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TLINGIT AND HAIDA FUNDS

U. S. Congress. Senate.

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HEARINGS

BEFORE THE

SUBCOMMITTEE ON INDIAN AFFAIRS,

OF THE

→ COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS.

UNITED STATES SENATE

NINETY-FIRST CONGRESS

SECOND SESSION

ON

S. 2628 and S. 2650

TO PROVIDE FOR THE DISPOSITION OF CERTAIN FUNDS
AWARDED TO THE TLINGIT AND HAIDA INDIANS OF
ALASKA BY A JUDGMENT ENTERED BY THE COURT OF
CLAIMS AGAINST THE UNITED STATES

MARCH 17 AND 25, 1970



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You want to recognize that this Littleton thing is only one of a half dozen. We had sit-ins in Albuquerque, we had sit-ins in Minneapolis, which Senator Mondale was much concerned with. We had a sit-in yesterday, though they left peacefully, I understand, at Cleveland, and a number of people were arrested in Chicago on Monday night.

Senator McGOVERN. Is the same charge of discrimination being made in each of these situations?

Mr. LOESCH. Yes; the discrimination charge, Senator, is just the ostensible reason, in my view. We are having a full investigation of people.

Senator McGOVERN. If that is the ostensible view, what do you see is the underlying cause of the sit-ins?

Mr. LOESCH. What they are demanding in these 11 demands includes 100 percent Indian employees of the Bureau, the removal of Commissioner Bruce as the Commissioner of Indian Affairs. My goodness, there are a dozen things on policy, most of which by the way we are in favor of and going in that direction. But I think it is in tune with the same sort of thing we have seen on the campuses, and so on. It is this Red Beret group the Red Power advocates.

I may say that the reservation tribes appear to be totally unsympathetic to this group and one of the big problems we have is, as you know, the Bureau of Indian Affairs is not staffed nor funded nor responsible for a number of these urban matters that they are complaining about.

Senator McGOVERN. I will turn the telegram over to you later on today, Mr. Secretary, but I did want you to know that the communication has been received. I happened to be in Denver on Saturday night on an entirely unrelated matter and they requested a meeting with me at that time, which I was unable to carry out because I was heavily committed to other things while I was there.

It does seem to me that some kind of discussion needs to be opened up with these people, particularly in view of what seems to be a conflict between Commissioner Bruce's way of handling it and your view. I think it is quite clear that he did suspend three of the Bureau employees there. Whether it is a temporary suspension or not I don't know.

But there does seem to be a conflict between his way of handling it and yours and this has created some confusion. He has apparently felt that there should be a temporary suspension of three of the top BIA people there, and those people which were suspended, in turn, signed an arrest order and I think that some kind of a clarification has to be carried out by yourself or by the Secretary regardless of the merits of these charges, which I am not in a position to pass on.

There does seem to be a procedural conflict between you and the Commissioner as to how it ought to be handled.

Mr. LOESCH. I don't think there is, in fact, Senator, if I may say. I have been in close touch with Mr. Bruce. He agreed on Sunday and has agreed since that it would carry out his basic commitment to this group if administrators, in effect, were removed from their jobs by the imposition of an administrative officer over them.

I am inclined to feel that I will agree that this is perhaps a legalism, but in view of the fact that he had no authority to suspend, under the circumstances I think it is appropriate. Believe me, we have been

immensely concerned over this and Senators Allott, Mondale, Percy, and quite a number of Senators have been keeping close attention to it as it affects their particular States.

Senator McGOVERN. Do you of the other committee members have questions on this matter before we turn to the Alaskan claim? If not, Mr. Secretary we will hear your statement, then, with reference to the bills by Senator Stevens and Senator Gravel.

Mr. LOESCH. Mr. Chairman, I don't have any formal statement. I would like to introduce to the committee Mr. Roland E. Miller, Chief of Financial Management of the Bureau, who is on my right; and Mr. Charles Hourigan, the Chief Investment Officer of the Bureau of Indian Affairs, Division of Financial Management, on my left.

Senator McGOVERN. Maybe I could just interrupt there to make a brief opening statement, Mr. Secretary, as to where the committee is on these matters.

This is a continuation of the hearing we held last week on S. 2628 and S. 2650, to provide for the distribution of the funds awarded to the Tlingit and Haida Indians.

At the earlier hearing there was a good deal of discussion about the manner in which the judgment funds had been invested and the extent to which they are still invested and earning interest income, or are in limbo.

The Department of the Interior was asked to submit a résumé of the individuals within the Bureau of Indian Affairs who are charged with the responsibility of supervising the investment of judgment funds. We also asked for the procedure that is followed in investing judgment funds. We asked that you trace the Tlingit funds and provide us with a file showing the total investment and a complete breakdown of it all.

Secretary Loesch is here on behalf of the Department and is accompanied by certain individuals who can answer our questions. Will you please proceed, Mr. Secretary.

Mr. LOESCH. Thank you, Mr. Chairman. As I said, I have Mr. Miller and Mr. Hourigan here with me at the table and I also have Mr. Vale and Mr. Lippouch, the accounting officer and assistant investigative officer. I am sorry, Mr. Vale is not here.

Now along with myself I think these gentlemen should be able to answer any questions you may have in this connection. I may say, while I am not experienced as an investment banker or in any particular way as far as investment funds are concerned, I have been involved in certain hearings before this committee before of a similar nature.

I have had occasion to learn as much as an amateur can in the time available on the matter. I do think that the March 24 dated memorandum, addressed to you, is responsive to the request made in the record at the last hearing and does explain why we have the investment office in Albuquerque and why we think it is appropriate that it stay. As to the Tlingit and Haida investments and reinvestments, I have a printout or a typed page here which does give each investment and each reinvestment with dates since the award was made.

I don't really know whether this exhibit was put in the record at the last hearing or not.

Senator McGOVERN. If not, we will ask that it be made a part of the hearing record. Even if it was, this one should be substituted be-

cause there were a couple of misprints on the dates in the original typing of this.

(The information referred to above is in the March 17 hearing record, p. 69.)

Mr. LOESCH. Now with that, I might make a general statement before questions that the record shows that at all times since the award was made the Bureau has had the Tlingit and Haida funds in investments which—just looking down the page here—the least return or yield is 5.93 percent in the initial investment, and 5.61 percent in the reinvestments, running all the way up to 8.45 in yield and the dates here would indicate that any time an investment was matured, that reinvestment was made on the same day and, in fact, the record shows that the reinvestment was made perhaps the day before in one case.

Senator GRAVEL. That is good if they will pay the money for the extra day.

Mr. LOESCH. With the leave of the committee, I will try to answer any particular questions if I know the answer, and if not, I will call upon an expert.

