are contributing to knowledge essential to meet man's future energy and mineral needs, to understand and predict such natural phenomena as earthquakes, and to foster space age developments. Such projects help host nations, particularly the developing nations, improve their scientific output while providing United States institutions with collaborators, facilities or field research opportunities essential to the conduct of studies, judged most likely to advance man's knowledge of his available energy and mineral resources.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Equ.</u>
EGYPT			
43. FC70225900 RD-IFT00279 (research development)	Smithsonian Astrophysical Observatory, Cambridge, MA	M. Pearlman	\$135,781

The operation of an Egyptian Satellite tracking facility at Helwan Observatory adds another link in the Smithsonian Astrophysical Observatory's global tracking network which supports studies of the earth's motion and magnetism and of the upper atmosphere.

44. RF-IFT00138	Smithsonian Institution	F. El-Baz	\$1,235
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Data from surface surveys in the Western Desert of Egypt is being compared with information from satellite photographs to provide a description of desert erosion and sand movement for use in efforts to reverse nature's "desertization" process.

45. RD-IFT00225	Smithsonian Institution	D. Stanley	\$2,112
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The Nile River has historically deposited large volumes of rich sediment on its bank and in the Mediterranean. The construction of the Aswan Dam has almost eliminated these deposits. A cooperative oceanographic study will seek to ascertain the effect of this man made environmental change on the Mediterranean Sea floor at the mouth of the Nile (research development).

46. RF-IFT00013, -012	U. of Pennsylvania	H. Faul	\$9,703
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Studies of the geology and time sequences of the "alkaline ring-dike" formations, which occur in the eastern desert of Egypt shed new light on the fundamental earth processes associated with the birth of the oceans and develop guides for mineral exploration.

Obligation Number	Institution	Principal Investigator	\$ Eqv.
47. FC70827000	U. of Pennsylvania	R. Weeks	\$50,382

Laboratory analysis of the chemical and physical properties of desert silica glass is expected to determine the source material and mode of formation of this naturally occurring glass of unknown origin, similar to tektites which are extraterrestrial in origin.

INDIA

48. RF-IFT00001 RD-IFT00078 (research development)	Smithsonian Astrophysical Observatory, Cambridge, MA	M. Pearlman	\$7,265
<p>The Smithsonian Astrophysical Observing Station at the Uttar Pradesh State Observatory, Naoli Tal, India, is the only satellite tracking station in the Smithsonian Astrophysical Observatory network located on the Asian land mass. This station makes possible observation of man-made satellites passing over South Asia. It employs tracking cameras and contributes to studies devoted to an understanding of the movement of the continents, the shape of the Earth, the nature of its upper atmosphere, and how these are influenced by the Sun and the other planets.</p>			
49. RF-IFT00091,-105, -236	Smithsonian Institution	K. Fredriksson	\$10,245

Deep core-drillings of the Lonar craters in central India have demonstrated that they were caused by the impact of a major meteor and that they are very much like impact craters on the moon. Field studies have produced remarkable new samples of impact-generated rocks, similar to materials brought back from the moon, and have revealed new problems related to their origin and impact cratering in general. This research is being supported by the Geological Survey of India, and the SFCP is providing travel support for American project participants.

PAKISTAN

50. RD-IFT00203	U. of Wisconsin Madison	W. Pennington	\$2,829
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Observation by teams from five countries of seismic waves from fired explosions and naturally occurring earthquakes in the Himalayas will achieve better understanding of the structure and occurrence of the Himalayan range (research development).

POLAND

51. FC70249200	Ohio State U.	R. Wing	\$7,596
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Red giant stars are relatively cool stars that block the passage of radiation through the atmosphere. Calibration of their spectral energy distribution, the measurement of the brightness of the star throughout the spectrum, will provide necessary baseline data for all further study of this large group of stars.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
52. FR6-50001 - Amend. 1	U. of Chicago	D. Schramm	\$50,000
This research employs computers to calculate the chemical evolutions of the cores of stars comparable to the Earth's Sun.			
53. FC70244000	U. of Colorado	J. Van Couvering	\$22,245

Study of an unusual sequence of geologic strata in South Poland is establishing a dated and zoned reference sequence for Late Cretaceous to Late Miocene times (135,000,000 to 25,000,000 years ago) in the Carpathians. The resulting chronology will make possible the reconstruction of many aspects of the geological history of Europe and Western Asia.

MUSEUM PROGRAMS

The scope of museum activities is growing and changing. The traditional museum role has been the care and preservation of scientific specimens and cultural objects for study and reevaluation as new techniques and data become available. Today museums also have a growing role in the transmission of man's cultural heritage to future generations, a role belonging traditionally to universities. They also play a growing role in communication between present-day cultures, drawing together peoples of different lands when language barriers prevent exchange of basic information. Museums are now making more use of their skilled personnel and their collections for popular education. Increasingly, museums are broadening the interpretation of museum collections to include living cultural traditions such as crafts and the performing arts.

Projects like those listed below, which received Smithsonian Foreign Currency Program support in FY1977, support both the traditional and the newer roles of museums. These projects respond to the needs of the museum profession which are not met within the framework of basic research in the natural sciences and cultural history which received Smithsonian Foreign Currency Program support separately.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
EGYPT			
54. RD-IFT00111	Smithsonian Institution	P. Perrot	\$492
Supplemental funds were provided for the travel of this Smithsonian museum expert from Egypt to Saudi Arabia at the invitation of the University of Riyadh to advise on the plans to start a Natural History Museum (research development).			
INDIA			
55. RF-IFT00079	Carnegie Museum of Natural History	J. Swauger	\$2,091
A seminar on the preparation of plant materials for natural history displays was given for personnel of the National Museum of Natural History of India in a continuing exchange of museum professionals between that museum and the Carnegie Museum of Natural History in Pittsburgh, Pennsylvania.			
56. FC70763500 & Amend.1 The Franklin Institute RF-IFT00115, -179 RD-IFT00002,-003, -004 (research development)		J. Harrington	\$143,042

The development, preparation and presentation in six Indian cities of an exhibition illustrating the historical development of American technology is one of the first projects in the museum program of the Indo-U.S. Subcommission on Education and Culture, created in 1974 to further cultural relations between the two countries.

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
57. RF-IFT00224	Smithsonian Institution	J. Billington	\$7,408

Travel support from India to the U.S. was provided for a Woodrow Wilson International Center for Scholars fellow engaged in an historical study of the development of Indo-U.S. relations.

58. RF-IFT00081	Smithsonian Institution	B. Finn	\$85
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In a continuing exchange on the history of science and technology, a Smithsonian historian of electricity visited Indian science museums.

POLAND

59. FC70239300	The Maryland Institute College of Art	J. Czestochowski	\$29,410
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The preparation of an exhibition and its scholarly catalogue of Polish posters will document the historical development of the poster as an art form and its place in Polish culture, society, and economy. The exhibition will tour the United States for two years.

60. FR5-46227 - Amend. 2	<i>National Trust for Historic Preservation</i> Smithsonian Institution	H. Gorska	\$500
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Documentation of Polish methods of conservation and restoration of historic buildings will contribute to adaptation of these techniques to American needs.

61. FC70154900	Smithsonian Institution	T. Reed and K. Loveland	\$41,017
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Animated films prepared in Poland that provide visitors to the National Zoo in Washington with information on the evolutionary origins and behavior of lions, tigers, and other large cats.

TUNISIA

62. RD-IFT00088	Smithsonian Institution	E. Thompson	\$2,415
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Inspection of Smithsonian Foreign Currency Program sponsored projects in Tunisia has resulted in the preparation of articles on Carthage excavations and on the desert biome research (research development).

