

under the auspices of this program--about 6,800 in vocational schools and the rest through on-the-job training in manufacturing plants on or near the reservations. Together with their dependents about 21,000 individual persons have enjoyed direct and indirect benefits from this program.

Within the past several weeks we have asked Congress for a further increase in the authorized amount of annual appropriations for this program--stepping it up from \$7,500,000 to \$12,000,000. If this is approved, it will enable us eventually to enroll over 3,900 Indian trainees in vocational schools during the course of a single year--not all at the same time, of course--and to provide on-the-job training for an additional 1,500.

So you can see that we have made good strides since 1961 in the area of human development. Now, how about the development of the physical resources?

The program to encourage the establishment of industries with their payrolls on or near the reservations has been strengthened and enlarged. Since early 1961 arrangements have been completed for bringing 19 new plants into the Indian-population areas and the great majority of them are now in operation. These, together with plants established earlier, are now providing steady employment for over 1,000 Indian workers who comprise about 75 percent of the total payroll. In some places like the Oglala Sioux Reservation in South Dakota, the additional jobs have already produced tangible benefits in the form of smaller welfare caseloads, better school attendance, and improved housing.

We have also been greatly helped by an allotment of funds under the national Accelerated Public Works Program for a variety of urgently needed projects on the Indian reservations. At the peak in April, nearly 5,700 Indians were at work on these APW projects on 88 reservations in 18 States. This represents about one out of every eight of the unemployed Indian labor force. They are working to improve reservation roads, to upgrade stands of Indian timber, to build community centers, and to protect soil resources against the ravages of erosion. All of it was work that needed to be performed eventually; the allotment of these funds has permitted us to schedule it earlier and to find productive work for several thousand Indians. Nothing can equal the moral boost of a real job with a regular pay check.

I mentioned our ~~credit program~~ earlier and I want to return to it now. To provide the financial lifeblood for significant economic development on the reservation, large amounts of credit are needed. Under our program we give first emphasis to helping tribal organizations and individual Indians obtain financing from banks and other sources that serve citizens generally; in 1962 Indians received about \$88 million of financing from these sources. We also help the tribes to organize and administer credit programs of their own for the benefit of their members and the tribes are now using nearly \$26 million of their funds

for this purpose. Supplementing both of these resources is the revolving credit fund of the Bureau. At the time of the Task Force study the total amount which Congress had appropriated for this fund over a 25-year period was a little under \$14 million. In our report we pointed out the need for more ample funds. The Department of the Interior followed this up with a request to the Congress which has since appropriated an additional \$10 million. In the last two years, loans from the fund have averaged over \$5 million a year in contrast with an annual average prior to 1961 of about \$1½ million. These more recent loans have been made for a wide range of enterprises. They include such enterprises as a tribal sawmill on the Fort Apache Reservation in Arizona (now nearing completion), an arts and crafts cooperative in Alaska, and a plant manufacturing beauty products on the Cherokee Reservation in North Carolina. All of them are enterprises which will bring tangible benefits to Indians in the form of increased tribal income or more jobs for tribal members or both, and invaluable work experience.

One item I want to be sure to include in this two-year progress report is Indian housing. Although the programs of the Federal Government in the field of housing were initiated during the decade of the 1930's, their benefits were withheld from Indian reservations for nearly three decades, chiefly because of complications arising from the trust status of Indian lands. Since 1961, however, these difficulties have been effectively resolved. Today, Indians on reservations are eligible as are other citizens for mortgage insurance in the building or improvement of homes under the programs of the Federal Housing Administration. They are in a position to form tribal housing authorities and establish low-rent projects under the programs of the Public Housing Administration. Two such projects on Indian reservations are now actively under way. Altogether 11 tribal housing authorities have requested loans from the Public Housing Administration for 861 dwelling units.

Over and beyond this, we have been working closely with the Public Housing Administration on a new program that is likely to prove even more broadly beneficial on Indian reservations. This is a mutual-help program based on the same principle as the old-fashioned barn-raising when a group of neighbors got together and pooled their manpower and resources on a common project. On Indian reservations self-help housing will be a joint enterprise involving a group of Indian families, a tribal organization, the Public Housing Administration, and the Bureau of Indian Affairs. BIA will organize and supervise the projects; PHA will provide loan funds for the purchase of materials and the employment of skilled labor; the tribe will make the land available; and the individual Indians will furnish the bulk of the labor working as a team. Monthly payments will be modest and the plan contemplates that the Indian occupant will own his home free and clear in 16 to 18 years. Because the rents that have to be charged even in low-rent public housing projects are beyond the reach of most Indian families on the reservations, we believe that this new program is needed as a supplement to bring about a nationally significant volume of Indian housing improvement over the next five or ten years.

From this brief survey I hope it will be apparent that we are not just drifting along with the tide in the Bureau of Indian Affairs, performing our custodial functions as the trustees of Indian property, and trying to stay out of difficulty. We have expanded and re-energized the developmental activities of the Bureau; we have broken new ground; and I believe we have made measurable and encouraging progress over the past two years toward the three prime goals I mentioned earlier.

But we are not complacent.

In the field of school construction, for example, despite our good progress over the past years, we have not yet caught up with the needs of the rapidly increasing school-age Indian population for classroom and dormitory space. The earliest date when we could reasonably hope to do so is the fall of 1965. There was too big a backlog of unmet need in 1961. Moreover, the school-age population growth since that time on the reservations has been too rapid for us to get on top of this problem in just two years. Once we do, we will still be faced, of course, with the need to keep pace with the population increases of the future and we will still have overcrowded and obsolete structures to repair and replace.

