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Mr. Toastmaster, ladies and gentlemen:

It gives me great pleasure to come back to Oregon as Commissioner of Indian Affairs. This is the State where I began professional interest in the American Indian almost 30 years ago. I was a graduate student in anthropology at that time and did field work on the Klamath Reservation in the summer of 1934 and through the fall, winter and spring of 1935 and 1936. The learning process is still going on--seven days a week, 365 days a year.

I am honored to be selected by the City Club of Portland as your guest speaker today. I welcome the opportunity of sharing with you some of the things I have learned about Indian affairs over the past three decades and of reporting to you, briefly, on the current status of our programs in the Bureau of Indian affairs.

Two years ago this month an important milestone was reached in the history of the Bureau. On July 10, 1961 a task force of four members, including myself, completed an intensive three-month study of the Bureau of Indian Affairs. We submitted a report of our findings and recommendations to the Secretary of the Interior, Mr. Stewart L. Udall. The report was subsequent approved, in the main, by Secretary Udall, and it became the charter of our present-day policies and programs. The keynote recommendation was a call for much greater emphasis on Indian development--both the development of Indians as people and the economic development of Indian-owned resources on the reservations.

The Bureau of Indian Affairs is one of the oldest agencies in our Federal Government. Our origins go back to the colonial period and we have been in continuous existence for 139 years. Over this period of nearly 14 decades Congress has from time to time redefined and expanded the work of the Bureau until today our organization bears little resemblance to the pure diplomatic and trade-regulating agency that was original established in 1824.

At present about 380,000 people come within the scope of our programs. This includes not only the Indians living on reservations throughout the country (like Warm Springs and Umatilla here in Oregon) but also all the people in the native villages of Alaska--Indian, Eskimo and Aleut--and large numbers of Indians living on trust or restricted land in former reservation areas of Oklahoma.

The responsibilities that we have with respect to these people are essentially twofold. On the one hand, we provide them with a variety of services such as education, welfare aid, police protection and road construction and maintenance in locations where these services are not available from the usual state and local agencies serving non-Indian citizens. Secondly, we serve as trustees for about 50 million acres of land that belongs to the Indian people. This includes most of the land making up the reservations as well as a number of scattered tracts known as public domain allotments. Nearly four-fifths of the total acreage-- about 39 million acres altogether--consists of tribal land which is the property of a whole tribal group. The balance is made up of comparatively small tracts which were allotted by the Government many years ago to individual tribal members& Because of the processes of inheritance, the ownership of many of these allotments has become exceedingly complex and this "heirship problem", as

we call it, is one of our most troublesome administrative responsibilities.

As trustees, we are responsible not only for protecting the Indian owners of this land, tribal or individual, from improvident disposition or leasing of the property. We also assist them to achieve the highest possible income from the lands and related resources that is consistent with sound conservation principles. And this gets us into a second group of programs, mainly technical in nature, in such fields as forestry, range management, irrigation, credit, and leasing for mineral development or for surface uses such as agriculture, grazing, or commercial and industrial development.

So much for the older program operations of the Bureau--those that go back, or 40 years or even back to our beginnings. In the last dozen years or so, the Bureau has launched a number of new programs aimed at quickening the pace of economic advancement for Indian people and helping them to higher standards of living.

One of these, for example, is a program of employment assistance. This involves vocational training and the relocation of wage-earners and their dependents to urban-industrial areas for direct employment.

Another is our industrial development operation. By this program we encourage the establishment of manufacturing plants of the light-industry type on or near the reservations so as to provide more steady jobs for Indian workers.

Still another example is our work in the field of housing development. Those of you who have visited Indian country know that their housing is truly shocking. Our newest program is an effort to improve the situation by adapting the established programs of the Federal housing agencies to reservation needs.

This will, I hope, give you some idea of what we are doing in the Bureau. It is, as you can see, a highly complex and multifaceted operation.

Three main goals were recommended by the Task Force. They now provide the orientation of all our program activities. They are (1) maximum Indian economic self-sufficiency, (2) full participation of Indians in American life, and (3) equal citizenship privileges and responsibilities for Indians.

These are not novel goals. They are merely a statement with respect to Indians of what the rest of us seek for ourselves. The question is not whether they are desirable goals. I have yet to hear anyone disagree with them. The question is, "What are the best means by which these ends may be reached?"