SFDP GRANTS ADMINISTRATION

<u>Obligation Number</u>	<u>Institution</u>	<u>Principal Investigator</u>	<u>\$ Eqv.</u>
63. 3300-61-01 (Rev.) 3300-71-01	Smithsonian Institution		\$8,837
Indian rupees were transferred to the State Department for Shared Administrative Expenses which are the costs incurred by the State Department in providing administrative support to Foreign Currency Program grantees in the excess currency countries.			
FC70261900 GA-IFT00177,- 178, -250, -275	Smithsonian Institution		\$60,887

These funds supported inspection and audit of research projects and liaison with host country governments and institutions.

For Fiscal Year 1976

The following list from the Smithsonian Annual Report for fiscal year 1976 and the Transition Quarter enumerates the Smithsonian Fellows and Visiting Students who have received appointments under the academic studies program. Generally, the stipend for a one-year appointment for a postdoctoral fellow was \$10,000 and for a predoctoral fellow was \$5,000. The stipend for visiting research students and museum interns was \$1,000. Museum Study appointments did not carry a stipend.

Smithsonian fellows pursue research problems in Smithsonian facilities and collections in collaboration with professional staff members.

SMITHSONIAN POSTDOCTORAL FELLOWS

Program in American and Cultural History

Cynthia A. Field, Ph.D., Columbia University. The museum as an architectural statement of American culture, with Lillian B. Miller, Editor, Peale Papers, and James M. Goode, Curator, Smithsonian Institution Building, from June 1, 1975, through June 30, 1976.

Program in Anthropology

Bernardo Dougherty, Ph.D., University of La Plata. A comparative study of Lowland South American Archeological cultures, with Clifford Evans, Jr., Department of Anthropology, from October 1, 1975, through September 30, 1976.

Geoffrey L. Gamble, Ph.D., University of California. Examination of J. P. Harrington material to develop a comparative Yokuts lexicon, with William C. Sturtevant, Department of Anthropology, and Herman J. Viola, National Anthropological Archives, from July 15, 1975, through July 14, 1976.

Margaret A. Hardin, Ph.D., University of Chicago. Study of structure and variation of Zuni pottery design, with William C. Sturtevant, Department of Anthropology, from October 1, 1975, through September 30, 1976.

Program in Astrophysics

John B. Hearnshaw, Ph.D., Australian National University. To obtain abundance data for Cu, Zn, and Fe in a large enough sample of stars of several types to interpret the results in the light of theories of nucleosynthesis of Cu and Zn. To carry out differential model atmosphere analysis using computer programming, with Nathaniel P. Carleton, Smithsonian Astrophysical Observatory, from September 25, 1975, through January 31, 1976.

Charles J. Lada, Ph.D., Harvard University. Continued studies of molecular clouds using radio astronomical techniques, with A. Edward Lilley, Smithsonian Astrophysical Observatory, from July 1, 1975, through July 1, 1976.

Mark J. Reid, Ph.D., California Institute of Technology. Investigation of molecular clouds, circumstellar dust shells, newly forming stars, and primitive stellar nebulae; origins and dynamics of the solar system; experimental tests of relativity with various techniques including spectral line, very long baseline interferometry, with James M. Moran, Jr., Smithsonian Astrophysical Observatory, September 1, 1975, through August 31, 1976.

Program in Tropical Biology

Peter A. Abrams, Ph.D., University of British Columbia. Study of competition in hermit crab communities with Peter W. Glynn, Smithsonian Tropical Research Institute, from October 15, 1975, through October 14, 1976.

David P. Janos, Ph.D., University of Michigan. Research on the ecology of vesicular-arbuscular mycorrhizal fungi, with Nicholas D. Smythe, Smithsonian Tropical Research Institute, from January 1, 1976, through December 31, 1976.

Kentwood D. Wells, Ph.D., Cornell University. Social behavior of frogs in the family *Dendrobatidae*, with A. Stanley Rand, Smithsonian Tropical Research Institute, from September 1, 1975, through August 31, 1976.

SMITHSONIAN PREDOCTORAL FELLOWS

Program in American and Cultural History

Richard D. Glasow, Ph.D. candidate, University of Delaware. Building the "New American Navy," Naval officers and scientific engineering, 1875-1899, with Philip K. Lundeberg, Department of National and Military History, from September 1, 1975, through August 31, 1976.

Scott Hambly, Ph.D. candidate, University of Pennsylvania. The social and contextual history of the mandolin in America, 1875-1975, with J. Scott Odell, Department of Cultural History, from July 1, 1975, through June 30, 1976.

George W. McDaniel, Ph.D. candidate, Duke University. The material culture of a plantation community, with Wilcomb E. Washburn, Office of American Studies, from September 1, 1975, through August 31, 1976.

Program in Anthropology

Brian C. Hesse, Ph.D. candidate, Columbia University. Economic and artifactual categories in the fauna from the neolithic site of Ganj Dareh, Western Iran, with Dennis J. Stanford, Department of Anthropology, from August 1, 1975, through July 31, 1976.

Rebecca H. Welch, Ph.D. candidate, George Washington University. Social history of Alice Cunningham Fletcher, nineteenth-century anthropologist and social reformer, with Herman J. Viola, National Anthropological Archives, from September 1, 1975, through August 31, 1976.

Program in Astrophysics

Eric D. Feigelson, Ph.D. candidate, Harvard University. Course work at Harvard Department of Astronomy and related research, with Riccardo Giacconi, Smithsonian Astrophysical Observatory, from September 23, 1975, through June 12, 1976.

Robert W. Leach, Ph.D. candidate, Harvard University. Development of a negative electron affinity device for use in future X-ray astronomy experiments, with Riccardo Giacconi, Smithsonian Astrophysical Observatory, from September 23, 1975, through June 12, 1976.

Sten F. Odenwald, Jr., Ph.D. candidate, Harvard University. Investigation of the properties of accretion discs surrounding (supermassive) black holes, with George B. Field, Smithsonian Astrophysical Observatory, from September 23, 1975, through June 12, 1976.

Frederick H. Seguin, Ph.D., California Institute of Technology. A study of the evolution of binary orbits; to construct models of elliptical galaxies, star clusters with arbitrary rotation curves; to study gravitational radiation reaction in relativistic fluid systems, with Steven Weinberg, Smithsonian Astrophysical Observatory, from October 1, 1975, through October 1, 1976.

Program in Earth Sciences

Peter A. Jezek, Ph.D., University of Massachusetts. Compositional and textural study of volcanic ashes, with Thomas E. Simkin, Department of Mineral Sciences, from January 1, 1976, through December 31, 1976.

John M. Sinton, Ph.D., University of Otago. Mineralogy and petrology of oceanic plutonic and metamorphic rocks, with William G. Nelson, Department of Mineral Sciences, from January 1, 1976, through December 31, 1976.

Program in Environmental Sciences

Sandra L. Spurgeon, Ph.D., Washington State University. Carotenoid biosynthesis in Neurospora, with Roy W. Harding, Jr., Radiation Biology Laboratory, from November 1, 1975, through October 31, 1976.

Jerry P. Thomas, Ph.D., University of Alabama. Pigment systems involved in regulation of cytokinesis, with Walter A. Shropshire, Jr., Radiation Biology Laboratory, from August 1, 1975, through July 31, 1976.

Brenda S. Tremper, Ph.D., University of California. Distribution of ant species in various successional stages of the Eastern deciduous forest, with James F. Lynch, Chesapeake Bay Center for Environmental Studies, from January 1, 1976, through December 31, 1976.

Barbara A. Zilinskas, Ph.D., University of Illinois. Analysis of the phycobilisome-photosynthetic lamellae interactions, with Elisabeth Gantt, Radiation Biology Laboratory, from June 14, 1975, through August 31, 1976.