In addition, we have to worry about a drop-out rate in our Federal Indian schools which runs about 50 percent higher than the national average. We have a great deal more to do in improving our techniques of English language instruction. We need many more counsellors in the dormitories of our boarding schools. I am hopeful that the proposed National Service Corps can eventually provide us with additional manpower for this purpose.

On the economic development side, the needs are almost overwhelming. I mentioned earlier that we now have over 1,000 Indians working in manufacturing plants on or near the reservations and that we have another 5,500 at work on comparatively short-range projects under the Accelerated Public Works Program. Measured against these encouraging statistics, we have some others which are not quite so exhilarating. One is the fact that the average annual income of Indian families on reservations is still somewhere between one-fourth and one-third of the comparable national figure. And the current rate of unemployment on the reservations is about 40 percent, which is roughly seven or eight times the present national average. So you can see that, as far as income and employment are concerned, we have actually moved only a few feet on a mile-long journey.

When we look at the needs and the opportunities for resource development, a similar picture comes into focus. On the Colorado River Reservation in western Arizona, we have the oldest federally sponsored irrigation project in the United States. It was started right after the Civil War, in 1867. Today, as it approaches the centennial mark, it is still only about one-third completed; in fact, we do not have one major irrigation project, out of the many dozens that have been started on Indian lands, that has been developed all the way to its full potential. We also have great unmet needs in the development of forest and range resources, in the exploration for economically valuable minerals, and in realizing the tremendous tourism potentials that lie in Indian country.

For the fact is that Indian reservations with their 742,000 acres of lakes, their 7,400 miles of rivers and streams, their 13 million acres of timberland, and their mountain and desert scenery now provide us with some of the most desirable open space we still have left here in the United States. In the years ahead one of our major objectives will be to develop these potentials into a major outdoor recreation resource of the Nation and a source of both income and employment for the Indian owners.

~~To bring about widespread and large-scale economic development of Indian reservations, tremendous financing will obviously be needed.~~ Some of it will have to come from public funds, but the major part of the financing will probably have to come from private sources, either in the form of loans or as venture capital. Even with the recent increase in our revolving loan fund, we in the Indian Bureau are in much the same position as a small country banker who has in his neighborhood a huge mining complex, a major real estate development and a large industrial corporation. As matters stand today, we cannot meet adequately the financial demands for Indian developments.

~~One important potential source of funds for the financing of tribal programs and tribal enterprises is the judgment money resulting from claims filed against the United States~~ by tribes with the Indian Claims Commission. For the most part these are claims based on inadequate compensation for lands which the tribes sold to the national government many years ago. The Indian Claims Commission was established in 1946 for the specific purpose of adjudicating such claims.

So far net awards have been granted in 43 cases and Congress has appropriated nearly \$86 million by way of compensation. But there are still 641 claims awaiting final settlement and among these are some of the biggest claims filed with the Indian Claims Commission--several of them potentially larger than any judgments that have been awarded to date.

~~As trustees for Indian property, we in the Bureau have a clear-cut responsibility to safeguard the Indian beneficiaries against a dissipation of these funds.~~ One way in which they can be dissipated with little or no lasting benefit is through a blanket per capita distribution of the entire amount to the individual beneficiaries. A single example will, I believe, serve to illustrate the point. One of the largest awards so far made by the Indian Claims Commission was in the amount of nearly \$15 million. Now, this sounds like a good round sum which might well put a number of Indians in a highly advantageous economic position. But the difficulty is that the beneficiaries of this award are the Indians of this particular tribe who were on the tribal rolls when they were closed nearly 60 years ago. There were nearly 42,000 of them at that time. Needless to say, the great majority of these original enrollees are no longer alive and the shares of those who have died must be distributed among their heirs in the same way as any other inheritance. So the net result is that some individuals will be entitled to payments of less than \$10 each, and practically no one will receive more than \$280.

~~Another way in which tribal funds can be dissipated is through a liquidation of all the tribal assets and a division of the proceeds among the members.~~ This

kind of program is beneficial to those Indians who have left the reservation but decidedly unfair to those who have stayed behind because it leaves them resident but without an economic base. A much more equitable and broadly beneficial way of handling these judgment moneys, we believe, is to use them in part for the financing of tribal enterprises which can yield regular income for all tribal members over an extended period and in part for planned programs of family expenditure by tribal members both on and off the reservation.

I could go on endlessly with the ramifications of this perplexing and fascinating field of human affairs. I hesitate to describe such a complex aspect of our national life in a phrase because, as everyone in this room knows, there are as many problems in Indian affairs as there are human beings concerned. Each has his own problem--each, perhaps, has his own solution. But if I were compelled to describe this phenomenon in a phrase I would say it is "Poverty in the midst of abundance."

A small but historically and emotionally significant segment of our population has been largely left behind the major economic and social advances made in the United States during the first three-fifths of the twentieth century. The conscience of the American people is from time to time aroused over injustices to the First Americans. One such great reappraisal was made in the late 1920's and early 1930's. Now, the country is again going through a reappraisal of the Indians' well-being.

As Commissioner, I welcome the awakening of the national conscience and the spotlight that is focused on the Bureau of Indian Affairs. In the revitalized bureau of today we are determined to bring the reservation communities into the stream of social and economic advance, so that they, too, may be swept along to a better life and a brighter future. Our goals have been stated and our programs have been tested to the point where we know they will work if they are adequately funded and efficiently executed. We intend to meet that challenge.