There are two philosophies. One holds that the reservation system, with attendant trusteeship and the existence of the Bureau of Indian Affairs with its programs of property management and human betterment hold back individual Indians from reaching these desirable goals.

The other philosophy holds that the protection of property and the provision of special services is all that stands between Indian individuals and ultimate poverty, destitution, and dependency.

The truth, as usual, lies between the two extremes. Our present programs are designed to take into account the realities of Indian life as it is actually lived on and near the reservations, not as the ideologists of either extreme visualize it. The facts are that Indian people themselves place a high value on the Indian trusteeship. In the main they do not wish it to come to an end but regard it as a necessary and desirable relationship which is due them in return for lands ended and promises made long ago.

Individually they chafe under its restrictions collectively they resist efforts to end it.

Alongside this is the fact that most reservations are places of little opportunity. Life on a reservation can be grim and harsh. Although many prosperous and happy persons live on reservations and prefer it, they are the exception. Reservation life, for the bulk of Indian people, has meant an educational level half that of the national average; an income one-fourth to one-third the national average; an unemployment rate six or seven times the national average; and age at death two-thirds the national average.

It has long been the objective of various Commissioners of Indian Affairs to bring these deplorable figures of human welfare closer to the American standard. As long as reservations exist, the trusteeship continues, and people live on reservations, it is the duty of the Bureau of Indian Affairs to devise programs and operate them so that these conditions of life will improve.

It was the opinion of the Task Force that the goals we described are attainable, not a dream. Life on the reservations can be much better; while those who desire to leave the reservations and seek opportunity nearby or in metropolitan centers should be prepared and helped to succeed. The programs outlined by the task Force now being placed in effect by the Bureau of Indian Affairs are programs of education and individual betterment both on and off the reservations; and of economic and community development on the reservations, looking toward a better life for all.

How much progress have we made in the two years since the Task Force Report was submitted? What remains to be done?

Let us look first at education, which is fundamental in any long-range program of human betterment. In the early part of 1961, even before the Task Force was appointed, President Kennedy urged the Congress to provide funds for an accelerated program of Indian school construction. The Indian school plant stretches from the Everglades of Florida to the Arctic Coast of Alaska. It includes nearly 300 separate installations, some old, some new, some large, some small. The older buildings are badly deteriorated and in urgent need of rehabilitation or replacement. Furthermore, there have never been enough classroom seats, especially on the Navajo Reservation of the Southwest, and in Alaska, to accommodate the school-age population. The goal of President Kennedy's program in early 1961 was to provide facilities for all Indian children and to relieve overcrowding and hazardous conditions in obsolete boarding and day schools without delay.

Over the past two years Congress has responded generously. Enough funds have been provided to rehabilitate and modernize some of our worst "problem" structures. But the main effort has been to expand the capacity of the entire system by about 7,000 classroom seats and associated dormitory beds. Some of the projects made possible by these appropriations have now been completed. Many more are under construction. The rest are in the design stage. In the meantime, of course, our school-age Indian population has been relentlessly increasing year by year along with the school-age population all over the country.

Aside from the construction aspect, we have made many other improvements in our education program over the past 24 months. Two-thirds of the Indian children go to public schools, but one-third of them live in isolated areas and are not served by public schools. Eighty percent of these children come from homes where English is not the household language. So we are giving much more attention to improving the techniques of English language instruction which I regard as crucially important.

In our boarding schools, where the children are our responsibility 24 hours a day and seven days a week throughout the academic year, we have substantially enlarged our staff of attendants and counsellors. We have upgraded the requirements for many of these positions, and have increased their in-service training.

We have greatly expanded the scope of our summer programs which involve student employment, outdoor sports, acceleration of academic work, and pre-school classes for children, and organized trips to national or regional points of interest for the older students. In the summer of 1960 about 2,000 Indian students took part in these programs; last summer the number was nearly 13,000; and this year it will go still higher.