Program in Evolutionary and Systematic Biology

Wayne E. Clark, Ph.D., Texas A & M University. Systematics of the weevil subfamily Tychiinae (Curculionidae: Coleoptera), with Terry L. Erwin, Department of Entomology, from August 1, 1975, through July 31, 1976.

Bruce W. Hayward, Ph.D., Auckland University. Taxonomy and paleoecology of Lower Miocene benthonic foraminifera in northern New Zealand, with Martin A. Buzas, Department of Paleobiology, from November 1, 1975, through October 31, 1976.

Timothy J. Palmer, Ph.D., Oxford University. Evolutionary changes of niche patterns and faunal diversity in hardground communities, with Erle G. Kauffman, Department of Paleobiology, from July 1, 1975, through June 30, 1976.

Seymour H. Sohmer, Ph.D., University of Hawaii. Systematic work with the genus *Psychotria*, with F. Raymond Fosberg, Department of Botany, from September 1, 1975, through June 30, 1976.

Program in the History of Science and Technology

Arthur C. Nunes, Jr., Ph.D., University of California. Research into the history of welding, with Otto Mayr, Department of Science and Technology, from September 1, 1975, through August 31, 1976.

Robert S. Parisien, Ph.D. candidate, Harvard University. Stellar atmospheres model and radio interferometry-data reduction, with George B. Rybicki, Smithsonian Astrophysical Observatory, from September 23, 1975, through January 31, 1976.

Carleton R. Pennypacker, Ph.D. candidate, Harvard University. Infrared pulsar search, with Costas Papaliolios, Smithsonian Astrophysical Observatory, from September 1, 1975, through June 1, 1976.

Stephen C. Perrenod, Ph.D. candidate, Harvard University. Intergalactic medium, quasar absorption features, and hot gas in clusters of galaxies, with George B. Field, Smithsonian Astrophysical Observatory, from October 16, 1975, through June 16, 1976.

Ira Wasserman, Ph.D. candidate, Harvard University. Various problems in relativistic astrophysics, with Steven Weinberg, Smithsonian Astrophysical Observatory, from September 1, 1975, through June 1, 1976.

Program in Environmental Sciences

Kenneth Green, Ph.D. candidate, Johns Hopkins University. Ecology and social organization of *Cebus nigriovittatus*, a neotropical primate, with John F. Eisenberg, National Zoological Park, from June 15, 1975, through June 14, 1976.

Robert J. Hoage, Ph.D. candidate, University of Pittsburgh. The development of social and sexual behavior in the Golden Lion Marmoset, with Devra G. Kleiman, National Zoological Park, from April 1, 1975, through March 31, 1976.

Margaret A. O'Connell, Ph.D. candidate, Texas Tech University. Population ecology of neotropical rodents, with John F. Eisenberg, National Zoological Park, from June 15, 1975, through June 14, 1976.

Rasanayagam Rudran, Ph.D. candidate, University of Maryland. Ecology and behavior of the blue monkey in the Kibale Forest, Uganda, with John F. Eisenberg, National Zoological Park, from July 1, 1975, through April 13, 1976.

Rebecca G. Troth, Ph.D. candidate, University of Michigan. A life history study of *Bombax ceiba*, with Dan H. Nicolson, Department of Botany, from February 1, 1975, through January 31, 1976.

Program in Evolutionary and Systematic Biology

Francisco Mago-Leccia, Ph.D. candidate, Universidad Central de Venezuela. Venezuelan Gynotoid fishes, a preliminary study for a revision of the group in South America, with Stanley H. Weitzman, Department of Vertebrate Zoology, from April 15, 1975, through August 15, 1976.

Albert C. Myrick, Jr., Ph.D. candidate, University of California, Los Angeles. A population approach to the systematics of two dolphins from Middle Miocene deposits of eastern North America, with Clayton E. Ray, Department of Paleobiology, from July 1, 1975, through December 31, 1976.

Alfred L. Rosenberger, Ph.D. candidate, City University of New York. Research to determine the evolutionary relationships and to reconstruct the evolutionary history of the New World monkeys, with Richard W. Thorington, Department of Vertebrate Zoology, from September 1, 1975, through August 31, 1976.

Robert D. Ward, Ph.D. candidate, Michigan State University. Phylogenetic systematics of the "primitive" taxa of the Caraboidea, with Terry L. Erwin, Department of Entomology, from January 1, 1976, through December 31, 1976.

Anders H. Warén, Ph.D. candidate, University of Gothenburg. Selection of types in the Jeffreys Collections, with Joseph Rosewater, Department of Invertebrate Zoology, from October 15, 1975, through April 15, 1976.

Orrey P. Young, Ph.D. candidate, University of Maryland. Feeding strategies in a neotropical forest dung beetle community, with Terry L. Erwin, Department of Entomology, and Egbert G. Leigh, Jr., Smithsonian Tropical Research Institute, from July 1, 1975, through December 31, 1976.

Program in the History of Art

Ruth Louise Bohan, Ph.D. candidate, University of Maryland. An examination of the Société Anonyme and the Brooklyn Museum's International Exhibition of Modern Art held in 1926-1927, with Walter W. Hopps III, National Collection of Fine Arts, from September 1, 1975, through August 31, 1976.

Marc H. Miller, Ph.D. candidate, New York University. Lafayette's Farewell Tour of America, 1824-1825; portraiture and pageantry, with Lois M. Fink, National Collection of Fine Arts, from January 1, 1976, through June 30, 1976.

Deborah D. Muller, Ph.D. candidate, Yale University. The Chiu-T'u; a study of the "Nine Songs" Handscrolls, with Thomas Lawton and Hin-Cheung Lovell, Freer Gallery of Art, from October 1, 1975, through March 31, 1976.

Joan F. Seeman, Ph.D. candidate, Stanford University. Postwar vanguard New York sculpture, with Walter W. Hopps III, National Collection of Fine Arts, from September 1, 1975, through August 31, 1976.

Julia A. Wortman, Ph.D. candidate, University of Michigan. The art criticism of Russell Sturgis, with Peter Bermingham, National Collection of Fine Arts, from July 1, 1975, through June 30, 1976.

Ann Yonemura, Ph.D. candidate, Princeton University. The Ishiyamadera Engi Emaki, a Japanese Buddhist narrative painting, with Thomas Lawton, Freer Gallery of Art, from January 1, 1976, through June 30, 1976.

Program in the History of Science and Technology

Virginia G. Drachman, Ph.D. candidate, S.U.N.Y., Buffalo. Nineteenth-century obstetrical and gynecological instruments, the catalogs advertising them and the papers of Dr. Chevalier Jackson, with Audrey B. Davis, Department of Science and Technology, from September 1, 1975, through August 31, 1976.

Susan T. Frey, Ph.D. candidate, University of Washington. Frederick Engels and nineteenth-century science, with Faye Cannon, Department of Science and Technology, from August 1, 1975, through September 15, 1976.

Robert D. Friedel, Ph.D. candidate, Johns Hopkins University. Research concerning the technical, economic, and social history of the development of celluloid plastics, with Jon B. Eklund, Department of Science and Technology, from September 1, 1975, to August 31, 1976.

Leonard S. Reich, Ph.D. candidate, Johns Hopkins University. Industrial research, patents and the development of radio in America, with Bernard S. Finn, Department of Science and Technology, from September 1, 1975, through August 31, 1976.

Program in Tropical Biology

Carol K. Augspurger, Ph.D. candidate, University of Michigan. A study of the influence of the animal community of pollinators, seed dispersers, and seed predators on the plant reproductive systems, with Alan Smith, Smithsonian Tropical Research Institute, from December 31, 1975, through December 30, 1976.

Eric A. Fischer, Ph.D. candidate, University of California. Behavioral ecology and hamlets (*Hypolecturus spp.*, *Pisces*), simultaneously hermaphroditic fish of the sea bass family, with Ira Rubinoff, Smithsonian Tropical Research Institute, from November 1, 1975, through October 30, 1976.

