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BUREAU OF INDIAN AFFAIRS  
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For the Fiscal Year Ended June 30, 1957

Fiscal Year Ended June 30, 1957



## BUREAU OF INDIAN AFFAIRS

Glenn L. Emmons, *Commissioner*

1957

IN THE BUREAU of Indian Affairs continued progress was made in 1957 toward the ultimate goal of full educational and economic opportunities for Indian people.

Enrollment of Indian children in schools of all types reached a record total of about 132,000. On the Navajo Reservation, where lack of facilities was a problem of major proportions just a few years ago, the enrollment was stepped up by nearly 7 percent over the preceding year and passed the 27,000 mark. Active steps were also taken in 1957 to enlarge schooling opportunities in two other areas where lack of facilities has been a problem—the Choctaw jurisdiction of Mississippi and the Territory of Alaska.

In addition, greater attention than ever before was given to the educational needs of Indian adults. The special literacy training program, which the Bureau launched on five reservations in 1956, was continued in 1957 and expanded to include additional tribal groups in Arizona, New Mexico, and Alaska. Plans were also shaped up for initiating in the 1958 fiscal year an adult vocational training program as authorized by Public Law 959, approved August 3, 1956. Although the law authorizes annual appropriations of \$3,500,000, an appropriation of \$1,500,000 was requested for the first year of operations.

On the economic side one of the most important developments of the year was the establishment of eight industrial plants in the vicinity of Indian reservations in addition to the furniture factory at Gallup, N. Mex., and the leather goods plant at Cherokee, N. C., which were set up in 1956. Two of the new plants are in Arizona, providing employment for Navajo, Pima, and Papago Indians; three in South Dakota (including the reopened Flandreau garment factory) near the Sioux reservations; and one each in Montana, North Carolina, and Washington. Altogether they are expected to train and employ perhaps as many as 700 Indian workers in 1958.

trend in this respect for the past 3 calendar years, the following is a summary of the totals, on a cumulative basis:

Calendar year:	Number	Amount
1954.....	36	\$143, 600
1955.....	56	269, 900
1956.....	86	475, 600

### Financing Through Bureau of Indian Affairs

The main volume of financing for which the Bureau has responsibility is actually accomplished through tribes and other Indian organizations. Two main funds are involved, (1) tribal moneys, and (2) a revolving loan fund appropriated by the Congress. In addition to the active programs of the Bureau, two old credit programs are in process of liquidation, (1) so-called "reimbursable" loans which originated in (a) appropriations by the Congress during the years 1911-43, inclusive, for the purpose of encouraging industry and self-support among Indians, and (b) appropriations of funds held in trust in the Treasury for various Indian tribes for tribal industrial purposes, and (2) loans of livestock repayable "in kind".

The following shows the amounts involved in the Bureau's program at the close of the past 4 years:

	1953	1954	1955	1956
Tribal funds.....	\$9, 704, 611	\$9, 669, 468	\$17, 300, 578	\$21, 216, 542
Revolving fund loans receivable.....	10, 190, 941	9, 505, 193	8, 311, 374	7, 715, 612
Reimbursable <sup>1</sup> .....	988, 007	841, 568	498, 299	314, 040
Livestock loans <sup>2</sup> .....	1, 834, 415	1, 433, 575	1, 039, 445	715, 105
Total.....	22, 717, 974	21, 449, 804	27, 149, 696	29, 961, 299

<sup>1</sup> In process of liquidation

<sup>2</sup> Figures differ from those previously published because of revaluation of livestock at estimated market value of \$65 per head in order that data may be comparable

### Use of Funds by Relending Organizations

Tribes and other Indian organizations use revolving funds borrowed from the United States and tribal funds to finance tribal business enterprises, to make loans to cooperative associations of members, and to make loans to individual members. At the close of 1956 nearly \$16 million had been loaned and invested in tribal business enterprises, nearly \$640,000 was outstanding in loans to cooperative associations, and nearly \$7,200,000 outstanding in loans to individuals. Indian organizations were carrying over \$6,600,000 in cash for operation of enterprises and for loans.

Balances outstanding at the close of the past four fiscal years were as follows:

	1953	1954	1955	1956
Enterprises.....	\$9, 026, 322	\$8, 913, 728	\$14, 232, 917	\$15, 949, 360
Individuals.....	8, 861, 220	8, 562, 825	7, 521, 799	7, 182, 471
Cooperatives.....	149, 974	138, 650	161, 177	639, 375
Total.....	18, 037, 516	17, 615, 203	21, 915, 893	23, 771, 206

As of June 30, 1956, \$956,989 was delinquent on loans made to enterprises. Over 50 percent of the delinquent amount was on enterprises in Alaska. Four salmon canneries financed with loans through the Bureau have not, on the whole, been profitable. Special efforts have been made to place these enterprises on a sound operating basis during the past 2 years, and some improvement has been made as a result of corrective measures taken. The canneries had a deficiency of \$632,221 for the fiscal year ending March 31, 1954, which was reduced to \$495,466 for the fiscal year ending March 31, 1956. For the first time since the four canneries were acquired, all four recorded a profit for the fiscal year ending March 31, 1956.