During this period we have also established a new school, the Institute of American Indian Arts, on the grounds of our old boarding school at Santa Fe, New Mexico. Our purpose here is to provide a first class residential high school plus two years of post-high school technical training. The students selected are Indian young people with special aptitudes in painting, sculpture, design, music, creative writing, ceramics, textiles and many other fine and applied arts. The school opened last fall on a partial basis with an enrollment of about 140 students from 74 tribes. This fall we are planning for a student body of approximately 250 in the arts courses. We will eventually reach 500.

Meanwhile we have expanded our adult education program on the reservations for the benefit of those adult Indians who went through childhood without sufficient schooling. We are now conducting adult education programs at 127 locations in Alaska and on Indian reservations here below. Two years ago the number was 97. Some of these are evening or day time classes to make up for lost schooling. Others are programs of community development.

In the field of higher education advances have also been made. Last year nearly 2,900 Indian young men and women were attending classes in colleges and diversities, 724 of them with help from the Bureau of Indian Affairs. Each year since the Task Force Report we have doubled the Federal money available for higher education grants and loans.

One program of the Bureau that especially impressed us on the Task Force during the course of our study was that of adult vocational training. This activity was started in 1958; by the spring of 1961 it had shown itself to be a highly successful operation. It was equipping Indians, generally in the age bracket from 18 to 35, with marketable skills, boosting their earning power, and was providing them with greater job security than they had formerly known as unskilled workers. The rate of employment for those who finished training compared very favorably with that of the 01 training program of the veterans Administration. The Indians themselves were highly enthusiastic about these opportunities.

In the original legislation authorizing this program the amount of annual appropriation was limited to $3,500,000. In 1962 Congress more than doubled this authorization, raising it to $7,500,000. As a result of the steady increase in the money available, we now have twice as many Indians enrolled in vocational schools as we had two years ago; more than 1,300 at the end of May. Over the whole five-year period since 1958 more than 8,900 Indians have received training under the auspices of this program--about 6,800 in vocational schools and the rest through on-the-job training in manufacturing plants on or near the reservations. Together with their dependents about 21,000 individual persons have enjoyed direct and indirect benefits from this program.

Within the past several weeks we have asked Congress for a further increase in the authorized amount of annual appropriations for this program--stepping it up from $7,500,000 to $12,000,000. If this is

approved, it will enable us eventually to enroll over 3,900 Indian trainees in vocational schools during the course of a single year--not all at the same time, of course--and to provide on the-job training for an additional 1,500.

So you can see that we have made good strides since 1961 in the area of human development. Now, how about the development of the physical resources?

The program to encourage the establishment of industries with their payrolls on or near the reservations has been strengthened and enlarged. Since early 1961 arrangements have been completed for bringing 19 new plants into the Indian population areas and the great majority of them are now in operation. These, together with plants established earlier, are now providing steady employment for over 1,000 Indian workers who comprise about 75 percent of the total payroll. In some places like the Oglala Sioux Reservation in South Dakota, the additional jobs have already produced tangible benefits in the form of smaller welfare caseloads, better school attendance, and improved housing.

We have also been greatly helped by an allotment of funds under the national Accelerated Public Works Program for a variety of urgently needed projects on the Indian reservations. At the peak in April, nearly 5,700 Indians were at work on these APW projects on 88 reservations in 18 States. This represents about one out of every eight of the unemployed Indian labor force. They are working to improve reservation roads, to upgrade stands of Indian timber, to build community centers, and to protect soil resources against the ravages of erosion. All of it was work that needed to be performed eventually; the allotment of these funds has permitted us to schedule it earlier and to find productive work for several thousand Indians. Nothing can equal the moral boost of a real job with a regular pay check.

I mentioned our credit program earlier and I want to return to it now. To provide the financial lifeblood for significant economic development on the reservation, large amounts of credit are needed. Under our program we give first emphasis to helping tribal organizations and individual Indians obtain financing from banks and other sources that serve citizens generally; in 1962 Indians received about $88 million of financing from these sources. We also help the tribes to organize and administer credit programs of their own for the benefit of their members and the tribes are now using nearly $26 million of their funds for this purpose. Supplementing both of these resources is the revolving credit fund of the Bureau. At the time of the Task Force study the total amount which Congress had appropriated for this fund over a 25-year period was a little under $14 million. In our report we pointed out the need for more ample funds. The Department of the Interior followed this up with a request to the Congress which has since appropriated an additional $10 million. In the last two years, loans from the fund have averaged over $5 million a year in contrast with an annual average prior to 1961 of about $1 1/2 million. These more recent loans have been made for a wide range of enterprises. They include such enterprises as a tribal sawmill on the Fort Apache Reservation in Arizona (now nearing completion), an arts and crafts cooperative in Alaska, and a plant manufacturing beauty products on the Cherokee Reservation in North Carolina. All of them are enterprises which will bring tangible benefits to Indians in the form of increased tribal income or more jobs for tribal members or both, and invaluable work experience.

