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UNITED STATES
DEPARTMENT of the INTERIOR

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OFFICE OF THE SECRETARY Hart - 343-4306

For Release to PM's, JUNE 17, 1965

INTERIOR ASKS $35 MILLION BOOST IN CREDIT FUND FOR INDIANS

To stimulate greater economic growth and development on Indian reservations, the Department of the Interior has asked Congress to increase by $35 million the authorized amount of the revolving loan fund of the Bureau of Indian Affairs.

Under a bill proposed by the Department, authorization for the program would be boosted from $27 million to $62 million and the Bureau would be permitted to make grants of not more than 20 percent of the borrowed amount in connection with the loans under certain circumstances.

In drafting its proposal, the Department took into consideration the "Report of the Committee on Federal Credit Programs," which was submitted to the President February 11, 1963. The Presidentially appointed committee included the Secretary of the Treasury, Director of the Bureau of the Budget, Chairman of the Board of Governors of the Federal Reserve System, and Chairman of the Council of Economic Advisors.

Present loan funds of the Bureau of Indian Affairs are inadequate to meet the needs of financing Indian economic enterprises, the Department said. Although Indians received an estimated $103 million of financing from sources serving other citizens in 1964 the total of unfulfilled commitments and pending applications for Bureau loans is nearly $42 million greater than the available cash balance, the Department reported.

Industrial and commercial development of reservation areas, planned use of mineral, timber, and land resources, along with human development, constitute the core of the Bureau's overall effort to improve social and economic conditions among reservation Indians.

The grant feature of the proposed legislation is intended to help borrowers, including both Indian organizations and individual Indians, during initial loan periods and times of emergency. In many cases, a grant may make the difference between success and failure of an Indian enterprise financed from the fund, the Department said, explaining that grants would not be made in connection with all loans, but only in cases of clearly justifiable need.

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P.N. 65001-65