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Bill —  
Revised draft due  
next Tues.

JUN 25 1982

*Draft  
only*

Mr. Kenneth L. Smith  
Assistant Secretary for  
Indian Affairs  
Department of the Interior  
18th & C Streets, N.W.  
Washington, D.C. 20240

Dear Mr. Smith:

Per your request we are transmitting a proposed Housing Policy Statement requested by the White House Indian Working Group. As you note the statement reflects the Administration's concerns for involvement of the private sector, greater tribal flexibility and the economical use of scarce Federal resources.

Pat Arnaudo, Acting Director, Office of Indian Housing can work with Ms. Wagner of your staff for any follow-up work on this statement.

Sincerely,

*JEB*

James E. Baugh  
Acting Deputy Assistant Secretary  
for Public and Indian Housing

Enclosure

cc:

HGO Arnaudo 6230  
HD DeBartolomeis 9206  
HG Baugh/Sims 4100

HGO:ARNAUDO:dcj 6-25-82 X56522

JUN 25 1982

*Draft*

Proposed Presidential Housing Policy Statement

Tribal governments have the responsibility for determining their own housing needs; for managing public, private and tribal resources for construction or upgrading as well as management of housing; and for setting or adhering to local standards within minimal national guidelines. Housing cannot be separated from the tribe's economic and community development goals and therefore must entail the maximum involvement of the private sector. Housing construction and renovation requires capital outlays and therefore calls for tribal cooperation so that housing is developed in the most cost effective manner. In order to make best use of limited Federal dollars for Indian housing Indian families will be asked to contribute - based of course on their ability to pay.

I am asking the Cabinet Council on Human Resources, in conjunction with the Presidential Task Force on Tribal Development to undertake a number of tasks: first to review option papers prepared by the Interagency Indian Housing Study Task Force and the reports of the Presidential Commission on Housing; second to consult with Congressional Committees on the development of a new Indian housing delivery system, and third, to make recommendations regarding the most cost effective and appropriate way the Federal Government can be supportive of Indian housing.

DRAFT

DRAFT 6/25/82

ISSUE PAPER

(1) Establishment of a Presidential Commission on  
Development of American Indian Reservations  
*by Executive Order a Pres. Adv.*  
ISSUE: Should the President establish a Commission on Development of  
American Indian Reservation Economies?

BACKGROUND: This Administration has made a commitment to the principles of  
the government-to-government relationship, the Federal policy of  
self-determination and the Federal trust responsibility for  
American Indian tribal governments. Within this context, as well  
as the legal and historical background concerning American Indians,  
it is clear that tribal governments must play the primary role in  
the development of Indian communities and reservations.

In the past, there has been no systematic Federal effort to  
support tribes in exercising their governmental powers to  
stimulate and develop healthy reservation economies. Rather, past  
policies and practices have created an unhealthy dependence on  
public services and set up barriers to self-sufficiency.

The issue of coordination of Federal Indian programs and funding  
cannot be separated from the President's New Federalism initiative  
which proposes to turn back numerous programs and funding to the  
States and to reduce the Federal regulatory burden. This  
initiative, now at a formative stage, offers the Federal  
Government the opportunity to reduce the stifling Federal pre-  
sence in Indian affairs while strengthening its government-to-  
government ties and maintaining the Federal trust responsibility.

(A)

**DRAFT**

DISCUSS PROS: The economies on American Indian reservations are extremely

(1) Establishment of a Presidential Commission on the Development of American Indian Reservation Economies composed of representatives of tribal governments and the private sector would demonstrate this Administration's awareness of the seriousness of the economic situation on reservations and its commitment to finding solutions compatible with Indian values.

(2) The Watt Commission on Royalties on Federal and Indian Lands, with its focused mandate and limited time frame and budget set an example of efficient problem-solving. The nature of the economic problem, with roots in so many areas (private and public sectors)--Federal, State and tribal legislation, regulations emanating from several Federal agencies, etc.--requires a joint effort with high level Administration support if major changes are to be effected.

(3) Recent <sup>the</sup> Congressional hearings on Tribal Economic Development generated a great deal of creative thinking on the subject by Tribal Government leaders, Indian individuals and national Indian groups. Although Congressional interest waned, the testimony, backup papers and data are readily available and still pertinent (not yet dated).