Senator GRAVEL. I might suggest to the Chairman that Senator Bellmon was the authority at the last meeting on this particular facet and is much swifter at numbers than I am and I would like to defer to him as far as any comments or questions on this facet of it.

Senator MCGOVERN. Senator Bellmon?

Senator BELLMON. I am very flattered by Senator Gravel's confidence in me. I was impressed by the lack of knowledge of the witness we had last time. That was my main concern.

I am sure the Secretary probably has not had a chance to read the record, but if you haven't, on several places we were told by Mr. Allen repeatedly that the money that had been taken out of investments as it matured was in limbo and what he called hiatus.

Now from the record which has been given the committee this morning and none of us have had a chance to read it very carefully, it appears that Mr. Allen is mistaken. On page 38 Mr. Allen makes a statement. He says:

Very likely, Senator that money is in hiatus at the present time. Sometime after money becomes available for it to be deposited in the tribe, the system of management of the money is complex and I am not an expert. But when the money reaches the Treasury, as I understand it, the Treasury issues a deposit warrant. The Bureau of Indian Affairs is later notified that the deposit warrant has issued and that the money is in the Treasury.

He goes on:

The Bureau, advised by the Executive Committee and the Central Council, requests that the money be expended in whatever the Executive Committee has selected at that time as a good investment, and another period of time elapses, so anything that has matured as recently as February 1970 is undoubtedly now in transit.

Mr. LOESCH. That is totally a mistake, Senator. The only thing that possibly could be in transit or not taken care of, or earning money would be money that was in a non-interest-bearing account, which would consist of interests which had previously been earned. Am I correct, Mr. Hourigan?

Senator BELLMON. Can you tell the committee just what kind of a procedure the Department of Interior uses in investing these funds and I would like to know almost day by day how you go at it to see

how much of this hiatus time there is, if any, and secondly, how you choose these different institutions that have an opportunity to bid on these funds.

Mr. LOESCH. Let me answer the last question first, Senator and then I will defer to Mr. Hourigan for the day-by-day operation.

It is the general policy of the Department and the Bureau of Indian Affairs to invest the trust funds in the securities that have the greatest return or yield. This is modified at the request of tribes if they desire to have their money or a portion of their money kept in a particular place for a particular purpose. In other words, up to recently various Treasury bills yielded a higher return than certificates of deposit in banks.

Nevertheless, some tribes would desire to have their money or a portion of their money invested in certificates of deposit in banks because of the leverage it gave them on local matters for individual loans to members of the tribe or for tribal loans.

If a local bank happens to have a million dollars on deposit or in certificates of deposits, it is likely to be somewhat more responsive to the requirements of the tribe or individuals of the tribe than if it doesn't have any.

We are subject, of course, to being criticized for not getting the most rate of return, so we require more or less a formal request by a tribe to invest in a way when we are not getting the most return.

Recently we had occasion to see that a million dollars was kept in a particular bank in Montana, for example, at a rate of 6.25 when there was available Treasury bills which yielded right at 8 percent. This was at the request of the tribe for the purposes of giving local leverage.

The result of this is in terms of where the money is deposited, if it is not deposited in Treasury bills.

Senator BELLMON. Is this up for open bidding? Open bidding is anybody can participate in the bidding? How do the banks know these funds are available for bidding?

Mr. LOESCH. Mr. Hourigan?

Mr. HOURIGAN. Lots of times it is printed in the paper.

Senator BELLMON. In which paper?

Mr. HOURIGAN. In local papers.

Senator BELLMON. How did Marine Midland Trust Co. of Buffalo, N.Y., get this?

Mr. HOURIGAN. This is because we had done quite a little business with this firm and we had contacted banks in Alaska and had asked for bids, and they were unwilling or unable, I should say—not unwilling—to meet the competitive bids.

Senator BELLMON. Would you like me to tell you what the bank told our office yesterday?

Mr. HOURIGAN. Which bank?

Senator BELLMON. Marine Midland Trust Co. of Buffalo.

They said they got on this bid list through an influential person in Washington. This is the thing that disturbed me very greatly, because to me it is absolutely dishonest for some banks to know about these funds and other banks not to know about them.

Mr. HOURIGAN. This is not exactly correct as far as I was concerned.

Senator BELLMON. You told us you published the notice in the local newspaper.

Mr. HOURIGAN. We have a book about this thick that has thousands and thousands of banks in the United States.

Senator BELLMON. How do you choose which banks know about this?

Mr. HOURIGAN. Most of the banks contact us, we have banks that follow us from all over the United States. First of all, our concern is to put the money in the bank where the tribes are located, in the locality. Then if they are unwilling to bid to meet the competitive bid or highest rate attainable, then we offer to other banks.

Now these two banks in Buffalo, N.Y.—Marine Midland—now as far as this being through an influential person, I know nothing about this.

Senator BELLMON. How did they find out about this?

Mr. HOURIGAN. I asked them for bids, I asked other banks for bids and they would pay the top rate. There was another factor involved in there, the fact that they were for 2 years—you see, part of them were offered for 2 years and part a year and a half, and most of the banks in the United States were unwilling at that particular time to tie their money up for that long a period.

Senator BELLMON. There are no tribes in Buffalo, N.Y., so we can notified many banks other than this bank?

Mr. HOURIGAN. No. We don't advertise the funds. As I say, we tried to put the money where the tribes were located.

Senator BELLMON. There are no tribes in Buffalo, N.Y., so we can take that out of consideration. How did this money get into the bank in Buffalo?

Mr. HOURIGAN. We asked them for a bid.

Senator BELLMON. Who else did you ask?

Mr. HOURIGAN. The banks in Alaska.

Senator BELLMON. Who else?

Mr. HOURIGAN. I don't remember.

Senator BELLMON. How did you happen to hit upon the bank in Buffalo?

Mr. HOURIGAN. Because they are a bank we had quite a lot of dealings with.

Senator BELLMON. When did you first start having dealings with them and why did you choose them?

Mr. HOURIGAN. When I first came in the investment section they already were doing business with the Marine Midland Bank and others in New York. The reason is because these banks were offering a greatest return of payment, the highest rates. It is true that there isn't very much competition, because the rates are set by the Federal Reserve Board and also by the FBIC if they are State-controlled banks.

Some of the banks would offer at that time, like in Alaska they offered less than 6.25, which was the maximum rate attainable under the Federal Reserve Board regulations.

Senator STEVENS. I don't understand that last comment. You mean at the time the 6.25 was the maximum that any bank could pay?

Mr. HOURIGAN. Right, in the United States. And some were unwilling to pay that.