VISITING RESEARCH STUDENTS

Program in American and Cultural History

Julia Halley, George Washington University. Study of Titian Ramsey Peale, early amateur photographer, with Eugene Ostroff, Division of Photographic History.

Norma J. Halischak, Gallaudet College. Studies in principles and technology of archival administration, with William A. Deiss, Smithsonian Archives.

Luna Lambert, North Carolina State University. Study of nineteenth-century skates at the Smithsonian, with Rodris C. Roth, Department of Cultural History.

Darroll A. Midgette, George Washington University. Supported by the Elsie Shaver Scholarship. Study of newspaper materials related to the life of Dorothy Shaver, with Claudia B. Kidwell, Division of Costumes and Furnishings.

Theresa D. Shellcroft, University of Pittsburgh. Supported by a grant from the William Randolph Hearst Foundation. Studies conducted with black performers and craftspeople in the Festival of American Folklife, with Bernice J. Reagan, Division of Performing Arts.

Lisa Soderberg, George Washington University. Study of the role of Adelaide Johnson in the early women's movement, with Edith P. Mayo, Department of National and Military History.

Sherri L. Tucker, Northwestern University. Supported by a grant from the William Randolph Hearst Foundation. Studies conducted with the African-Diaspora section of the Festival of American Folklife, with Bernice J. Reagan, Division of Performing Arts.

Program in Anthropology

Louisa Beyer, George Washington University. Study of discrimination of sex in human sacra by multivariate analysis, with J. Lawrence Angel, Department of Anthropology.

Joan Gardner, George Washington University. Research into the life ways of the aboriginal inhabitants of the archeological site of Spiro, Oklahoma, as can be interpreted from the collection of objects at the Smithsonian, with William W. Fitzhugh and Waldo R. Wedel, Department of Anthropology.

Susan Golla, Columbia University. Study of continuity and change in the symbolic structure of Nootka myth and ritual, with William C. Sturtevant, Department of Anthropology.

M. Michael Maloney, American University. Research on use of visual evidence in the study of man focusing on development of ethnographic film, with E. Richard Sorenson, National Anthropological Film Center.

Bonnie Poswall, California State University, Sacramento. Research in paleo-epidemiology, with Donald J. Ortner, Department of Anthropology.

Joseph W. Price, Howard University. Supported by a grant from the William Randolph Hearst Foundation. Study of the chemical composition of dental enamel, with Lucile St. Hoyme, Department of Anthropology.

Elaine Richman, University of Maryland School of Medicine. Study of the histological structure of bone in three prehistoric populations, With Donald J. Ortner, Department of Anthropology.

Environmental Sciences

Stephen Ralph, University of Washington. Study to describe behavioral parameters of a small local population of Turkey Vulture at Front Royal, Virginia, with Eugene S. Morton, National Zoological Park.

Roger Zimmerman, University of Puerto Rico. Studies of the feeding ecology of Gammaridean Amphipods from Indian River sea grass beds in Florida, with David K. Young, Fort Pierce Bureau.

Evolutionary and Systematic Biology

David Bohaska, Texas Technical University. Study of fossil cetaceans, particularly Zarhachis, with Frank C. Whitmore, Jr., Department of Paleobiology.

Victor E. Diersing, University of Illinois. Systematic revision of the species *Sylvilagus floridanus* (Allen) of North and South America, with Charles O. Handley, Jr., Department of Vertebrate Zoology.

Exequiel Gonzalez Balbontin, Universidad Católica de Chile. Study of amphipoda taxonomy, with Thomas E. Bowman, Department of Invertebrate Zoology.

Robin Lighty, Duke University. Studies in carbonate sedimentology, in particular, the depositional diagenetic history of a drowned Holocene reef in southeast Florida, with Ian G. MacIntyre, Department of Paleobiology.

James F. McKinney, Old Dominion University. Study of systematics and taxonomy of the goboid fish genus *Callogobius*, with Ernest A. Lachner, Department of Vertebrate Zoology.

Larry D. McKinney, Texas A & M University. Distribution of benthic amphipods in the Yucatan area of the Gulf of Mexico, with J. L. Barnard, Department of Invertebrate Zoology.

Joaquin Bueno Soria, Universidad Nacional Autonoma de Mexico. Study of the systematics of the caddis flies (Trichoptera), with Oliver S. Flint, Jr., Department of Entomology.

Sara P. Stubblefield, Cornell University. Study of Devonian lycopods, with Francis M. Hueber, Department of Paleobiology.

Cathy Tate, Virginia Commonwealth University. Study of variations among short-tailed shrews in central Virginia, with Charles O. Handley, Department of Vertebrate Zoology.

Robert E. Weems, George Washington University. Preparation of Triassic skeletal material of a new type of reptile and research on its relationship with

other described materials, with Nicholas Hotton III, Department of Paleobiology.

Program in the History of Art

Philip Brookman, University of California, Santa Cruz. Studies in exhibit design and installation, with Joseph M. Shannon, Hirshhorn Museum and Sculpture Garden.

Barbara R. Butts, Rutgers College. Research for upcoming exhibitions, with Cynthia J. McCabe, Hirshhorn Museum and Sculpture Garden.

H. Nicholas Clark, University of Delaware. Studies of the permanent collections at the Hirshhorn Museum, with Inez Garson, Hirshhorn Museum and Sculpture Garden.

Joyce K. Guillani, Georgetown University. Study of the operation of the registrar's department of a major museum, with Patricia H. Chieffo, National Collection of Fine Arts.

Nancy Idaka, Hunter College. Research in the Department of Painting and Sculpture, with Judith K. Zilczer, Hirshhorn Museum and Sculpture Garden.

Catherine A. Kaputa, Harvard University. Research on late Momoyama and early Edo period painting in Japan, with Harold P. Stern, Freer Gallery of Art.

Michael G. Lawrence, Case Western Reserve University. Preparing labels, handcuts, telesonic tapes, etc., for future exhibitions, with Mary Ann Tighe, Hirshhorn Museum and Sculpture Garden.

William Lynn, Georgetown University. Research and study in the silk screen lab, with Val E. Lewton, National Collection of Fine Arts.

Ted L. Pearson, The Maryland Institute College of Art. Study and research of design and installation, with Mary Ann Tighe and Hal M. Pauley, Hirshhorn Museum and Sculpture Garden.

Richard Powell, Howard University. Study of Afro-American printmakers, with Janet A. Flint, National Collection of Fine Arts.

Nancy R. Shields, Rutgers University. Study of museum educational programs, with Mary Ann Tighe, Hirshhorn Museum and Sculpture Garden.

Maria D. Suarez, Harvard University. Study of museum educational programs, with Mary Ann Tighe, Hirshhorn Museum and Sculpture Garden.

Pam Theodoreidis, University of Delaware. Research and exhibition of art work of the mentally and physically handicapped, with Patricia H. Chieffo, National Collection of Fine Arts.

Aimee B. Troyen, Yale University. Preparation of supplement to Inaugural Catalogue and research on paintings, with Inez Garson, Hirshhorn Museum and Sculpture Garden.

Susan P. Wertheimer, Johns Hopkins University. Research on photographic material for the Bicentennial Exhibition at the Hirshhorn, with Mary Ann Tighe, and Cynthia J. McCabe, Hirshhorn Museum and Sculpture Garden.

Program in the History of Science and Technology

John Commander, University of Maryland. The influence of the atomism debate on the scientific community, 1894-1906, with Paul A. Hanle, Department of Science and Technology.

Steven J. Dick, Indiana University. Research in the history of astronomy through the study of instruments, with Deborah J. Warner, Department of Science and Technology.