One item I want to be sure to include in this two-year progress report is Indian housing. Although the programs of the Federal Government in the field of housing were initiated during the decade of the 1930's, their benefits were withheld from Indian reservations for nearly three decades, chiefly because of complications arising from the trust status of Indian lands. Since 1961, however, these difficulties have been effectively resolved. Today, Indians on reservations are eligible as are other citizens for

mortgage insurance in the building or improvement of homes under the programs of the Federal Housing Administration. They are in a position to form tribal housing authorities and establish low-rent Projects under the programs of the Public Housing Administration. Two such projects on Indian reservations are now actively under way. Altogether 11 tribal housing authorities have requested loans from the Public Housing Administration for 861 dwelling units.

Over and beyond this, we have been working closely with the Public Housing Administration on a new program that is likely to prove even more broadly beneficial on Indian reservations. This is a mutual-help program based on the same principle as the old-fashioned barn-raising when a group of neighbors got together and polled their manpower and resources on a common project. On Indian reservations self-help housing will be a joint enterprise involving a group of Indian families, a tribal organization, the Public Housing Administration, and the Bureau of Indian Affairs. BIA will organize and supervise the projects; PHA will provide loan funds for the purchase of materials and the employment of skilled labor; the tribe will make the land available; and the individual Indians will furnish the bulk of the labor working as a team. Monthly payments will be modest and the plan contemplates that the Indian occupant will own his home free and clear in 16 to 18 years. Because the rents that have to be charged even in low-rent public housing projects are beyond the reach of most Indian families on the reservations, we believe that this new program is needed as a supplement to bring about a nationally significant volume of Indian housing improvement over the next five or ten years.

From this brief survey I hope it will be apparent that we are not just drifting along with the tide in the Bureau of Indian Affairs, performing our custodial functions as the trustees of Indian property, and trying to stay out of difficulty. We have expanded and re-energized the developmental activities of the Bureau we have broken new ground; and I believe we have made measurable and encouraging progress over the past two years toward the three prime goals I mentioned earlier.

But we are not complacent.

In the field of school construction, for example, despite our good progress over the past years, we have not yet caught up with the needs of the rapidly increasing school-age Indian population for classroom and dormitory space. The earliest date when we could reasonably hope to do so is the fall of 1965. There was too big a backlog of unmet need in 1961. Moreover, the school-age population growth since that time on the reservations has been too rapid for us to get on top of this problem in just two years. Once we do, we will still be faced, of course, with the need to keep pace with the population increases of the future and we will still have overcrowded and obsolete structures to repair and replace.

In addition, we have to worry about a drop-out rate in our Federal Indian schools which runs about 50 percent higher than the national average. We have a great deal more to do in improving our techniques of English language instruction. We need many more counsellors in the dormitories of our boarding schools. I am hopeful that the proposed National Service Corps can eventually provide us with additional manpower for this purpose.

On the economic development side, the needs are almost overwhelming. I mentioned earlier that we now have over 1,000 Indians working in manufacturing plants on or near the reservations and that we have another 5,500 at work on comparatively short-range projects under the Accelerated Public Works Program. Measured against these encouraging statistics, we have some others which are not quite so exhilarating. One is the fact that the average annual income of Indian families on reservations is still somewhere between one-fourth and one third of the comparable national figure. And the current rate of

unemployment on the reservations is about 40 percent, which is roughly seven or eight times the present national average. So you can see that, as far as income and employment are concerned, we have actually moved only a few feet on a mile-long journey. When we look at the needs and the opportunities for resource development, a similar picture comes into focus. On the Colorado River Reservation in western Arizona, we have the oldest federally sponsored irrigation project in the United States. It was started right after the Civil War, in 1867. Today, as it approaches the centennial mark, it is still only about one-third completed; in fact, we do not have one major irrigation project, out of the many dozens that have been started on Indian lands, that has been developed all the way to its full potential. We also have great unmet needs in the development of forest and range resources, in the exploration for economically valuable minerals, and in realizing the tremendous tourism potentials that lie in Indian country.