Senator STEVENS. Let me follow that question up. Did you have a list of the banks who were willing to pay the 6.25?

Mr. HOURIGAN. Yes.

Senator STEVENS. Can you give us that list?

Mr. HOURIGAN. I don't have the list with me. I suppose we have dealt with a hundred banks in the United States.

Senator STEVENS. I think we are all interested in trying to find out why these particular banks seemed to get this money and in quite large quantities as opposed to the other banks I can think of, if the Alaskan banks would not pay it.

Putting it in Seattle would have helped us; if Seattle banks would not have done it, putting it in Portland would have helped us next, somewhere in the West. But the problem was all this money was in the East.

Mr. HOURIGAN. That is true. We have had money in all of those banks. Now there are other factors that influence our putting the money in the bank, such as we asked for a compounding. These banks will pay compound interest where it is compounded quarterly.

Senator STEVENS. You are the one who is involved in the questions, Mr. Bellmon, but again you say "some banks." We understand the tribe, the Tlingit and Haida people, made the judgment they would like to get the most interest possible and we don't argue with that. But did you offer to them a list of banks and say, here are the banks that will pay the maximum, take your choice?

Mr. HOURIGAN. No; I didn't.

Senator STEVENS. Why not?

Mr. HOURIGAN. Because of the time. There was \$6.5 million involved and we had to get this money out actually—\$6.5 million would be about \$250 a day on each million dollars. Time was a factor here in trying to get the money placed in a bank at the earliest practicable date.

Senator STEVENS. They have attorneys right here, you knew that, didn't you?

Mr. HOURIGAN. Yes; I had dealt with the attorney.

Senator STEVENS. And they had the power, I assume, to represent their clients and pick one bank over another. Were they involved in picking a bank?

Mr. HOURIGAN. They certainly were.

Senator STEVENS. In picking the bank?

Mr. HOURIGAN. Yes. In other words, Mr. Weissbrodt contacted me and he and I dealt with this thing.

Senator STEVENS. We are trying to be specific. You say he dealt with this thing. Did he deal with picking out the bank from a list of banks, all of whom paid the maximum interest?

Mr. HOURIGAN. He asked me if I would contact banks and also Alaska and so forth, which I did. Then he said which banks will pay the most.

Well, some banks would pay 6.25, but they would not, for example, compound it or there was another factor involved where we asked the banks at that time to pay it on a 360-day basis on actual dates.

Senator STEVENS. That has to do with the determination of which bank is actually paying more. I assume you had a list of who was actually paying more. Now, what I am trying to find out is whether you gave Mr. Weissbrodt or the Tlingit and Haida people the choice of making a determination from a list of those banks which were actually paying the top interest in the country.

Mr. HOURIGAN. At this time these banks were the only banks that I was able to get a bid from who would pay it, keep it for 2 years.

Senator BELLMON. Only one bank in the whole United States?

Mr. HOURIGAN. No, there were several banks.

Senator BELLMON. Where is that list? How do you get on it? That is my question.

Mr. HOURIGAN. The bankers are calling me all the time from all over the United States and they want money and at this time the rates were not particularly high. In other words, some of the banks were willing to pay 6.25, they were unwilling to compound and they were also unwilling to take it for a long period of time.

This is why we selected these two banks, because the time we wanted to put the money in was \$3 million in each of the two banks that we dealt with and one C.D. was for one and a half years and the other was for 2 years, and these banks were at the time the only ones.

This information was relayed to Mr. Weissbrodt for the reason they were the only ones that would accept the money at that long period of time. Most of them, most of the banks, for example, would say this. They want their money in for 270 days.

The reason is the funds are required, you must have collateral pledged. We must ask the bank to pledge collateral and this comes out of their capital account and some of the banks were unwilling to tie their money up. In other words, they will buy Treasury bills for 270 days and that is what they would want to put the investment in for that length of time.

Senator GRAVEL. To interrupt here, would the Senator yield?

Senator BELLMON. Yes.

Senator GRAVEL. Can they offset this against their Federal Reserve requirements if they so desire? The Federal Reserve in the manipulation of the Nation's finances says how much a bank has to hold in reserve in relationship to commercial accounts and savings accounts, etc.

Can they offset that as part of that reserve since they have to keep the money anyway?

Mr. HOURIGAN. If the money is pledged with the Federal Reserve when they borrow money from the Federal Reserve, it cannot be used again because we require a 100 percent collateralization. This is in Law 25 U.S.C. 162(a). You are looking in CFR. It is the Code of Federal Regulations.

(Subsequent to the hearing the following clarifying letter was received:)

U.S. DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SECRETARY,
Washington, D.C., October 17, 1969.

Hon. GEORGE MCGOVERN,
Chairman, Subcommittee on Indian Affairs, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGOVERN: During the hearings on S. 1766 on August 1, 1969, you asked for a statement of the Department's policy on investment of tribal funds held by the Department under its statutory responsibilities. Discussion of this matter is to be found on page 50 of the stenographer's transcript.

Under 25 U.S.C. 162(a), the Department has invested tribal funds totaling \$190,856,715.93 in commercial bank certificates, Treasury securities and governmental agency issues.

It is the policy of the Bureau of Indian Affairs to consult with tribes in connection with the investment of tribal funds on deposit to the tribes' accounts with the Treasurer of the United States. This consultation is usually handled

by correspondence addressed to the tribes through the Bureau's Area Director immediately prior to the date of maturity of certificates of deposit in order to ascertain the wishes of the tribes with respect to reinvestment and the naming by tribes of banks in which they desire such funds to be deposited.

In the event of a new investment, there are two courses of action to be followed. Funds awarded through the Indian Claims Commission for a specific tribe are usually invested by the Bureau immediately for a period of six months. There would be a delay in the investment if such investment could not be made until information was received from the tribe. This action is taken because the funds cannot be used until legislative action directs the manner of their use. It ordinarily takes from six months to a year before legislation for use of the funds is enacted. Through delegation of authority the arbitrary action for investing tribal funds may be taken as provided by 25 U.S.C. 162(a). Tribal funds are otherwise invested only with the consent and the wishes of the tribe involved.

The Bureau, over a period of the last three years, has established contacts with most banking institutions in Indian country and as money supplies and interest rates have fluctuated most such banks are now paying the maximum interest allowed by the Federal Reserve Board for member banks and by the Federal Deposit Insurance Corporation for nonmember banks. Until recently some banks were not meeting the maximum interest allowed.