Kathryn M. Igoe, George Washington University. Preparation and production of a large scale exhibition, with Paul A. Hanle, Department of Science and Technology.

Ormond Loomis, Indiana University. Comparative study of concepts in living historical farms and folk museums, with John T. Schlebecker, Department of Science and Technology.

Program in Tropical Biology

Ruth Chadab, University of Connecticut. Study of Army Ant raiding behavior, with Michael H. Robinson, Smithsonian Tropical Research Institute.

Art Museum Fellows—National Collection of Fine Arts

Celia Betsky, Yale University. Cataloguing and research on twentieth-century American painting, with Karen M. Adams, National Collection of Fine Arts.

Ildiko De Angelis, S.U.N.Y., Binghamton. Studies in educational and esthetic presentation of art objects, with Patricia H. Chieffo, National Collection of Fine Arts.

Stephanie Newman, University of Virginia. Work in silk-screen shop and Discover Graphics workshop, with Patricia H. Chieffo, National Collection of Fine Arts.

Neil Printz, University of Michigan. Studies in educational and esthetic presentation of art objects, with Patricia H. Chieffo, National Collection of Fine Arts.

FOR FISCAL YEAR 1977

The following list from the Smithsonian Annual Report for fiscal year 1977 enumerates the Smithsonian Fellows and Visiting Students who have received appointments under the academic studies program. Generally, the stipend for a one-year appointment for a postdoctoral fellow was \$10,000 and for a predoctoral fellow was \$5,000. The stipend for visiting research students and museum interns was \$1,000. Museum Study appointments did not carry a stipend.

ACADEMIC APPOINTMENTS, OCTOBER 1, 1976 THROUGH SEPTEMBER 30, 1977

Smithsonian Fellows pursue research problems in Smithsonian facilities and collections in collaboration with professional staff members.

SMITHSONIAN POSTDOCTORAL FELLOWS

Program in American and Cultural History

Alfred P. Hurley, Ph. D., Princeton University. History of the United States Air Force, with Forrest C. Pogue, Eisenhower Institute for Historical Research, from August 1, 1976 through July 31, 1977.

Warren B. Walsh, Ph. D., Harvard University. Impact of selected senior military colleges upon their graduates, especially their influence toward non-military responses to problems of United States national security, with Forrest C. Pogue, Eisenhower Institute for Historical Research, from January 1, 1977 through June 30, 1977.

Program in Anthropology

M. James Blackman, Ph. D., Ohio State University. Study of the obsidian and "steatite" from Tel-e Malyan, Iran, with William W. Fitzhugh, Department of Anthropology, and Jacqueline S. Olin, Conservation Analytical Laboratory, from December 1, 1976 through November 30, 1977.

Claire M. Cassidy, Ph. D., University of Wisconsin. Historical analysis of character and distribution of New World Treponematoses, with Donald J. Ortner, Department of Anthropology, from September 1, 1976 through August 31, 1977.

Steven L. Cox, Ph. D., Harvard University. Analysis of Dorset Eskimo archeological collections from Southampton and Walrus Islands, N.W.T., Canada, with William W. Fitzhugh, Department of Anthropology, December 1, 1976 through November 30, 1977.

Loretta Fowler, Ph. D., University of Illinois. Historical development of Arapahoe political institutions, with John C. Ewers, Department of Anthropology, September 1, 1976 through August 31, 1977.

Program in Astrophysics

John Huchra, Ph. D., California Institute of Technology. Near-infrared photographic survey of the galactic plane on the 48' Schmidt, complementary to the Palomar Sky Survey; also a study of metal abundances in galaxies from emission lines; a study of variability of Seyfert galaxies; and the extension of theoretical models of galaxy evolution to systems with differing metal and helium abundances, with George Field, Smithsonian Astrophysical Observatory, from September 20, 1976 through September 20, 1977.

Charles Lada, Ph. D., Harvard University. Studies of interstellar cloud formation and star formation, with A. E. Lilley, Smithsonian Astrophysical Observatory, from July 1, 1976 through June 30, 1977.

Alan M. Levine, Ph. D., Massachusetts Institute of Technology. Research in x-ray astronomy, with Riccardo Giacconi, Smithsonian Astrophysical Observatory, from September 1, 1976 through August 31, 1977.

Mark J. Reid, California Institute of Technology. Studies in radio astronomy, with George Field, Smithsonian Astrophysical Observatory, from September 1, 1976 through August 31, 1977.

Program in Earth Sciences

R. John Knight, Ph. D., McMaster University, Ontario, Canada. A sedimentological and mineralogical study of selected basins of the Hellenic Trough in the eastern Mediterranean Sea, with Daniel J. Stanley, Department of Paleobiology, from December 1, 1976 through November 30, 1977.

Program in Environmental Sciences

Jozef Grabowski, Ph. D., Adam Mickiewicz University, Poland. Structure and function of phycobiliproteins and their natural complexes in the process of photosynthesis, with Elisabeth Ganitt, Radiation Biology Laboratory from July 1, 1976 through June 30, 1977.

David W. Hopkins, Smithsonian-Eppley Fellow, Ph. D., University of California, San Diego. Solar energy in the ultraviolet and blue spectral regions and possible effects on plant growth and development caused by changes in environmental conditions, with William H. Klein, Radiation Biology Laboratory, from August 1, 1976 through July 31, 1977.

Merten H. Jabben, Ph. D., University of Freiburg, Germany. The action of phytochrome on the flowering response of winter barley, with Gerald F. Dietzer, Radiation Biology Laboratory, from May 24, 1976 through April 30, 1977.

Douglas W. Mock, Ph. D., University of Minnesota. Nocturnal adaptations in neotropical night herons, with Eugene S. Morton, National Zoological Park, from September 1, 1976 through August 31, 1977.

Galen B. Rathbun, Ph. D., University of Nairobi, Kenya. Studies of the territorial and pair-bonding behaviors of captive *Elephantulus rufescens* (Macroscelididae) and the significance of scent marking, with John F. Eisenberg, National Zoological Park, from October 1, 1976 through September 30, 1977.

Rasanayagam Rudran, Ph. D., University of Maryland. The ecology and behavior of the red howler monkeys of Guatopo National Park in Venezuela, with John F. Eisenberg, National Zoological Park, from May 1, 1976 through April 30, 1977.

Stephen N. Turitzin, Ph. D. Stanford University. Foliage canopy architecture and the efficiency of solar energy capture by a salt marsh ecosystem, with Bert G. Drake, Radiation Biology Laboratory, from November 15, 1976 through November 14, 1977.

Program in Evolutionary and Systematic Biology

Gregory D. Bentz, Ph. D., University of Pittsburgh. Post-cranial adaptations in the osteology and myology of hummingbirds, with Richard L. Zusi, Department of Vertebrate Zoology, from September 1, 1976 through August 31, 1977.

Robert S. Carney, Ph.D., Oregon State University. Distribution and systematic affinities of Antarctic holothurians of the order Elasipoda Theel, with David L. Pawson, Department of Invertebrate Zoology, from November 1, 1976 through October 31, 1977.

Russell W. Graham, Ph. D., University of Texas, Austin. Pleistocene mammals of the Vasquezillo fauna, Pueblo, Mexico, with Clayton E. Ray, Department of Paleobiology, from September 1, 1976 through August 31, 1977.

Gerardo Lamas, Pr. D., University of Sao Paolo, Brazil. Systematic and evaluation of American Dismorphiinae, Danainae, and Ithomiinae, with William D. Field, Department of Entomology, from July 1, 1976 through June 30, 1977.

Jan J. Roth, Ph. D., University of Colorado. The parietal eye, an evolutionary approach to thermoregulation, with Nicholas Hotton, III, Department of Paleobiology, from October 1, 1976 through September 30, 1977.