*Options* \_\_\_\_\_ *w/p pro & cons*

CONS:

- (1) Creation of a Presidential Commission might seem to some as inefficient and perpetuating the growth of government.
- (2) Creation of a Presidential Commission might seem to be a way of sidestepping action by doing another "study."

*Move to  
see behind  
background.*

DISCUSSION: The economies on American Indian reservations are extremely depressed with reservation unemployment rates among the highest in the U.S.A. Leaders of the Indian community view the development of reservation economies as their number one priority. Without it, self-determination and the preservation of Indian culture are meaningless. Attempts by individual agencies, tribes and the Congress to come to grips with this problem have been fragmented and largely ineffective. Involvement of private industry has been a patchwork quilt of exploitation, misunderstanding and only infrequent success. What is needed is a comprehensive approach with insights from private industry as well as tribal government. If tribal governments have the primary responsibility for meeting the basic needs of the Indian communities on reservations, they must be allowed the chance to succeed. This means <sup>eliminating</sup> getting rid of legislative and regulatory constraints impeding the delivery of services and affording them tools similar to those available to State and local governments to fulfill their responsibilities.

RECOMMENDATION: The Working Group on Indian Policy recommends the establishment of a <sup>Presidential</sup> Commission on Development of American Indian Reservation Economies to advise the President concerning the conditions necessary to create a positive environment for the development and healthy growth of the economies on Indian reservations.

(A) Econ. Development on Indian Reservations offers a special challenge ~~due~~ due to the Trust status of the land which inhibits traditional investment procedures; due to legal questions ~~on~~ about ~~limited~~ types of contracts tribes can ~~enter~~ enter into; and numerous other regulatory hindrances. Tribal leaders, and ~~some~~ Administration officials ~~are~~ involved in Indian programs feel the problems are solvable, but a comprehensive ~~package~~ <sup>encompassing</sup> review by the private sector and Indian leaders is necessary.



CHARTER  
COMMISSION ON  
DEVELOPMENT OF AMERICAN INDIAN  
RESERVATION ECONOMIES

*Pres. Adv.*

1. The official designation of the Commission is the Commission on Development of American Indian Reservation Economies.
  
2. The purpose of the Commission is to advise the President what Federal actions are required to create a positive environment for the development and healthy growth of the economies on American Indian reservation lands. The underlying principles of this mission are the government-to-government relationship, the established Federal policy of self-determination and the Federal Trust responsibility. The Federal role must be in the direction of less involvement. To complete its mission, the Commission will at a minimum:
  - (a) Identify the obstacles to the creation of a positive economic environment.
  
  - (b) Examine legislation (existing and pending), regulations, and procedures which contain any of the obstacles identified and recommend changes or other remedial actions necessary to remove these obstacles.
  
  - (c) Examine the Federal-Tribal Government relationship to identify the proper role of each in creating this environment and make appropriate recommendations.
  
  - (d) Identify conditions which would create a positive climate for reservation economies and recommend ways to establish these conditions for Indian reservations.

(e) Recommend ways for the private sector, both Indian and non-Indian, to participate in the development and growth of reservation economies.

3. The Commission shall be composed of 7-10 members, who shall be appointed by the <sup>President</sup> Vice-President from recommendations made by the Cabinet Council Working Group on Indian Policy. The National Tribal Chairman's Association (NTCA), the National Congress of American Indians (NCAI) and the Council of Energy Resource Tribes (CERT) will coordinate recommendations from Tribal governments on tribal government representation to the Working Group. ~~The Vice-President will serve as Chairman of the Commission.~~

(- from the private sector and - from the Indian community)

*A corporate representative shall serve as Chairman of the Commission, and an Indian representative as co-Chairman.*

4. The Commission will be in existence not to exceed six months from the appointment of the last Commissioner.

5. The Commission will deliver its final report to the President, and will function independent of, but in cooperation with, the various Federal Agencies.

6. Staff support of the Commission is to be provided by the Federal agencies <sup>selected by</sup> ~~represented on~~ the Cabinet Council Working Group on Indian Policy.

(get nego. on staff & funds.)

7. The duties of the Commission are advisory in nature in accordance with this document.

8. The estimated operating cost of the Commission is \$ approx 650,000, including approximately 1.5 staff-years of support.