Currently banks are offering 6¼ percent per annum compounded quarterly, interest computed on actual days on the basis of a 360-day year. In the past, when a bank did not offer the rate and benefits as indicated, their bid was not considered competitive. Usually, however, the tribes specified the bank with the proviso that the bank meet the highest rate available. In these instances, if the bank did not meet the competitive rate, the funds were then invested with a bank which would pay the maximum rate. The Bureau tries to invest the funds in the area where the tribe is located. Failing this, the funds are invested with a bank in the State where the tribe is located. If neither of these banks meet the maximum rate, the money then is invested in a "foreign" bank which will pay the maximum rate.

There are situations where, by resolution of the tribe, funds are invested with banks which pay less than the maximum rate provided there are compelling reasons acceptable to the tribal council which would indicate benefits accruing to the tribe and its members over and above the loss of interest by such deposits.

The United States Treasury pays only 4 percent on tribal trust funds. In addition, the Treasury does not compound interest and each six months the accrued interest is put into a non-interest bearing account which also reduces the earning capability of tribal funds. The Bureau's investment program provides the earning capability of tribal funds. The Bureau's investment program provides for the investment of accrued interest as well as the principal. In some cases, the tribes program interest earnings for operating expenses. In working with the Treasury Department, a system has been developed whereby no interest is lost because of delays in preparation of checks and the transmission of such checks through the mail. The Regional Disbursing Office of the Treasury Department through pre-arranged agreement is instructed to issue a check on the date of the receipt of a schedule but to draw the check payable on a specific date. In that manner, the check can be issued in advance but a bank negotiates it on the date printed on the check.

In recent months, Treasury securities have been paying a higher rate of interest than have bank deposits, and the Bureau has been reinvesting tribal funds in Treasury securities upon maturity of a bank certificate of deposit. As you know, the market on securities fluctuates and such purchases are dependent upon the offerings on the day in which these funds become available for reinvestment.

In addition, the individual Indian money under control of the Indian Service Special Disbursing Agent is also subject to the same investment program in the total amount of \$53,070,249.81.

Inquiry was made by you concerning money of the Fort Peck Tribes. The Bureau has invested with the Security Trust and Savings Bank of Billings, Montana, in certificates of deposit, \$1,025,200.00 of the Fort Peck funds at 6¼ percent interest which matures on December 6. The Fort Peck tribal balance in the Treasury at this time is \$39,210.79.

If further information is desired, please advise.

Sincerely yours,

RUSSELL E. TRAIN,
Acting Secretary of the Interior.

Senator GRAVEL. It is not a law then, it is a regulation?
Mr. HOURIGAN. It is U.S.C., United States Code.

Mr. LOESCH. It is a statute.

Mr. HOURIGAN. This provides for collateralization and it also limits the type of investments that we are able to put money into.

Mr. LOESCH. Could I interrupt to comment a little bit here?

It seems to me the thrust of the committee's inquiry is whether there is any influence or discrimination among banks or locations of banks as to who gets money. I am aware of no policy, Senator Stevens—which maybe there should be, I am not saying there shouldn't—but I am aware of no actions in the Bureau which would say if you can't get it in the local banks, get it in the next nearest bank.

Senator BELLMON. What do you do? This is what we are trying to find out.

Mr. LOESCH. Just as Mr. Hourigan has said.

Senator BELLMON. You go to an influential person and he picks a bank?

Mr. LOESCH. No.

Senator BELLMON. We have the testimony of the banker in Buffalo that this is how it happened.

(Subsequent to the hearing the following clarifying letter was received:)

MARINE MIDLAND TRUST CO. OF WESTERN NEW YORK,
Buffalo, N.Y.

Re Senate 2628, 2650.

Hon. GEORGE MCGOVERN,
Chairman, Subcommittee on Indian Affairs, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

MY DEAR SENATOR MCGOVERN: We are disturbed by what appears to be a misunderstanding of the content of a conversation between a member of your staff and a Senior Vice President of this Bank, and desire to correct the same in justice to representatives of the Bureau of Indian Affairs and Marine Midland Trust Company of Western New York (Marine).

The history of Marine's acceptance of deposits of in trust moneys handled through the Bureau of Indian Affairs is as follows:

On July 8, 1966 representatives of Marine met with Sidney Carney, BIA representative to the Seneca Nation of Indians, and Dr. Waldo E. Waltz of the Credit Finance Division of BIA. The purpose of the meeting was to discuss a proposal made by Marine to the Seneca Nation for establishing an investment management account of moneys for cemetery and educational purposes of the Seneca Nation. This had nothing to do with in trust moneys.

During the meeting Marine expressed an interest in obtaining deposits of in trust moneys by the issuance of Certificates of Deposit. There was discussion as to the legal requirements imposed by law and by regulation in order to qualify. Subsequently in July 1966 Marine entered into the agreement with the Department of Interior, Bureau of Indian Affairs, prescribed by Section 162-a Title 25 United States Code. By that agreement Marine committed itself to pay interest in accordance with the law and Federal Reserve Board Regulations, and to pledge the necessary collateral determined by the Treasury Department (Government securities at par equal to the amount of deposits).

Thereafter and from time to time Marine was designated as a depository for trust moneys of a number of Indian tribes. Marine was able to handle the matters with expedition and to pay high interest rates within the legal maximums established by Regulation Q. Prompt processing was of importance so as to prevent delay and thus insure that the moneys earn interest as soon as possible.

We are advised that a member of your staff talked on the telephone with Richard O. Hopkins, a Senior Vice President of Marine, on March 24, 1970. At no time did Mr. Hopkins say or suggest that Marine received any BIA deposit or invitation to bid therefor "through an influential person in Washington." The sub-

stance of his statement insofar as it can even remotely be related to the quoted words was that Marine had enjoyed a valued relation with the BIA for some time. And such is the fact.

Our transactions with the Bureau of Indian Affairs are fully documented and open to examination by your Committee and members of your staff. We wish to cooperate fully and will be pleased to do so in any fashion you may desire.

Very respectfully yours,

DAVID J. LAUB,
President.

Mr. LOESCH. I don't believe that. I, in fact, deny that, Senator. As Mr. Hourigan said, he has a list of banks this high.

Senator BELLMON. No; he didn't say that. How does a banker go about getting on this list?

Mr. HOURIGAN. Usually they will call and say they would like to have funds and we talk to them about rates.

Senator BELLMON. So it is up to the banker to take the initiative and call you and talk about the money.

Mr. HOURIGAN. If we put out an advertisement, we would have thousands and thousands of banks to contact here in the United States.

Mr. LOESCH. What I am getting at is this, Senator. If I could interrupt again, the Bureau has dealt for a number of years with banks. The Bureau people, Mr. Hourigan, knows what banks are interested. By the nature of things they are big banks because they are not able under their capital structure to take these investments if they are little banks.

We have been into this question in Montana.

