area would be a payment to the Pueblo de Taos in land rather than in cash as is usual under the Claims Commission authorities. This would inevitably lead to many other demands by Indians for national forest or other Federal lands in settlement of claims. It could also be considered as a precedent for payment-in-kind treatment for others.

We recognize that special attachment to the land is a basic part of the tradition of the Pueblo de Taos, and that the area described in H.R. 3306 includes Blue Lake and other religious shrines of their people. The Indians desire firm assurance that the ceremonial areas will be protected and be available to them on a permanent basis. There is also a need to assure the many non-Pueblo residents who depend on the resources of the large Rio Pueblo de Taos watershed

that these resources would be conserved and protected.

Accordingly, we have studied the area in the vicinity of Blue Lake with a view to defining an area which could be set aside by Congress for the exclusive use of the Pueblo. We suggest the attached amendment in the nature of a substitute to H.R. 3306. This substitute bill would direct the Secretary of Agriculture to amend the existing permit granted to the Pueblo to provide also for the exclusive use by the Indians of about 3,150 acres in the Blue Lake area. The Secretary of Agriculture would further be directed to continue to protect the area's resources.

The 3,150 acres which the substitute bill describes encompasses Blue Lake and two other lakes that are reported to have special significance in the ceremonies of the Indians. A legislative grant of exclusive use and possession of this tract should meet Indian needs with respect to use of the area. It would assure them of perpetual use

of Blue Lake; there would be no revocation of the permit.

The boundary of this tract would generally be prominent ridges which could be easily identified, signed and posted. The area would be large enough to assure privacy and would be posted and fenced by the Indians. Non-Indian use could be restricted throughout the entire

vear.

The substitute bill also directs the Secretary of Agriculture to make certain clarifying amendments to the existing permit. The amendments outline the respective rights of the Secretary and the Pueblo regarding (1) use of the grazing capacity by the Pueblo, (2) use and disposition of the timber and wood in the area, (3) removal of damaged or diseased timber, (4) protection of the area from fire, forest insects and diseases, (5) use of the area by the tribe for religious ceremonies, (6) protection of religious shrines, and (7) use of the area by persons not members of the tribe.

These provisions could be beneficial in confirming the Secretary's authority for protection and management of the remaining part of the permit area not subject to exclusive use and occupancy by the Indians, and the provisions relating to Indian and non-Indian use of

the area.

The Bureau of the Budget advises that there is no objection to the presentation of this report and that the Bureau concurs with the views expressed herein.

Sincerely yours,

ORVILLE L. FREEMAN,
Secretary.

Enclosure.