9. The Commission will meet approximately 15 times at the call of the ~~Vice-President~~ <sup>Chairman</sup>. All meetings of the Commission and all agenda must have prior approval of the ~~Vice-President~~ <sup>Chairman</sup>.

10. The Commission shall submit a final report to the President within <sup>6</sup> eight months after appointment of the last Commissioner, or no later than \_\_\_\_\_ 1983, whichever comes earlier, and shall terminate <sup>30 days</sup> ~~on that date~~ <sup>60</sup> ~~unless extended by the Vice-President.~~   
*from the date of submission of said report.*

11. ~~Creation of this Commission is by the authority of~~

12. Members of the Commission may receive compensation, travel and per diem expenses for each day such member is engaged in the work of the Commission. Travel and per diem reimbursement shall be up to a daily rate in accordance with the Federal Travel Regulations.

13. In carrying out its responsibilities, the Commission is authorized to:

(a) use the support services within the Bureau of Indian Affairs as appropriate in carrying out its functions.

(b) select an Executive Director and other required personnel in accordance with an established budget.

(c) conduct hearings (swearing in witnesses as appropriate), interviews, and reviews at field sites, or wherever deemed necessary to fulfill its duties.

(d) review Federal information with full access to all <sup>unclassified</sup> pertinent

(e) confer with Indian tribal government officials and members, private sector business officials and managers, and other parties dealing with matters pertaining to the Commission's mission.

14. <sup>Chairman</sup> The ~~Vice-President~~ or a Commissioner specifically designated by the <sup>Chairman</sup> ~~Vice-President~~ shall be the spokesperson for the Commission for contact with the Congress, public, media, and others.

15. All Commission meetings and activities will operate in accordance with the Federal Advisory Committee Act (5 U.S.C., Appendix I § 10).

\_\_\_\_\_  
President

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Filed

REMARKS OF SENATOR  
ASSISTANT SECRETARY FOR INDIAN AFFAIRS  
AT THE INDIAN ECONOMIC DEVELOPMENT SEMINAR  
DENVER, COLORADO  
MARCH 30, 1982

Good afternoon.

I am very pleased to be here at this meeting. It brings together tribal leaders, bankers, lawyers, business leaders, investment people and others interested in economic development on Indian reservations.

The American Indian National Bank is to be congratulated for planning and sponsoring this seminar -- and for bringing together these kinds of people to share ideas on how we can all join in developing the economies on Indian reservations.

I think the exchange of information and sharing of experience here will be most useful to all of us -- and to the Indian community as a whole.

It is easy today for Indian leaders -- or almost anyone -- to agonize over difficult times, talk about inflation and high interest rates and cut backs in Federal programs. Let me assure you that I share your concerns about these problems, which are legitimate concerns, and for which the Nation as a whole must earnestly search for solutions.

But, while certain governmental actions in the social arena might be called for, I am particularly impressed with what is happening at this seminar because it is positive and practical.

This seminar is aimed at getting something done for Indian tribes -- now -- and through the use of resources which are for the most part already available. As I talk about Indian Country, let me just describe the magnitude of the opportunity:

I am talking about more than 52 million acres of land with almost one million people.

The 52 million acres of land if put together would be larger than the land area of 40 different states and 93 countries.

The one million people are more than the population of 13 separate states and 46 countries.

We are graduating each year from our colleges and universities, more than 150 Scientists, Engineers, Business, Economics and other professionals which impact on present and future economic development skills and management ability.

These new changes are opportunities coming to our Indian people at the right time in the right way.

And as you know, Indian Country has vast resources: Timber, Oil, Gas, Coal and other minerals. Yet, we have not fully participated in the profits made from these resources.

A positive outlook leads to action. You need to think success to achieve success.

You have to dare to be great. You have to take some risks.

Being hopeful and positive, however, is an entirely different thing from being foolish.

So Indian tribes and tribal leaders must face reality. They have to look at the hard problems and the special difficulties of generating true economic development on reservations.

In the past, when government funding was abundant, some Indian tribes went for the quick fix. They put together proposals which didn't really deal with facts and reality, but they looked good as proposals and they brought in Federal money and projects or enterprises that quickly failed.

Those failures -- and most of us here could name a series of them -- brought jobs temporarily and money temporarily.