Senator GRAVEL. If I might interrupt you, I don't think that addresses itself to the point that was just raised. That is if we let out this information we would get thousands and thousands of banks that would want to know. What he is saying right here is you don't have a procedure of properly investing this money so you can participate in the total financial market of this Nation.

Mr. LOESCH. I don't disagree with you.

Senator GRAVEL. He is the financial man involved here and he is telling us and we just heard his statement, "My God, if we had to publish this, we would get thousands and thousands of inquiries." What would you do with these thousands and thousands of inquiries from banks all over this country competing for money?

Everybody wants money, not just the ones that call up.

Mr. HOURIGAN. First of all, what we do is try, as I said earlier, to put the money in the location where the tribes are located. Many times you say how do we get on the list? The tribes call and they will tell us we would like our money put in such and such a bank if they will meet the highest rate attainable, if they meet the highest rate attainable.

Senator GRAVEL. At this point we can infer that between the tribe people and yourself is really where the decision is made as to where the money goes?

Mr. HOURIGAN. Yes; generally yes.

Senator GRAVEL. So at this point in time there is really no financial expertise that is brought to bear and no national policy for these millions and millions of dollars? It is the Indian chief or whoever is involved who may know a banker down the street or you people who have neither a national list, nor a national policy to invest money or even how to advise anybody?

I am not trying to structure your answers. I am just probing and you give me back the answer.

Mr. HOURIGAN. I seem to be repeating myself, but that is the main way we do it as a general rule. We put the money where the tribes want it. In every case we try to get the highest rate attainable.

I can assure you that I just don't deal below the border. I can assure you there is nothing, no collusion of any kind. I just don't work that way. There isn't a banker that can point to me and say that I have sent them anything or anything like that.

Senator BELLMON. Do you handle all of these matters? Are you the expert and do you make the final decision in each case?

Mr. HOURIGAN. Generally yes, but in each case we get the highest rate of interest attainable.

Senator BELLMON. I would like to correct you on that point. We checked with some other banks yesterday and the best we could tell, you are getting your interest compounded on this investment with Marine Midland Trust Co. in Buffalo an annual yield of 6.49 percent; is that right?

Mr. HOURIGAN. Yes.

Senator BELLMON. That was compounded quarterly?

Mr. HOURIGAN. Yes.

Senator BELLMON. We have evidence from several banks that they would like to have this and compound it daily.

Mr. HOURIGAN. Daily pays less than quarterly. On this bank here it pays on a 360-day basis on actual dates. Daily, yes.

Now here is the thing. Everybody gets on the bandwagon now. A while back it was difficult for me to find banks that wanted the money and were able to pay.

Senator BELLMON. How did you go about seeking these banks that wanted the money? This is the point I am trying to get.

Mr. HOURIGAN. In each case we contact the banks and ask for their bid.

Senator BELLMON. I am sorry, I didn't hear that.

Mr. HOURIGAN. We contact the banks for bids.

Senator BELLMON. How do you contact them? Do you write a letter?

Mr. HOURIGAN. By phone.

Senator BELLMON. So you choose the banks you want to contact and call them up on the phone?

Mr. HOURIGAN. Yes.

Senator BELLMON. That is a remarkable way to do business, if I may say so.

Senator GRAVEL. I think what I would like to do, personally, with deference to the chairman, is get together and maybe send a letter to GAO and find out if there is a way we can have made on the congressional side, an audit investigation, an in-depth comparison as to what has been done in the past and what can be done.

U.S. SENATE,
Washington, D.C., March 26, 1970.

HON. ELMER B. STAATS,
Comptroller General of the United States, General Accounting Office, Washington, D.C.

DEAR MR. STAATS: In the course of recent hearings before the Subcommittee on Indian Affairs on two bills concerning the disposition of judgment funds awarded an Indian tribe, a number of questions arose which prompt this request.

It is for the GAO to conduct a comprehensive review and audit and full program evaluation of Department of the Interior practices and procedures in managing Indian settlement funds for tribes that have won court judgments.

Law and tradition have it that all Indian settlements provide for Secretarial supervision of the management of these monies and that the management be circumscribed by restrictions as to the type of securities purchased and the backing thereof. While this policy is a matter for Congress to solve, one question is, "What evidence is there that no departures from this blanket policy should be made even where particular tribes have demonstrated beyond reasonable doubt that they are clearly able to manage their own financial affairs?" BIA should have detailed experience on this, and presumably we should rethink this practice from time to time and not blindly carry it on forever.

A second question is, "Given the present fact of government involvement in Indian settlements after the awards are made, how capable is Interior in performing the role of investment counselor and financial manager?" The problem seems to be two-fold: on the one hand Congress has not enacted progressive legislation that allows modern day approaches to the investment of monies won in Indian settlements, and on the other hand Interior has not shown either an awareness of the techniques of sophisticated investing or a concern to organize and staff-up for this important task.

In this connection we find that existing law requires 100 percent collateralization of the investment on the part of participating institutions and limits investments to bonds and Treasury certificates. Also, BIA now "oversees" an investment fund of Indian awards of some \$320 million and does so with three middle-range employees at its Albuquerque, New Mexico office.

We formally request that you direct GAO to look into these several major items mentioned with a view toward recommending necessary changes to improve the functioning of this program. The Committee staff is, of course, ready to meet with your people on the specific design of your investigation.

Sincerely,

GEORGE S. MCGOVERN,
Chairman, Subcommittee on Indian Affairs.
MIKE GRAVEL,
Member, Subcommittee on Indian Affairs.

COMPTROLLER GENERAL,
OF THE UNITED STATES,
Washington, D.C., April 15, 1970.

HON. MIKE GRAVEL,
Member, Subcommittee on Indian Affairs,
Committee on Interior and Insular Affairs,
U.S. Senate.

DEAR SENATOR GRAVEL: Reference is made to a letter dated March 26, 1970, from you and Senator McGovern requesting that this Office make a comprehensive review and program evaluation of the Department of the Interior's practices and procedures in managing Indian settlement funds for tribes that have won court judgments.

On March 27, 1970, representatives of our Office met with Dr. Jones to discuss the matters involved and the scope of our proposed review. We advised Dr. Jones that we would undertake the review, but that it would not be completed by the end of this session of Congress and that we would be in contact with him as our work progresses.

Sincerely yours,

ROBERT F. KELLER,
Assistant Comptroller General of the United States.

I think we have an expert witness waiting to testify who can give us some advice in this area and what could be expected in the future.

Senator STEVENS. I want to make sure I certainly don't imply that there is any wrongdoing on your part, Mr. Hourigan, and there is no inference of any taking of any favors or anything like that. That is not what we are saying.