Program in the History of Art

Rena N. Coen, Ph. D., University of Minnesota. Coleridge's *Kubla Khan* and Cole's *Voyage of Life*, also Jacques-Louis David in the Wild West, with William H. Truettner, National Collection of Fine Arts, from September 1, 1976 through August 31, 1977.

Program in the History of Science and Technology

Joan Bromberg, Ph. D., University of Wisconsin. Impact of electrical technology and laboratory techniques upon the concepts of electromagnetism, 1840-1940, with Bernard S. Finn, Department of Science and Technology, from November 1, 1976 through October 31, 1977.

R. Douglas Hurt, Ph. D., Kansas State University. Agricultural technology and farmer organizations on the Great Plains, with John T. Schlebecker, Department of Industries, from June 15, 1976 through June 14, 1977.

Thomas F. Jaras, Ph. D., Georgetown University. Research on the impact of transoceanic submarine telegraphy on society, with Bernard S. Finn, Department of Science and Technology, from November 1, 1976, through May 31, 1977.

Program in Tropical Biology

John D. Cubit, Ph. D., University of Oregon. The effect of grazing on succession in marine algae, with Peter W. Glynn, Smithsonian Tropical Research Institute, from October 1, 1976 through September 30, 1977.

Glanz, William E., Ph. D., University of California, Berkeley. Community ecology of small mammals in Panama emphasizing arboreal species, with Nicholas D. Smythe, Smithsonian Tropical Research Institute, from January 1, 1977 through December 31, 1977.

Douglas W. Schemske, Ph. D., University of Illinois. A coevolutionary analysis of plant-animal interactions in the genus *Costus* (Zingiberaceae), with Robert L. Dressler, Smithsonian Tropical Research Institute, from January 1, 1977 through December 31, 1978.

SMITHSONIAN PREDOCTORAL FELLOWS

Program in American and Cultural History

Hazel D. Garcia, Ph.D., candidate, University of Wisconsin. Communications structure during the westward movement to Kentucky, 1769 to 1792, with Peter Marzio and Carl Scheele, Department of Applied Arts, from August 1, 1976 through July 31, 1977.

Hans L. Paeffgen, Ph.D., candidate, University of Michigan. The Berlin blockade and airlift—a study in Cold War diplomacy, with Forrest C. Pogue, Eisenhower Institute for Historical Research, from July 1, 1976 through June 30, 1977.

Steven J. Zeitlin, Ph. D. candidate, University of Pennsylvania. An analysis of the content and structure of the family story in America, with Robert H. Byington, Division of Performing Arts from October 1, 1976 through September 30, 1977.

Program in Anthropology

Sara L. C. Bisel, Ph. D. candidate, University of Minnesota. The nutritional status of a Greek Bronze Age population, with J. Lawrence Angel, Department of Anthropology, from February 1, 1977 through September 30, 1977.

Miguel A. Pazos, University of San Marcos, Lima, Peru. Specialized training in archeological conservation emphasizing conservation and preservation of perishable archeological materials, with Clifford Evans, Jr., Department of Anthropology, from May 15, 1976 through August 15, 1976.

Jerome Schaefer, Ph. D. candidate, University of Arizona. Archeological investigations of a late Roman community in the Negev, with Gus W. Van Beek, Department of Anthropology, from September 1, 1976 through August 31, 1977.

Ann M. P. Shaw, Ph.D. candidate, Northwestern University. A study of short-term population dynamics in the American Southwest, with Douglas H. Ubelbaker, Department of Anthropology, from August 1, 1976 through July 31, 1977.

Program in Astrophysics

Marc Aaronson, Ph.D. candidate, Harvard University. Infrared observations and stellar synthesis models of galaxies, with Giovanni Fazio, Smithsonian Astrophysical Observatory, from September 1, 1976 through May 31, 1977.

Scott E. Butler, Ph.D. candidate, Harvard University. Charge exchange calculations, radiative and collisional processes, with Alexander Dalgarno, Smithsonian Astrophysical Observatory, from September 1, 1976 through May 31, 1977.

Eric D. Feigelson, Ph. D. candidate, Harvard University. Research projects in extra-galactic and high-energy astrophysics, with Riccardo Giacconi, Smithsonian Astrophysical Observatory, from September 1, 1976 through May 31, 1977.

Jules P. Halpern, Ph. D. candidate, Harvard University. Imaging studies of soft X-ray objects with Riccardo Giacconi, Smithsonian Astrophysical Observatory, from September 1, 1976 through May 31, 1977.

Sten Odenwald, Ph.D. candidate, Harvard University. Comparative studies of giant Cd galaxies which are radio quiet and strong radio sources, with George B. Field, Smithsonian Astrophysical Observatory.

Carleton R. Pennypacker, Ph.D. candidate, Harvard University. Research on galactic and extra-galactic objects which vary with speed in the infrared, with Costas Papaliolios, Smithsonian Astrophysical Observatory, from September 1, 1976 through May 31, 1977.

Stephen C. Perrenod, Ph. D. candidate, Harvard University. Evolution of hot gas in clusters of galaxies, with George B. Field, Smithsonian Astrophysical Observatory, from June 17, 1976 through December 17, 1976.

Ira M. Wasserman, Ph. D. candidate, Harvard University. Studies in gravitation theory and relativistic and high energy astrophysics, with George B. Field and S. Weinberg, Smithsonian Astrophysical Observatory, from June 1, 1976 through August 31, 1976.

Program in Environmental Sciences

Peter V. August, Ph. D. candidate, Texas Tech University. Population ecology of a tropical small mammal community, with John F. Eisenberg, National Zoological Park, from June 15, 1976 through June 14, 1977.

Margaret A. O'Connell, Ph. D. candidate, Texas Tech University. Population ecology of neotropical rodents, with John F. Eisenberg, National Zoological Park, from June 15, 1976 through June 14, 1977.

Rebecca Gay Troth, Ph. D. candidate, University of Michigan. Field research on the problem of community distribution and dynamics of *Bombax ceiba* and its survival tactics, with Dan H. Nicolson, National Herbarium, from February 1, 1976 through January 31, 1977.

Program in Evolutionary and Systematic Biology

John B. Heppner, Ph. D. candidate, University of Florida. A revision of the North American Glyptopterygidae, with W. Donald Duckworth, Department of Entomology, from August 1, 1976 through July 31, 1977.

Katherine M. Muzik, Ph. D. candidate, University of Miami. Systematics and zoogeography of Indo-Pacific oecocorals, with Frederick Bayer, Department of Invertebrate Zoology, from June 1, 1976 through May 31, 1977.

Alan H. Savitsky, Ph. D. candidate, University of Kansas. The intergeneric relationships of xenodontine snakes, with George R. Zug, Department of Vertebrate Zoology, from July 1, 1976 through June 30, 1977.

David E. Schindel, Ph. D. candidate, Harvard University. Intrapopulational variability during changing environments—a case study of Pennsylvania gastropoda of the United States, with Ellis L. Yochelson, Department of Paleobiology, from February 15, 1976 through February 14, 1977.

John Utley, Ph. D. candidate, Duke University. Systematic studies of Theco-phylloid *Vriesea* species (Bromeliaceae), with Lyman B. Smith, Department of Botany, from January 1, 1977 through December 31, 1977.

Program in the History of Art

L. Bruce Darling, Ph. D. candidate, University of Michigan. Development of Kumano Mandara paintings, especially the Kumano Miya Mandara, with Harold P. Stern, Freer Gallery of Art, from November 1, 1976 through April 30, 1977.

Mitchell D. Kahan, Ph. D. candidate, City University of New York. Subjective trends in American art of the 1930's, surrealism and magic realism, with Lois M. Fink, National Collection of Fine Arts and Cynthia J. McCabe, Hirshhorn Museum and Sculpture Garden, from November 1, 1976 through October 31, 1977.

