Indian Affairs - Office of Public Affairs

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A total of $383 million was invested during fiscal 1969 in Indian developmental projects ranging from home repair to transistor plants, Louis R. Bruce, Commissioner of Indian affairs announced today. The amount invested was $58.5 million above the 1968 figure.

The money came from three sources: tribal funds, customary lenders, and a Federal revolving credit fund, from which loans are made if no other source is available.

Investment varied from a tribal loan of a few hundred dollars to an Indian applicant who needed new shingles for his roof, and an agreement between an Indian and the small Business Administration to open a new service station. Some of the largest loans were to those tribes that financed the construction of factory faculties on the reservation that would give employment to Indian residents.

The increase of investment funds available to Indian people last year has "real significance," Bruce said, “Economic development of Indian communities has been handicapped by lack of adequate and dependable sources of financing. This is a most welcome step forward, and one that must be increased manyfold before basic needs are met.”

The amount of money coming from customary lenders was up 22 percent over 1968, according to Bruce, who said the increase represents greater confidence in benefits to be derived from a loan.

Customary lenders include state and national banks, Federal land banks, savings and loan associations, finance and loan companies, insurance companies, production credit associations, Federal credit agencies and individuals. In other words, customary lenders are the same lender non-Indians use.

The largest increase in 1969 among customary lenders was in financing by Federal Credit agencies, particularly the Economic Development Administration, the Farmers Home Administration, the Department of Housing and Urban Development, the small business administration, and the Office of Economic Opportunity.

Tribal funds being used for financing economic development of tribes and their members almost doubled during the past five years, from $52.7 million to $105.1 million. Some tribes are able to use their own funds to finance tribal industrial, commercial and agricultural enterprises. Others, with moon limited funds available, use their funds to supplement revolving funds borrowed from the United States.

Funds made available for loans through the Bureau administered revolving fund have never been adequate, Bruce said.

With appropriations of $21.5 million, the revolving feature has permitted total loans of $66.7 million to be made. Several bills are pending in the 91st Congress which would, if enacted and funded, help to relive the situation.

Since copies of the “Annual Credit and Financing Report, 1969,” are available from the Bureau of Indian Affairs, U.S. Department of Interior, Washington, D.C. 20242.