We are saying in today's modern computer world there certainly must be a way that the Bureau could fit in with the financial market

and find out where there is a need for funds and where they would get the highest return at the time.

Now there is an indication here that when these funds were rolled over, they were rolled over exactly the same rate that you got a year ago.

Mr. HOURIGAN. You see, those rates were limited. Now there I refer you to and I have—

Senator STEVENS. Then there were other banks that could participate.

Senator GRAVEL. I think we all agree there is no inference that you are being intimidated, sir. I don't think that is the case. We are addressing ourselves to the procedure.

So I would not get unduly defensive on that. If I could refocus it, I think you have brought the point up, Senator Stevens, that is we are here addressing ourselves to two bills that have been introduced to do the same thing. The difference between the two bills is that we have a group of Indians in Alaska that have received a sum of money in court and we have a policy in this Nation that the Indians may not handle their own money because they are just not competent enough.

That is the national policy we have. One of the bills, and it is the bill that has been recommended for passage by the Interior Department, implies that the Indians in Alaska are not competent enough to manage their own resources with the money they won in court.

That is the point we are after. We want to find out (1) are the Indians so inferior they can't manage their own money, and (2), is the BIA so competent in the field of financial management that these are the experts we are going to use?

Now we have a trust responsibility that goes to the Secretary of the Interior. That is what we are referring to in one of the bills here. Now what happened to Mr. Bruce, incidentally? He is the Commissioner of Indian Affairs?

Mr. LOESCH. He is in Billings.

Senator GRAVEL. We are flattered we have gone one step up to an assistant secretary level. Let me come back to the point in question. Probably you yourself, Mr. Loesch, don't get involved. You have your financial advisers who do this. So all we can do next is address ourselves to the letter that we received just momentarily before the meeting started.

(The letter referred to is on p. 66.)

It contains an answer to one of the questions we have, why the management function is out in Albuquerque, not noted as a home of great financial institutions.

Other questions are: How much money are we really talking about nationally that the BIA advises on? What kind of portfolios do all of these tribes have around the Nation, including the portfolio that may be given to the Alaskan Natives this year? How much money do you as the chief financial expert for the BIA and Department of Interior have at your disposal and your control, what amount?

Mr. HOURIGAN. It is \$320 million.

Senator GRAVEL. So \$320 million is what we are talking about now that you have control over?

Senator STEVENS. May I interrupt my colleague?

I disagree with one thing and that is that while we are addressing ourselves to this problem of procedure here, it is not directly related

to the problem of these bills. The difference between our two bills is that the one that the Tlingit and Haida Council approved merely continues the requirement that any deviation from their plan be subject to the approval of both the council and the Secretary of Interior in order to continue the trust until it is terminated by the Land Claims bill.

But the plan itself provides for the control of the funds after we approve it. In other words, this gentleman will be out of that picture and they will be wholly in the picture once we approve this plan.

They will then make this determination in the future as to where this money goes according to their plan without any further control unless they want to deviate from the plan itself.

Senator GRAVEL. Which means if you want to move some money around, they have to come back to you?

Senator STEVENS. No, no, let's clear that up.

Senator GRAVEL. I think for the record, Senator—and I will gladly defer—you can interpret the bills the way you want, I will interpret the bills the way I want. I will honor your interpretation and I will put forth my interpretation.

Senator MCGOVERN. On that score, Senator Stevens, just to clarify my own understanding, all of the judgment funds have not been incorporated in the plan at this point. Isn't there some \$3 million that is being held in reserve for which there is no known plan at the present time?

Senator STEVENS. That is correct, that is a contingency, but that is part of the plan itself, is it not?

Senator MCGOVERN. I don't know. But it would not be correct to say that there is a specific use outlined in the plans for the ultimate judgment funds, the some \$3 million, is not programed at the present time.

I am trying simply to clarify that we don't at the present time have before us a plan for all of these funds.

Senator STEVENS. But it is \$2.5 million, which is the reserve which is part of the plan itself. I mean, the plan contemplates the reserve and what you are saying is that reserve will stay on deposit under the supervision of the Secretary.

I don't understand it that way. I think it will stay on deposit subject to control of the tribe and after we pass this bill, the tribe has complete control over the deposit of their funds, including this reserve.

The only thing they will come back to the Secretary for is, suppose they want to cut that reserve down to \$1.5 million, they would have to come back to the Secretary of Interior for approval of what they are going to do with it, but that is their plan.

Senator GRAVEL. I don't want to get into a debate. I think the Senator and I will have time to debate it in the committee and on the floor as to what these controls mean. I would rather pursue a line of questioning and then, of course, Senator Stevens can pursue a line of questioning.

Senator MCGOVERN. All right, Senator Gravel.

Senator BELLMON. Would the Senator yield?

Senator GRAVEL. I will be happy to.

Senator BELLMON. This document we have from Mr. Carshall, on page 2 there is a statement: "In 1968 the Bureau initiated a long-range program of updating and modernizing its financial management system."

(The document referred to is on p. 66.)
Is this lack of system or system we have just heard about the result of your updating?

Mr. HOURIGAN. Yes, it is, Senator, and I don't think it is a lack of system. I am proud and I will be happy to have a GAO accounting on this since we have put this central office together. I think the Bureau under the restrictions of what we can do and under the requirements of the Bureau of Budget and Treasury, I am very glad to have an investigation as to what is done, how fast it is done, and so on.

This was not all very necessarily true in the past, before we had the central plan with the proper computers and so forth.

Senator BELLMON. On the first page and in the numbered paragraph 3 the statement is made that the investment staff negotiates with banks throughout the United States.

Mr. HOURIGAN. They do.

Senator BELLMON. We have just been told he doesn't. He picks up the phone and chooses the bank he wants to have the money.

Mr. LOESCH. He chooses the bank he wants to have the money based on where he can get the most interest. This might be in Los Angeles, Oklahoma City, in Buffalo. Naturally in any business like this where you are charged with the investment of \$320 million from time to time, you are going to know, if you have any experience at all in the job—you are going to know there are certain financial institutions that can handle certain size investments only with the conditions of the market as they are on that particular day.

You will have a half dozen in mind. You are going to call up one and the fellow is going to say, "Right now we can't take a 2-year investment of \$3 million at the maximum." So then he calls another man and pretty soon he comes to one that says, "Yes, we are in such a capital position today that we can do it today."

The following month it may very well be an entirely different bank, because of the ups and downs of the money market and the capital structure of a particular bank. I don't see anything wrong with this and I think it is the only system you can have where you only deal with matters that the tribes have already passed on.

They have said, "Look, we want it in our local bank if the local bank will pay the maximum. If our local bank won't pay the maximum, you put it where it will get the maximum."

