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DEPARTMENT OF THE INTERIOR

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BUREAU OF INDIAN AFFAIRS

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COMPETITIVE BIDDING BRINGS INDIAN PROPERTY OWNERS FOURFOLD BONUS FOR URANIUM MINING LEASE

Because of competitive interest in their property, two Indians of the Spokane Reservation in Washington have recently been offered a \$317,500 bonus for a 15-year mining lease on their 120-acre tract in comparison with an offer of about one-fourth this amount which they wanted to accept several months ago, Commissioner of Indian Affairs Glenn L. Emmons pointed out today.

The case, he added, emphasizes the significance of the trustee role performed by the Bureau of Indian Affairs and the importance of considering the competitive factor before completing lease arrangements on Indian properties.

Commissioner Emmons' comment was prompted by a bid opening made June 11 at the Colville Indian Agency, Nespelem, Washington. The bids were for mining leases on four allotments of the Spokane Reservation owned by various members of the Boyd family of Indians.

Interest in all of these allotments, especially the one drawing the high bonus offer, has been unusually keen since uranium was discovered on nearby property in the fall of 1954.

All four of the allotments were advertised for bids in June 1955, at the request of the Indian owners. At that time the high bid on the outstanding tract, which is identified as Allotment No. 156, was \$167,850. The Indian owners, however, refused to sign a lease with the high bidder and insisted that they be permitted to negotiate with the second high bidder who had offered a bonus of \$87,100. This negotiation proposal was presented to the Bureau last January and was rejected in favor of further advertising.

"Because of the competitive interest in the property," Commissioner Emmons explained, "the Bureau of Indian Affairs did not accede to the wishes of the owners in this case. As administrators of the Federal trusteeship for Indian property of this kind, we had a clear obligation to act in the best interests of the Indian owners regardless of their own feelings in the matter. We believed strongly that

competitive bidding would produce the best results for the Indians and our judgment has obviously been borne out by the results of the recent opening."

Since the Bureau refused to approve a negotiated lease, and the Indians refused to sign with the high bidder, all bids received in June 1955, were eventually rejected and the recent offering was made only after the Indian owners had given the local Indian Bureau superintendent powers-of-attorney to sign a lease on their behalf with the high bidder.

The high bidder on all four allotments was Dawn Mining Company of Portland, Oreg., which also holds leasing rights on the adjoining tribal property where the Midnite Mine is located. Bonuses offered on two of the other allotments were \$2,500 each and on the third \$17,500.

In addition to the bonuses, the Indian property owners will receive annual rentals of one dollar per acre and royalties on a sliding scale ranging from 10 to 20 percent of the mine value dry ton of the ore received.

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