But they hurt Indian tribes and people. They hurt our reputation. They hurt our self image. They stole our credibility with potential investors and business partners.

Those days of easy, uncritical Federal funding are gone -- and I do not think we should regret it.

We can forget quick fixes and economic bandaids. We must work together to achieve real development.

The Bureau of Indian Affairs economic development efforts now will be aimed at helping tribes to develop projects and enterprises that will be profitable and self-sustaining and consequently beneficial over the long term.

As most of you know, we have requested \$10 million dollars in 1983 to use as seed money to help tribes attract private funding for economic development ventures on their reservations.

When you consider the scope of our concerns -- almost 290 tribes -- \$10 million is not a large amount. Through leverage, we intend to make it work like 40 or even \$100 million. But even this is not a large amount compared with the needs and the opportunities.

So, if Congress agrees, the Bureau will have some seed money available. But the tribes are going to have to do much more for themselves and through the private sector.

Our plan -- and our purpose -- is to help tribes in their efforts to develop profitable enterprises on their reservations.

What specific projects am I talking about? I don't know the answer to that as a government official, but you should. You have to think -- to plan -- to talk to each other -- and come up with some innovative ideas on how you can help your tribe and your tribal members to survive.

So, when we look at proposals from tribes asking for some of the \$10 million, we are going to apply tough criteria in selecting tribes for the funding. We will have a board of experts from the financial markets review applications and make recommendations to us. The size of the proposed venture or the size of the tribe will not be a real factor in our determinations. If it's a smoke shop or a saw mill, a herd of cattle or a factory, the basic concern will be profitability and long-term economic benefit to the tribe.

Now, what is our time schedule on our new economic development program? Draft regulations and other program detail will be developed by July 1, 1982. There will be two cycles because we know the competition will be keen.

Applicants in our first cycle will be required to have their proposals in by December 31, 1982. Award grants will be made by April 30.

The second cycle will end two months later and awards will be made by June 30.

At this time, I want to mention another new initiative in our Fiscal 1983 plans which I feel is just as important.

In addition to those monies already going directly to tribes, we are asking for \$5 million to assist small tribes to acquire and maintain core-management capability to improve their opportunity to operate tribal and Federal programs more effectively. To demonstrate a commitment participants must agree to (1) prepare a tribal management program with specific, measurable objectives, (2) staff the program with competent personnel on a merit basis, and (3) understand that non-performance is cause for cancellation of the grant.

We are estimating that the core management support will be provided initially to approximately 80 small tribes (population 400 to 1,500) under grants averaging \$47,500; and to 15 consortia of small tribes (population less than 400), average grant \$80,000.

There must be stability and continuous tribal direction so that long-term goals can be achieved. There must be strong leadership to initiate and maintain responsibility and accountability. I am committed to these efforts. I feel very strongly that you must -- must have a firm foundation to build upon.

These two initiatives are only a part of a total economic development strategy. We also feel we need some help in the legislative area, such as:

- Introduce and/or support Indian tax status act bill.
- Support the enterprise zone initiative.
- Support bills to permit joint ventures with non-Indians and for flexibility in handling trust resources.

## Economic Development Defined

~~the individual, his family and his community."~~

Kenneth Smith, Assistant Secretary for Indian Affairs, U.S. Department of the Interior: "In practice, economic development on an Indian reservation has sometimes meant the beginning of a predominantly government funded project which created jobs for tribal members. Such projects, when they are not profitable, and when the government funding dries up. They are not self-sustaining and effect no permanent change on the reservation. I do not consider this economic development."

True economic development must be self-sustaining. The number one priority is profitability. Seed monies from the government or other source may be needed in the beginning. Ultimately though the project will sustain itself because it is a profitable venture. The earnings from such a venture can be plowed back for expansion, and further development of the project or, eventually, may provide the seed money for a different economic development project.

On a reservation, or anywhere else, economic development does not mean spending money, it means

earning money. The side benefits of a profitable business are many: jobs, more money to be spent in the community where it is earned, and contributions to the stability of the local economy. Profit is the bottom line, the key element for economic development."