For the fact is that Indian reservations with their 742,000 acres of lakes, their 7,400 miles of rivers and streams, their 13 million acres of timberland, and their mountain and desert scenery now provide us with some of the most desirable open space we still have left here in the United states. In the years ahead one of our major objectives will be to develop these potentials into a major outdoor recreation resource of the Nation and a source of both income and employment for the Indian owners.

To bring about widespread and large-scale economic development of Indian reservations, tremendous financing will obviously be needed. Some of it will have to come from public funds, but the major part of the financing will probably have to come from private sources, either in the form of loans or as venture capital. Even with the recent increase in our revolving loan fund, we in the Indian Bureau are in much the same position as a small country banker who has in his neighborhood a huge mining complex, a major real estate development and a large industrial corporation. As matters stand today, we cannot meet adequately the financial demands for Indian developments.

One important potential source of funds for the financing of tribal programs and tribal enterprises is the judgment money resulting from claims filed against the United States by tribes with the Indian Claims Commission. For the most part these are claims based on inadequate compensation for lands which the tribes sold to the national government many years ago. The Indian Claims Commission was established in 1946 for the specific purpose of adjudicating such claims.

So far net awards have been granted in 43 cases and Congress has appropriated nearly $86 million by way of compensation. But there are still 641 claims awaiting final settlement and among these are some of the biggest claims filed with the Indian Claims Commission--several of them potentially larger than any judgments that have been awarded to date.

As trustees for Indian property, we in the Bureau have a clear-cut responsibility to safeguard the Indian beneficiaries against a dissipation of these funds. One way in which they can be dissipated with little or no lasting benefit is through a blanket per capita distribution of the entire amount to the individual beneficiaries. A single example will, I believe, serve to illustrate the point. One of the largest awards so far made by the Indian Claims Commission was in the amount of nearly $15 million. Now, this sounds like a good round sum which might well put a number of Indians in a highly advantageous economic position. But the difficulty is that the beneficiaries of this award are the Indians of this particular tribe who were on the tribal rolls when they were closed nearly 60 years ago. There were nearly 42,000 of them at that time. Needless to say, the great majority of these original enrollees are no longer alive and the shares of those who have died must be distributed among their heirs in the same way as any other inheritance. So the net result is that some individuals will be entitled to payments of less than $10 each,

and practically no one will receive more than $280.

Another way in which tribal funds can be dissipated is through a liquidation 0f all the tribal assets and a division of the proceeds among the members. This kind of program is beneficial to those Indians who have left the reservation but decidedly unfair to those who have stayed behind because it leaves them resident but without an economic base. A much more equitable and broadly beneficial way of handling these judgment moneys, we believe, is to use them in part for the financing of tribal enterprises which can yield regular income for all tribal members over an extended period and in part for planned program of family expenditure by tribal members both on and off the reservation.

I could go on endlessly with the ramifications of this perplexing and fascinating field of human affairs. I hesitate to describe such a complex aspect of our national life in a phrase because, as everyone in this room knows, there are as many problems in Indian affairs as there are human beings concerned. Each has his own problem--each, perhaps, has his own solution. But if I were compelled to describe this phenomenon in a phrase I would say it is "Poverty in the midst of abundance."

A small but historically and emotionally significant segment of our population has been largely left behind the major economic and social advances made in the United States during the first three-fifths of the twentieth century. The conscience of the American people is from time to time aroused over injustices to the First Americans. One such great reappraisal was made in the late 1920's and early 1930’s. Now, the country is again going through a reappraisal of the Indians' well-being.

As Commissioner, I welcome the awakening of the national conscience and the spotlight that is focused on the Bureau of Indian Affairs. In the revitalized bureau of today we are determined to bring the reservation communities into the stream of social and economic advance, so that they, too, may be swept along to a better life and a brighter future. Our goals have been stated and our programs have been tested to the point where we know they will work if they are adequately funded and efficiently executed. We intend to meet that challenge.