That is Mr. Hourigan's job to do and that is what he does. I don't see anything wrong with it at all.

Senator BELLMON. Let's assume Mr. Hourigan is a paragon of virtue. Do you see that in case he someday does something different that this system might lend itself to certain influence?

Mr. LOESCH. I don't see, Senator. You have to do these things in the context that you can. Suppose you don't hear from the tribe until 3 days before the money is going to roll over or 2 days or 1 day, and you don't know what the tribe really wants and some of these tribes are not as competent as the Tlingit and Haida Tribes, and maybe they don't get the word on what is to be done until the last minute.

You are not suggesting that the Bureau should put that money in 4 percent in U.S. Treasury until it heard or until it contacted or advertised and contacted every bank?

Senator BELLMON. I would suggest that the Department might have an investment counsel or, perhaps, a neutral person or that they

might have a list of banks that they keep current as to what banks are bidding on money every day.

Mr. LOESCH. But we do that. Mr. Hourigan does that.

Senator BELLMON. He has told us he has no list of banks.

Mr. LOESCH. A while back he said he had a list of banks this high that are available from time to time.

Senator BELLMON. Has the names of the banks; but I am talking about a current list of what the banks are paying for money.

Mr. LOESCH. Oh, yes; he testified to that.

Senator BELLMON. What you are saying is you are satisfied with the system, is that it?

Mr. LOESCH. At the present time to the extent of my knowledge this is why I would welcome a GAO look at the thing. I am convinced that it is a good system and it works and it gets the most money for the tribes.

We could get more money if we were allowed to do certain things we are not in the way of investing, but under the parameters that the Bureau has, I think we are doing right now a good job on this investment and getting the most return for the Indians' money.

Mr. HOURIGAN. I would like to just make three remarks, Senator Bellmon.

One is the first one that you raised a point about. I want to say, first, during this period of time here in July the interest rates were down quite a bit and many of the banks were, in effect, looking out the window. They did not want the money. Now everybody wants it because money is in short supply.

The second thing is that this daily thing is something that just came out. Now these are some figures that can be checked. Now here on a 7.5—that is the maximum now that the banks pay—7.5 percent interest compounded quarterly on a 360-day basis on actual days, the rate of interest is 7.823. That is compounded quarterly.

Daily compounding, and this is when they compound it on the basis of 365 days, the rate of interest is 7.787.

Now if that was on a million dollars, it would be \$77,875.84. If it was on a million dollars on the 360-day basis compounded quarterly, calculated on actual days, it would be \$78,237.65. The difference isn't much, but nevertheless the compounding quarterly on the 360-day basis pays greater returns than the daily basis.

This was all calculated by computer and it shows the interest all the way through.

Now the other thing is that I can say before witnesses and everybody else, I would be more than happy and would welcome a General Accounting Office audit. Now I will tell you something else, Senator. I think you are from Oklahoma, and you could check with Calvin Knuton down at the First National Bank in Oklahoma City. He had money during some of this same period and when I contacted him about the renewal, and so on, he said, "I am going to pass it."

We had to transfer the money out of his bank, because he was unwilling or unable, I should say, to pay the rates that we could get someplace else. So when we knew where we could get the top rates and these are things that I have told Mr. Weissbrodt, who handles and has called all the shots in connection with these investments.

Senator BELLMON. That really gets to the point. Is Mr. Weissbrodt this influential person that put the bank in Buffalo next to this deal?

Mr. HOURIGAN. No.

Senator BELLMON. What role has he had?

Mr. HOURIGAN. He is the counselor for the tribe, the attorney here in Washington.

Senator BELLMON. Is he the one who advised you to put the money in Buffalo?

Mr. HOURIGAN. I made the contacts and told him what he could get. There is one more point I would like to make, sir, if I can, about this current list.

Now it has only been recently, as a matter of fact January 21 was when the Federal Reserve Board increased a lot of the rates to 7.5. Up to this point most of our investments have been in Treasury securities.

The reason was that it wasn't that the banks were not willing to pay a greater rate. It was the fact that they could not in accordance with existing regulations. So it is for this reason that right now during this period we are going back to banks again. We are contacting banks and we have lists of banks and when they call us, we ask them what they are willing to pay.

So we have a list of new banks again with this new rate and we, of course, have to wait until things are matured. But otherwise, we have most of the things, as you see from the list, that many of these things have gone into Treasury securities and the rates were 8 and better when the banks could only pay "6 and 4" meaning 6.25.

It is not they would not pay more, but they couldn't because of Federal regulations.

Senator MCGOVERN. Senator Gravel?

Senator GRAVEL. First off, I asked in the record that we be presented with a printout of the portfolio. Where is the printout of the portfolio of all of the investments of the \$300 million? That is what I asked for.

That is just the Tlingit-Haida. Maybe somebody could reread the record and find out what I did say. That is what I would like and I would like to have it submitted to the chairman of the committee so we can provide some analysis of what happened to the \$300 million.

Senator STEVENS. I don't know, maybe the staff or the Secretary can tell us. Is there any confidential information involved as to other tribes?

Mr. LOESCH. No.

Senator STEVENS. As long as we are protecting the confidentiality.

Senator GRAVEL. I would assume that would take place. You talk in this letter of tremendous computers in Albuquerque and say that is why you have to have the financial section out there, I would think in 5 minutes' time we could have this whole portfolio in front of us.

The other point is how many members do you have on the staff in the financial area?

Mr. HOURIGAN. I have three now.

Senator GRAVEL. Yourself and two other persons?

Mr. HOURIGAN. Yes.

Senator GRAVEL. These are the persons on the résumés you submitted, yourself, and John Vale, and the accounting officer, Limpouch? Who is the other person not in this résumé group?

Mr. HOURIGAN. Myself, Mr. Vale, and Mr. Limpouch.

Senator GRAVEL. For the record, Mr. Chairman, I certainly would like these résumés placed in the record along with the letter, because—no disrespect meant to yourself, sir, and other members—but when we are talking about financial analyses, I don't see anything in this résumé that shows any great experience.

(The résumés referred to above are on p. 67.)

I see a lot of BIA experience and I certainly means no disrespect in that regard. Since you are the chief—what would be your grade?

Mr. HOURIGAN. It is a grade 14. But I have a supervisor—Mr. Miller, who is a grade 15.

Senator GRAVEL. Does he do the advising for financial matters on the \$300 million or is he a supervisor in the chain of command to Mr. Loesch.

Do you have anything to do with the financial advising?

Mr. MILLER. Very little.

Senator GRAVEL. Mr. Secretary, I couch this question as a loaded question. Because we have this national policy that the BIA handles the supervision of the investment of Indian moneys, is the assumption that BIA has a superior wisdom than what is available to the Indians?