Petra T. Shattuck

# The Use and Abuse of the Miskito In

Indian human rights, long the unwanted stepchild of American politics, have overnight turned into the Reagan administration's much-courted Cinderella. Expressing concern over the forced relocation of at least 8,500 Miskito Indians in Nicaragua, U.N. Ambassador Jeane Kirkpatrick recently testified on Capitol Hill that the Sandinistas' Indian policy was the most massive violation of human rights in Central America today. Secretary of State Alexander Haig accused the Nicaraguan government of "atrocious genocidal actions" by showing photos of atrocities that, it was later discovered, were committed under the Somoza regime. President Reagan himself deplored the Miskito relocation in a major address.

From an administration that does not oppose legislation that would deny In-

dian tribes at home even the right to continue so far successful land claims litigation in federal courts, this newfound fondness for Indian human rights is surprising news. It is also at odds with the administration's discreet silence on the massive attack on human rights and the very existence of Indian peoples in Chile, Paraguay, Brazil and Guatemala. Presumably, Ambassador Kirkpatrick's astute distinction between rights violations committed by totalitarian powers and those of merely authoritarian regimes provides the explanation. It is a distinction of small comfort, however, to Indian peoples.

Equally disturbing is the news that the Nicaraguan government defends its systematic and brutal assault on the Miskitos on the ground that the Indians are being used as a fifth column for CIA covert operations against the

Sandinistas. The isolation of the north-east coast, it is argued, makes Miskito territory an inviting beachhead for counterrevolutionary American and Somoza attacks. Last this geopolitical defense for the forced relocation and the burning of Miskito villages impugn the revolutionary government's solicitude for human rights, the Nicaraguan government and its supporters hasten to add that the Indians are being moved at gunpoint for their own protection as well as that of the "Revolution."

Although the stark facts about the systematic destruction of Miskito economy and culture are not disputed, the current debate over the Indians' fate does not center on their right to stay on their land, to determine their own future, or to exist and survive as a distinct people. Instead the debate fo-

## ians

cases on whether the CIA is planning covert action, whether it is recruiting Indian mercenaries or whether the killing of 20 or 60 revolutionary soldiers justifies the massive Indian removal.

From a human rights perspective, that kind of question misses the point. It is a line of argument in which being a victim of CIA abuse and manipulation entitles the Miskitos to further and more drastic abuse by the Sandinistas. It is an argument that premises Miskito survival on the readiness of Washington to refrain from sacrificing them in a global power play. It is an unconscionable and cynical argument.

Behind their protestations of concern for the Indians' welfare, the actual policies of both the U.S. and the Nicaraguan governments show their fundamental disregard for the human rights of the Miskito people. An American

government, which decries Sandinista attacks on the Miskito, is at the same time using the Indians as pawns in keeping the world safe for democracy and free enterprise—knowing full well the retaliation and suffering their covert or overt action will inflict on the Indians. The Sandinistas, on the other hand, are using U.S. covert operations and military threats from Honduras as a pretext for a governmental policy of forced assimilation planned long before the current military problems arose. A just-released Sandinista report leaves no doubt that relocation is not a temporary emergency measure but a well-planned Indian resettlement policy, undertaken "for the development of the Atlantic coast" and for "improving and dignifying the living conditions of the Miskitos." To this end, each Indian family removed from its communally

owned and cultivated homeland will be given a 250-square-meter "familiar" piece of private property.

It is urgent that organizations committed to human rights intervene through negotiations and physical presence to prevent the destruction of yet another indigenous people. The Miskitos' right of self-determination must be respected. Genuine self-determination should assure the Sandinistas that the U.S. advances will be resisted just as stubbornly as have been those of other colonizers for centuries. International protection of the Miskitos from CIA subversion should also be a welcome relief to Kirkpatrick—if she is really worried about Indian human rights.

The writer is an associate professor at the John Jay College of Criminal Justice in New York.

## SUMMARY OF BIA EDUCATION MANAGEMENT SYSTEMS

### 1. Indian School Equalization Program Student Membership Guidelines -

In order for a weighted student formula to work, all schools must play by the same rules in counting students in the various programs for allotment purposes. Therefore, a comprehensive set of student membership guidelines have been developed that clarify eligibility criteria and service requirements related to counting students.

