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Secretary of the Interior Fred A. Seaton today announced the Department, hoping to keep as much of the present Indian estate as possible in Indian hands, has recommended major amendments of S.51, a bill dealing with the sale or leasing of tracts owned by two or more Indians.

One of the most important recommendations asks for a $15,000,000 increase in the Indian Revolving Loan Fund set up to help Indians acquire land, he said.

Under existing law, a tract of trust or restricted Indian land in multiple ownership can be sold or leased under most circumstances only with the consent of all the owners. S. 51 in its present form would change this by authorizing the Department to sell or lease upon request of those owning a majority Indian interest. The Department's report pointed out that this bill, if enacted, would result in more land going out of Indian ownership.

The amendments recommended by the Department, to prevent the loss to Indians of important tracts of heirship lands, would set up two major steps to facilitate Indian purchase of the lands offered for sale. First, each of the Indian owners of a tract offered for sale would be given a preferential right to buyout the interests of the others. Secondly, if none of the co-owners is interested in purchase, the tribe would be given a right to buy the tract either by negotiation at the appraised value, or by meeting the highest sealed offer submitted in competitive bidding, or by participating in an auction.

In recognition of the fact that many Indian tribes lack the funds for making such purchases, the Department recommended special Federal loans for the purpose. The amount needed, the Department said, is difficult to estimate. However, it asked for an increase from $10,000,000 to $25,000,000 in the appropriation authorization for the revolving loan fund of the Bureau of Indian Affairs "until some experience is gained."

Under the Department's proposal, the loans would have to be secured by a mortgage on the land purchased or on other tribal property equal at least to the principal amount of the loan. They would have a term of not more than 25 years and would be made only if the tribe has a plan for using the purchased land which is acceptable to the Secretary.

In a letter to Senator James E. Murray, Chairman of the Senate Committee on Interior and Insular Affairs, the Department pointed out that it has been criticized in the past for allowing the sale of individually owned Indian lands, "notwithstanding the fact that we ordinarily may act only upon the request of all of the owners and only when we think a sale would benefit the owners." The letter also called attention to (1) a moratorium on all sales of Indian land declared by the Department last year at the request of Senator Murray pending a Senate committee review of the problem and (2) a memorandum from Senator Murray to the committee, after this review, which reflected continued criticism of Indian land sales by the Department, characterizing them as "alarming" and "potentially disastrous."

"It should be clearly understood," the Department's letter to Senator Murray said, "that if your bill S. 51

is enacted and if the authority in the bill is used effectively, it will result in more land going out of Indian ownership."

The recommended amendments, the Department pointed out, will not only help keep the lands in Indian ownership but will also go a long way toward resolving what is known in Indian circles as the "heirship problem." This is a problem which has developed because many of the Indians who received individual allotments of land on reservations under Federal law--principally in the period from the 1880's to the 1920’s--have died and their interests have passed on to their heirs.

The Department estimates that more than half of the 60,000 allotted tracts, comprising some 13,000,000 acres, are now in multiple ownership and that 2,000 additional estates are being probated each year. In some cases the interests of individual owners have to be expressed by fractions with denominators in the millions. Rentals payable to the Indian owners sometimes amount to only a few pennies a year.

"The present system," the Department letter said, "works to the detriment both of the Indian owners and of the Government. All too often situations develop where the welfare of one or more of the Indian owners requires a sale of land, but a sale cannot be made under existing law because of the absence of one of the joint owners, the whereabouts of an owner is unknown, or one of the owners for no valid reason refuses to agree to a sale.

"There should be some way for each of the individual Indians to protect his own interests. Authority for the owners of a majority interest to sell or lease, with the approval of the Secretary, it seems eminently fair. In the case of non-Indians, anyone of the owners can compel a sale regardless of the wishes of the other owners. These ownership interests are individual property rights, and they should receive reasonable protection.

"It also seems to us obvious that the Federal Government, as trustee, should not be subjected to the exorbitant and extravagant expense of administration that is inherent in the present system, which requires an enormous amount of time to be spent in locating all of the numerous joint owners of a particular tract of land, in getting the concurrence of all of them to the proposed action, in keeping the complicated record system that is required to identify ownership and to distribute income from the land, and in maintaining accounts in which the income of each owner is recorded."