Mr. LOESCH. I don't think this is true.

Senator GRAVEL. I will take that. Under what conditions do you think that we should let the Indians in this country and the Tlingit-Haidas in Alaska run their own show?

Mr. LOESCH. I think any time the Congress decides they didn't want to go on with the trust thing. This is not something the Department or the Bureau is trying to protect.

Senator GRAVEL. You have advised us on the report on my bill which might involve something like that, that because the responsibility has been there in the past, it should continue. Are you telling us now that if we want to make up our minds differently, this would be an advisable thing to do?

Mr. LOESCH. May I see the report? I have not reviewed it for a while.

Senator GRAVEL. Your recent report that I have here refers to the same thing.

Mr. LOESCH. This simply says, Senator, in accordance with the trust responsibilities of the Secretary of the Interior.

Senator GRAVEL. I just asked you do you think the Indians of this country could run their own show?

Mr. LOESCH. Some could. I think a great many might be able to.

Senator GRAVEL. Do you think the Tlingit-Haidas would be able to?

Mr. LOESCH. I don't know. I am advised that they have very great advice and expertise within their own tribe, so I would say yes.

Senator GRAVEL. You say they could run their own show, yes?

Mr. LOESCH. I would think so. I would point out this report is only a report in accordance with the law as it now is, which already provides the trustee responsibility.

Senator GRAVEL. I understand, and I am happy to see we share a similar view, the Tlingit and Haidas are really just as good as you and I.

I would like to have Mr. Foley come forward.

Senator STEVENS. I don't think I have had my inning here and I am about ready to have it, I hope.

Senator McGovern. Senator Stevens?

Senator STEVENS. The inference my colleague raises is that because the bill I put in has a requirement that any change in this plan be subject to approval of the Secretary of the Interior, those of us who support that bill are defending a paternalistic system to the effect that the Great White Father knows best.

Now I somehow or other can't seem to get this record clear that the Tlingit and Haida people and their attorneys requested this bill because they don't want to make this bill a termination bill. They merely want approval of their present plan and because they don't want it to be a termination bill, they put in the traditional language, which requires the approval of the Secretary of Interior under the trust responsibility.

Do you know of any way short of terminating the trust that we could leave that language out?

Mr. LOESCH. No, sir; I do not.

Senator STEVENS. You are not suggesting that we have to continue the trust?

Mr. LOESCH. No.

Senator STEVENS. That is a determination for Congress to make?

Mr. LOESCH. That is correct.

Senator STEVENS. One of the things that is a side-product of that trust is BIA schools at the present time; is it not?

Mr. LOESCH. Yes.

Senator STEVENS. And the Public Health Service, for instance. Their treatment for the people that are in this area is a side-product of this trust. Another are people who have not yet received their cash from the Alaska native land claims. They have not received their other land which was outside of this judgment. And correct me if I am wrong, but there was a substantial claim of the Tlingit-Haidas that was not settled with this judgment. Is that correct?

Mr. LOESCH. This is correct.

Senator STEVENS. What we are saying is so long as this total trust responsibility continued, we ought not to terminate it prematurely by this small bill which approved their plan; isn't that correct?

Mr. LOESCH. Senator, this certainly would be my opinion. Let me say it is not the policy of this administration to terminate any Indian tribe that doesn't request it and, as a matter of fact, we have looked very carefully at the request to make sure it was done fairly and with full knowledge of the consequences.

Senator STEVENS. If we were to do that, it would involve a lot more than this judgment; would it not?

Mr. LOESCH. It certainly would.

Senator STEVENS. It involves the whole spectrum of the native land claims bill?

Mr. LOESCH. Yes, and I would say, further, Senator, that any time that you ask any tribe that I know if they would like to have their trust funds taken out of trust, you would find a great deal of objection from the tribe.

Senator STEVENS. I have one last question, and that is this: If we pass this bill and approve this plan, does the Department contemplate a management of the funds inconsistent with the desires of the tribe as expressed in their plan?

Mr. LOESCH. No, sir.

Senator STEVENS. Thank you. That is all.

Mr. LOESCH. I might introduce for the record, if permissible a little printout showing the Bureau of Indian Affairs investments for June 30, 1967, 1968, and 1969 and estimated for 1970 with where the money is, both in individual and tribe accounts, and the interests earned on those accounts.

Senator GRAVEL. I would be happy to have it, Mr. Secretary.

(Table follows:)

BUREAU OF INDIAN AFFAIRS—INVESTMENTS

Types of funds and types of investments	Actual, June 30, 1967	Actual, June 30, 1968	Actual, June 30, 1969	Estimate, June 30, 1970
1. Tribal funds:				
In banks.....	\$97,461,602	\$155,302,253	\$177,566,566	\$13,000,000
U.S. securities.....	5,915,000	10,980,500	19,495,150	192,000,000
Government agency issues.....				
2. Individual Indian money:				
In banks.....	36,523,048	41,881,357	40,836,188	
U.S. securities.....	29,820,431	29,190,519	29,051,335	15,000,000
Government agency issues.....				55,000,000
Total.....	169,720,081	237,354,629	267,949,239	1275,000,000
3. Interest earned.....	7,099,214	13,515,562	17,990,000	19,500,000

¹ Currently \$320,000,000.

Senator GRAVEL. I am just concerned that apparently the Coleville Indians in the State of Washington have been asking for termination and they have been unsuccessful with the BIA. Is there a brief answer to that allegation or is there any truth in that? You just went on record saying that anybody that wants to get out can get out.

Mr. LOESCH. No; that was not necessarily the thrust of my response. What I said was it is not the policy of this administration to terminate any tribe that did not desire to be terminated.

Now the Coleville Tribe is involved in internecine warfare within the tribe concerning the question of termination.

Senator GRAVEL. Gentlemen, you have been very, very kind and very patient in answering very difficult questions. We will leave the record open with this regard for 5 days.

Senator Bellmon, did you have anything?

Senator BELLMON. No, sir.

Senator GRAVEL. Mr. Foley?

STATEMENT OF EUGENE FOLEY, THE DREYFUS FUND, NEW YORK

Senator GRAVEL. Would you give your name and present position and address for the record.

Mr. FOLEY. My name is Eugene P. Foley, vice president of the Dreyfus Corp., which manages the Dreyfus Fund.

Senator GRAVEL. And in the past your governmental positions were what?

Mr. FOLEY. I have been in a number of positions here in Washington. I was Administrator of the Small Business Administration from August of 1963 to September 1965; Assistant Secretary of Commerce for Economic Development from September 1965 to December 1966.

Senator GRAVEL. Just as a general opening question, what invest-