### 2. Student Attendance Registers and BIA Residential Attendance Forms -

In order to facilitate the certification and internal auditing of student membership reports, attendance record keeping systems have been developed for use by all teachers and dorms staff. The Student Attendance Registers for use by instructional staff establish a coding system for entries, reentries and withdrawals and provide space for recording both attendance and grades for forty weeks for six periods/subjects. BIA Residential Attendance Forms provide spaces for recording a school year's attendance four times a day on an individual card for each resident.

### 3. ISEP Student Membership Internal Auditing and Certification Guide -

Procedures, worksheets and report forms have been developed to guide central office, area and agency staff in determining for each count period the validity of school reports of student membership.

### 4. Program Cost Accounting for Elementary and Secondary Schools -

In accordance with the ISEP regulations to implement P.L. 95-561 a new accounting system has been developed that tracks dollars spent to the various program areas. For each fund source, coding definitions at the function, object and program levels are established which provide the procedures and the data base for generating program costs. This system will make the link between formula funding, local financial planning and the obligation process.

5. The Development of Local Educational Financial Plans -

In accordance with P.L. 95-561 Section 1129 and 25 CFR 31.h, each school supervisor and school board shall develop and adopt a comprehensive plan and budget for each fiscal year. For each BIA operated school this budget shall guide the schools Responsible Fiscal Agent (RFA) in the manner and purposes for which funds may be expended. The format for the financial plan is based on that established in the new program cost accounting system.

6. A Guide to Local School Financial Management -

A uniform system for coding all financial transactions for input and accounting analysis has been developed. All of the source documents relating to purchasing services and goods are described and their proper use is explained. Through the correct use of these forms BIA Financial Management will produce periodic financial reports for each school.

7. BIA Elementary and Secondary Internal Financial Auditing System -

Directions for use by BIA/OIEP internal auditors are established in order to assure understanding and uniform use of all financial planning and transaction guidelines. This auditing guide should also provide agency staff with assistance as they daily seek to provide proper conformity with the established financial procedures.

# DEPARTMENTAL MANUAL



# TRANSMITTAL SHEET

<b>PART</b> 130 DM 1, 2, 6, 7, 8, 9 and 10	<b>SUBJECT</b> Organization Bureau of Indian Affairs	<b>RELEASE NUMBER</b> <b>2288</b>
<b>FOR FURTHER INFORMATION, CONTACT</b> Bureau of Indian Affairs		<b>DATE</b> <b>AUG 19 1980</b>

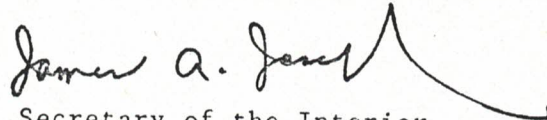
**EXPLANATION OF MATERIAL TRANSMITTED:**

This Departmental Manual Release revises 130 DM 1, 2, 6, 7, 8, 9, and 10 to reflect Bureau of Indian Affairs organizational changes as mandated by Title XI, Part B of the Education Amendments of 1978 (P.L. 95-561).

Significant changes are as follows:

1. The Office of Indian Education Programs shall be a line office reporting directly to the Assistant Secretary - Indian Affairs;
2. The Director, Office of Indian Education Programs is a line officer and provides executive direction in the management of Indian Education programs. The Commissioner of Indian Affairs has no line authority over the Bureau's Office of Indian Education Programs;
3. Bureau Area Directors and Bureau Agency Superintendents have no jurisdiction over Office of Indian Education Program functions;
4. Field level programs are legislatively designated as Area Education Offices and Agency Education Offices and each is legislatively mandated to report directly to the Director, Office of Indian Education Programs;
5. Area Education Offices have no jurisdiction over local schools or over Agency Education Offices and their functions;
6. Local schools report to Agency Education Offices;
7. A Management Information Systems Staff is created and reports to the Director, Office of Indian Education Programs;
8. The Commissioner of Indian Affairs provides administrative support services to the Director, Office of Indian Education Programs;
9. The Director, Office of Training and Technical Assistance also provides assistance to the Office of Indian Education Programs;

10. Boarding Schools no longer report to Bureau Area Directors, do not qualify as principal field offices, and are removed from the Bureau's listing of principal field offices.