Marc E. Krug, Ph. D. candidate, University of Chicago. A social realist vision of the Great Depression, with Joshua C. Taylor, National Collection of Fine Arts, from September 1, 1976 through May 31, 1977.

Melinda A. Lorenz, Ph. D. candidate, University of California, Santa Barbara. DeStijl theory and its relationship with American geometric abstraction, 1930–1950, with Lois M. Fink, National Collection of Fine Arts and Cynthia J. McCabe, Hirshhorn Museum and Sculpture Garden, from February 1, 1977 through September 30, 1977.

Miranda McClintic, Ph.D. candidate, New York University Institute of Fine Arts. Paintings of twentieth century sculptor David Smith, with Joshua C. Taylor, National Collection of Fine Arts, from May 1, 1976 through April 30, 1977.

Harold B. Nelson, Jr., Ph.D. candidate, State University of New York, Binghamton. The image of the self and the other in the paintings and drawings of Romaine Brooks, with Adelyn Breeskin, National Collection of Fine Arts, from October 1, 1976 through August 31, 1977.

Patrick L. Stewart, Jr., Ph.D. candidate, University of Delaware. Precisionism—avant-garde and tradition in American art, 1915–1935, with Charles W. Millard, III, Hirshhorn Museum and Sculpture Garden, from September 1, 1976 through July 31, 1977.

Gilbert T. Vincent, Ph.D. candidate, University of Delaware. Artistic perceptions of eighteenth century America from 1870 to 1920, with Lois M. Fink, National Collection of Fine Arts, from September 1, 1976 through August 31, 1977.

Barbara A. B. Wolanin, Ph.D. candidate, University of Wisconsin. Arthur B. Carles, 1882–1952, Philadelphia colorist, with Inez Garson, Hirshhorn Museum and Sculpture Garden, from May 1, 1976 through October 31, 1977.

Program in the History of Science and Technology

David A. Hounshell, Ph.D. candidate, University of Delaware. The "American System" of manufacturing, 1850-1930, with Robert C. Post, Office of the Director of the Museum of History and Technology, from October 1, 1976 through September 30, 1977.

Allan A. Needell, Ph.D. candidate, Yale University. Max Planck's contribution to the quantum theory, 1910-1917, with Paul Hanle, National Air and Space Museum, from September 1, 1976 through August 31, 1977.

John W. Servos, Ph.D. candidate, Johns Hopkins University. Kahlenberg and Noyes, an axis for development of physical chemistry in the United States, with Jon B. Eklund, Department of Science and Technology, from September 1, 1976 through August 31, 1977.

Program in Tropical Biology

Charlotte Gyllenhaal-Davis, Ph.D. candidate, University of Chicago. Weeds and nutrient cycling in shifting cultivation, with Alan Smith, Smithsonian Tropical Research Institute, from July 1, 1976 through June 30, 1977.

Steven G. Hoffman, Ph.D. candidate, University of California, Santa Barbara. The sociobiology of two tropical reef fishes, with D. Ross Robertson, Smithsonian Tropical Research Institute, from February 1, 1977 through January 31, 1978.

Harilaos A. Lessios, Ph.D. candidate, Yale University. Evolutionary divergence of shallow water sea urchins of the two coasts of Panama, with Roberta Rubinoff, Smithsonian Tropical Research Institute, from April 1, 1976 through March 31, 1977.

John Pickering, Ph.D. candidate, Harvard University. Reproduction strategies of the wasp, *Polistes canadensis*, with Donald Windsor, Smithsonian Tropical Research Institute, from June 1, 1976 through May 31, 1977.

VISITING RESEARCH STUDENTS

Program in American and Cultural History

Devon Miller, Yale University. An examination of the subject matter of the Harry T. Peters "America on Stone" collection of lithographs, 1830-1870, with Rodris Roth, Department of Cultural History.

Robert Rydell, University of California, Los Angeles. America's international expositions in the late 19th and early 20th centuries—racial underpinnings of Utopian artifacts, with Herman Viola, Department of Anthropology, and Wilcomb Washburn, Office of American Studies.

Deborah Schaefer, Texas Tech University. The history of taste as seen in the costume of political figures, with Margaret Klapthor, Department of National and Military History.

Program in Anthropology

Joseph Porter, University of Texas. Captain John G. Bourke, 1846-1896, and his role in the development of the Bureau of American Ethnology, the American Folklore Society, and the role of government in late 19th-century American science, with John Ewers, Department of Anthropology.

Program in Environmental Sciences

Pamela Clark, Clemson University. Mathematical modeling of biological processes, specifically concerning data collected on carbon dioxide exchange of vegetation as dependent upon light intensity, with Bert Drake, Radiation Biology Laboratory.

Kerry Malson, Virginia Polytechnic Institute and State University. Research on the development of techniques which will determine pasture forage production and utilization by exotic hoofstock, with Christen Wemmer, National Zoological Park's Conversation and Research Center.

Jeanne Roush, University of Oklahoma. Primate studies—social organization among the great apes, with Devra Kleiman, National Zoological Park.

Program in Evolutionary and Systematic Biology

Bruce Beehler, Princeton University. Compilation and analysis of data on altitudinal distribution of New Guinea forest birds, with George E. Watson, Department of Vertebrate Zoology.

Ralph Chapman, University of Rochester. An examination of character displacement in Cambrian ptychopariid trilobites, with Richard Grant, Department of Paleobiology.

Yenbutra Songsakdi, Chulalonghorn University, Thailand. Curatorial and systematic studies of museum mammal collections, with Richard W. Thorington, Jr., Department of Vertebrate Zoology.

Program in the History of Art

Diane Robbins, University of Michigan. Edith Halpert and the Downtown Gallery, with Garnett McCoy, Archives of American Art, and Judith Zilezer, Hirshhorn Museum and Sculpture Garden.

Program in the History of Science and Technology

Robert Block, University of California, Los Angeles. William John McGee, 1853-1912, a geographical analysis of an interdisciplinary scientist, with James Glenn and Herman Viola, Department of Anthropology.

Eda Fowlks, University of Minnesota. Study of auxiliary steam engine and and locomotive devices and suspension bridges, with John White, Department of Science and Technology.

William Pretzer, Northern Illinois University. Technology and work culture in 19th-century American printing, with Elizabeth Harris, Department of Applied Arts.

Marc Stern, State University of New York, Stony Brook. The potters of Trenton, 1850-1890, with Susan Myers, Department of Cultural History.

Program in Tropical Biology

Susan Farabaugh, University of Maryland. Sources of selection on pair communication behavior of *Thryothorus* wrens in Panama, with Neal Smith, Smithsonian Tropical Research Institute.

HIRSHHORN MUSEUM AND SCULPTURE GARDEN INTERNS

Malcolm Daniel, Trinity College, Hartford. Research projects in the Education Department and general study of museum procedures, with Edward P. Lawson, Department of Education.

Deborah Fenton, Stanford University. Participation in museum activities in the educational and curatorial departments, with Edward P. Lawson, Department of Education.

Beatrice Kerman, Trinity College, Hartford. Research and curatorial work in the painting and sculpture departments, with Edward P. Lawson, Department of Education.

David Penney, New York University. Research and study in the educational and curatorial departments, with Edward P. Lawson, Department of Education.

Kimerly Rorschach, Brandeis University. Research and general study projects in the Education Department, with Edward P. Lawson, Department of Education.

NATIONAL COLLECTION OF FINE ARTS INTERNS

Lewis Kachur, Columbia University. Research for cataloguing modern graphics and paintings from the recent Woodward Foundation gift, with Lois M. Fink, Office of Research and Professional Training.