Of the balance of \$639,375 unpaid on the loans to cooperatives at the close of the fiscal year, \$50,857 was delinquent or owing on loans in process of liquidation. Of this amount, \$44,386 is due on loans made by the United States many years ago, and will have to be charged off as uncollectible.

During 1956, a total of 1,160 cash loans totaling \$1,758,759 were made to individuals, compared with 1,008 loans of \$1,593,184 in 1955. The actual increase was greater than is indicated by these figures, since during 1955, three tribes for which readjustment legislation was enacted (Menominee, Klamath, and Ute) made 107 loans totaling \$184,060. These three tribes made no loans in 1956. Apart from these three, other tribes and organizations recorded an increase of 28.75 percent in the number of loans made, and 24.81 percent in the amount loaned to individuals, over the number and amounts loaned in 1955.

The repayment record on individual loans at the close of 1956 was in need of improvement. A total of \$1,885,895 of the unpaid balance of \$7,182,471 was either delinquent or owing on loans in process of liquidation, compared with \$1,481,358 at the close of 1955.

In addition to cash loans made to individuals, there was an estimated \$1,833,747 outstanding in loans made by Indian organizations repayable "in kind" at the close of 1956.

educational facilities for 726 additional children and improve Bureau facilities at 29 locations.

### PLANT MANAGEMENT

The Branch of Plant Management, newest of the Bureau's branches, was established under the Assistant Commissioner, Administration, by Commissioner's memorandum dated February 1, 1957, with responsibility for all functions comprising plant management including those formerly designated as maintenance of buildings and utilities.

Each area office was instructed to establish a similar unit under the Assistant Area Director for Administration.

In order to provide engineering guidance to the Bureau's programs in the field, a technical staff consisting of an electronics engineer and a mechanical engineer has been located in Albuquerque, N. Mex., where they will be available to assist all areas, including Alaska, on technical matters pertaining to communications and mechanical installations. Their primary functions, however, will be to analyze the operation, maintenance and plant management activities of the Bureau's installations, to promote the most effective methods of operation and maintenance, and establish adequate operating and maintenance standards throughout the Bureau.

### PROPERTY AND SUPPLY

The Bureau's continuing study of its operations that may be in competition with private enterprise resulted in the closing of more laundries and bakeries in 1957. Services and products are now obtained commercially. Several bakery facilities will be operated as pastry shops for local requirements of certain schools in conjunction with, and as part of, the operation of the school kitchens.

In accordance with the act of May 20, 1948 (62 Stat. 248), certain land excess to the Sioux Sanatorium in South Dakota has been sold to various church organizations in Rapid City. In view of the interest of the Department and the Bureau of the Budget in the real property disposal program, the remaining land will be declared to the General Services Administration for disposition.

The declaration to General Services Administration of excess lands in other areas has been accelerated and the Bureau looks forward to even better progress in utilization of real and personal government property.

General Services Administration continues to establish motor pools throughout the country in certain large cities and surrounding areas. The Bureau is taking advantage of this program for acquiring its transportation needs wherever pools are available.

Employees' quarters have been reevaluated and rates established in accordance with directives of the Bureau of the Budget.

During the year 444 cubic feet of records of the Central Office were transferred to the Federal Records Center at Alexandria, Va. This transfer released 245 square feet of floor space which was subsequently utilized for offices and personnel.

The time limitation on material which may be included in a Central Office file was recently reduced from 10 years to 5 years in order to facilitate the handling of files which have been transferred to the Center.

### BUDGET AND FINANCE

Continued progress was made during 1957 in revising and improving the accounting system installed in Bureau accounting offices in fiscal year 1953 to better meet budgetary and program needs.

Studies are continuing to further improve, strengthen, and simplify budgetary and accounting requirements (including studies for further mechanization of the accounting work in the area offices) as well as to simplify the reporting requirements. Approval was granted the Portland area office to install an IBM accounting system beginning July 1, 1957. The machine accounting will be performed by the Bonneville Power Administration on a special reimbursable operation at an estimated cost of \$750 per month to the Bureau. It is estimated that this procedure will save approximately two man-years in the accounting section of the Portland area office.

Procedures were initiated to place trust individual funds in banks thereby currently obtaining greater interest yield for individual Indians than has been obtainable through Treasury bonds.

### INTERNAL AUDIT

During 1957 Bureau auditors, working out of two audit field offices—one at Albuquerque, N. Mex., and one at Billings, Mont.—audited all of the Bureau's 10 areas and the Central Office. In addition four of the Bureau's 6 field relocation offices were audited and several special audit assignments were completed.

### INSPECTION

The Bureau's inspection program was established early in March 1955. Since that time inspection personnel have spent a considerable amount of time in the field, visiting area offices and various other installations. Nine of the 10 area offices have been visited, some on more than one occasion, in connection with matters of inspection interest. Primarily the inspection office is responsible for the con-