Jan Lendman, University of Buffalo. Work on post-tour booklet for elementary school teachers who have led groups touring the Museum, with Peter Birmingham and Margery Gordon, Office of Education.

Kim Sichel, Brown University. Work with exhibitions staff installing summer shows at the National Collection and at the Renwick Gallery, with David Keeler, Office of Exhibition and Design.

VISITING UNDERGRADUATE STUDENTS

Victoria Page, Northern Virginia Community College. Sorting and identifying marine nematodes, with W. Duane Hope, Department of Invertebrate Zoology.

Debra Ann Rudik, Gallaudet College. Research and instruction in archival studies, with Richard Lytle, Smithsonian Archives.

JH Swearingen, Northern Virginia Community College. Preparing leaf specimens by leaf-clearing process, research on leaf families, and study of leaf architectural features, with Leo Hickey, Department of Paleobiology.

Nationality Act of 1965, with Roy S. Bryce-Laporte, Research Institute for Immigration and Ethnic Studies.

David Moin, State University of New York at Binghamton. Work with the Smithsonian News Bureau, with Gerald Lipson, Office of Public Affairs.

Kimberly Morris, University of Pittsburgh. Work as assistant to fellows in the Woodrow Wilson Center; participation in active functions of Office of International Programs and Office of Seminars and Symposia, with Zadnek David, Woodrow Wilson Center for International Scholars; Kennedy Schmertz, Office of International Programs; and Wilton Dillon, Office of Seminars and Symposia.

Brenda Ray, Emma Willard School. Conservation and restoration of Southwest American Indian pottery collection and also a fit study of tibia from bison antiquus from a Colorado site, with Jane Norman and Dennis Stanford, Department of Anthropology.

Christine Reese, University of Pennsylvania. Research assistant for the development of the Roots of Civilization Hall at the Museum of Natural History, with Robert K. Evans, Department of Exhibits.

Sue Rudo, American University. Research on the cultural and architectural history of prominent buildings in Washington, D.C. which have been demolished, with James Goode, Curator, Smithsonian Institution Building.

Jane Saginaw, University of California, Berkeley. Assisting with the survey of collections and selection of specimens and with the development of exhibit planning and script writing for the Old World Archaeology exhibit, with Robert K. Evans, Office of Exhibits.

Gary Smith, The Lindenwood Colleges. Study to gain practical experience in marionette theatre production including manipulating the marionettes, lighting, sound, construction, setting up budget, initial financing, advertising, and booking, with Phyllis Nierendorf, Nicolo Marionette Company, Division of Performing Arts.

Kathleen Spudis, University of North Carolina. Study in museum registration techniques, conservation of museum objects, techniques of exhibit presentation, and research in the libraries and in the National Archives, with Donald Kloster, Department of National and Military History.

Lisa A. Wagner, University of Massachusetts. Research on African weapons from Belgian Congo in order to identify them, with Gordon Gibson, Department of Anthropology.

Larise Wanserski, Northwestern University. Assisting in ongoing aspects of publicity and promotion of programs sponsored by the Division of Performing Arts, including press release and program note composition, writing copy for newsletter, and general assistance, with Suzanne Roschwalb, Division of Performing Arts.

Question. One of the concerns in the report by the investigative staff was the attention paid to fund raising activities. You indicate that you share that concern and you are going to review this very carefully and discuss it with the Smithsonian. I have here a study tour that will take place from July 9 to 31, 1978, dealing with Thomas Jefferson in England and France. The general chairman of the tour is Dr. Richard H. Howland, who in 1977 was identified as an Assistant to the Secretary. In addition, there is a guest lecturer, Professor Frederick Doveton Nichols of the University of Virginia, and a tour administrator, Miss Bliss Schumann, foreign study tours of the Smithsonian Institution.

Who pays the cost for those people and their salaries?

I note on page 3 of that brochure that the tour cost includes a \$300 donation to the Smithsonian Institution.

Who gets this money and how is it used?

Is this a common practice?

Answer. The Foreign Study Tours program, directed by Dr. Richard H. Howland, is listed on page E-6 of the budget justification. The costs of the Tours program staff, as well as costs directly associated with particular tours, such as a lecture fee to Professor Nichols, are paid out of the Institution's Unrestricted General Trust Funds. Any net surpluses, including donations, for the Tours program are closed into the Institution's Unrestricted General Trust Funds at year end, and so become available for Institutional purposes.

Requesting donations from tour participants is indeed an integral program element of other organizations, notably the Metropolitan Museum and the Brooklyn Museum in New York and the National Science Museum in Boston.

SMITHSONIAN MUSEUM INTERN

Tjako Singleton Mpulubusi, National Museum and Art Gallery, Gaborone, Botswana. Cataloging ethnographic material; conserving and repairing ethnographic material; registration; storage; exhibition techniques including photography, model-making, lighting, and preparation of labels using silkscreen and lettraset, with William Fitzhugh, Department of Anthropology, and Eugene Behlen, Department of Exhibits, from April 1, 1976 through March 31, 1977.

NATIONAL COLLECTION OF FINE ARTS MUSEUM FELLOW

Virginia F. Butera, Johns Hopkins University. Research and study of the different aspects and functions of the various departments at the National Collection of Fine Arts, with Patricia Chieffo, Office of Research and Professional Training, from September 1, 1976 through July 31, 1977.

MUSEUM STUDY STUDENTS

James S. Berkman, Harvard University. Research for the preparation of annotations for volume three of the Henry Papers, with Arthur Molella, Assistant Editor, Joseph Henry Papers.

Bruce Craig, George Washington University. Assisting the Anthropology Department Information Specialist answering letters and doing research on inquiries from the public, with Ruth Selig, Department of Anthropology.

Vicki Enerson, Carroll College. Study of all phases of graphic production techniques and practices, with Joseph W. Saunders, Office of Exhibits Central.

Richard H. Efthim, University of Massachusetts. Projects in collections management and specimen preparation, with Frederick Collier, Department of Paleobiology.

Kenneth Fanelli, American University. Studies in cataloging, indexing, and interpreting historical manuscripts relating to 19th century American science and culture, with Arthur P. Molella, Assistant Editor, Joseph Henry Papers.

Josephine Ferrugia, University of Maryland. Research on the history of Rock Creek Cemetery and the history of rural cemeteries, with James Goode, Curator, Smithsonian Institution Building.

Sarah L. Henderson, Lake Forest College. Study in museum registration techniques; orientations in the fields of textile analysis, conservation of museum objects, techniques of exhibit presentation; and research in the libraries and the National Archives, with Donald Kloster, Department of National and Military History.

Alison Herlihy, University of California, Berkeley. Research at Smithsonian Libraries and at Library of Congress for historical material to be used in annotations for the Papers of Joseph Henry, with Marc Rothenberg, Assistant Editor, Joseph Henry Papers.

Stephanie Higgins, Scripps College. Work as house manager for the Puppet Theatre and assistant house manager for the winter concert series and box office assistant for both, with B. C. May, Division of Performing Arts.

W. Joy Hughes, George Fox College. Studies to learn skills and procedures needed to make the Division of Performing Arts functional, with Suzanne Roschwalb, Division of Performing Arts.

Nancy Kessler, Skidmore College. Assisting in the preparation of a major museum exhibit, learning exhibits production techniques and practical exhibits techniques, with Edith Mayo and Herbert Collins, Department of National and Military History.

Peggy Levere, Wellesley College. Social and architectural research on various public and private demolished buildings, with James Goode, Curator, Smithsonian Institution Building.

Julia McCoy, American University. Research relating to the cultural and architectural history of prominent demolished Washington, D.C. buildings, with James Goode, Curator, Smithsonian Institution Building.

James McNally, New York University. Researching, collating, and describing the data sources that relate to the changes resulting from the Immigration and

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