Under Secretary of the Interior

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FILING INSTRUCTIONS:

Remove:

130 DM 1 (1 sheet)  
130 DM 2 (2 sheets)  
130 DM 2 Organization Chart (1 sheet)  
130 DM 6 (2 sheets)  
130 DM 7 (4 sheets)  
130 DM 8 (1 sheet)  
130 DM 9 (1 sheet)  
130 DM 10 (3 sheets)

Insert:

130 DM 1 (1 sheet)  
130 DM 2 (2 sheets)  
130 DM 2 Organization Chart (1 sheet)  
130 DM 6 (3 sheets)  
130 DM 7 (1 sheet)  
130 DM 8 (1 sheet)  
130 DM 9 (4 sheets)  
130 DM 10 (2 sheets)

**DRAFT**ISSUE PAPERISSUE:

Should the President establish a Presidential Advisory Commission on Development of American Indian Reservation Economies?

BACKGROUND:

This Administration has made a commitment to the principles of the government-to-government relationship, the Federal policy of self-determination and the Federal trust responsibility for American Indian tribal governments. Within this context, as well as the legal and historical background concerning American Indians, it is clear that tribal governments must play the primary role in the development of Indian communities and reservations.

In the past, there has been no systematic Federal effort to support tribes in exercising their governmental powers to stimulate and develop healthy reservation economies. Rather, past policies and practices have created an unhealthy dependence on public services and set up barriers to self-sufficiency.

The issue of coordination of Federal Indian programs and funding cannot be separated from the President's New Federalism initiative which proposes to turn back numerous programs and

funding to the States and to reduce the Federal regulatory burden. This initiative, now at a formative stage, offers the Federal Government the opportunity to reduce the stifling Federal presence in Indian affairs while strengthening its government-to-government ties and maintaining the Federal trust responsibility.

DISCUSSION:

The economies on American Indian reservations are extremely depressed with reservation unemployment rates among the highest in the country. Leaders of the Indian community view the development of reservation economies as their number one priority. This was clearly the consensus of tribal leaders in testimony at recent hearings held by the Senate Select Committee on Indian Affairs. Attempts by individual agencies, tribes and the Congress to come to grips with this problem have been fragmented and largely ineffective. Involvement of private industry has been a patchwork quilt of exploitation, misunderstanding and only infrequent success. Developing reservation economies offers a special challenge for many reasons: the trust status of the land inhibits normal investment procedures; legal barriers restrict the type of contracts tribes can enter into; numerous and complex regulations hinder economic growth.

A comprehensive approach is needed with insights from private industry as well as tribal government. If tribal governments have the primary responsibility for meeting the basic needs of the Indian communities on reservations, they must be allowed the chance to succeed. This means getting rid of legislative and regulatory constraints impeding the delivery of services, as well as affording tribal governments the tools similar to those available to State and local governments to fulfill their responsibilities. Tribal leaders and Administration officials involved with Indian programs feel the problems are solvable, but an encompassing review and an action plan by Indian leaders and the private sector is necessary.

### Options

There are five options, but only one shows promise for providing the encompassing review and action from both the public and private sectors, both Indian and non-Indian.

Option 1: Establish, by Executive Order, a Presidential Advisory Commission on Development of American Indian Reservation Economies.

Discussion: The Commission, made up of Indian and private sector representatives, would advise the President what Federal actions are required to create a positive environment



**DRAFT**

for the development and healthy growth of reservation economies, with the intent of less restrictive involvement by the Federal Government. The Commission would identify obstacles to economic growth; examine and recommend changes in legislation, regulations and procedures; examine and identify appropriate tribal and Federal roles; and recommend ways for the private sector, both Indian and non-Indian, to participate in the development of reservation economies. The Commission would be supported by the appropriate agencies on the Cabinet Council on Human Resources. (Charter Commission draft attached.)

Pros:

- (1) Establishment of a Presidential Commission on Development of American Indian Reservation Economies composed of representatives of tribal governments and the private sector would demonstrate this Administration's awareness of the seriousness of the economic situation on reservations and its commitment to finding solutions compatible with Indian values.
- (2) The Watt Commission on Royalties on Federal and Indian Lands, with its focused mandate and limited time frame and budget, set an example of efficient problem-solving within an area of concern which could be primarily addressed by the Department of the Interior.

However, the complex nature of building an enduring economic foundation and addressing problems with roots in so many public and private sector areas -- Federal, state and tribal legislation, regulations from several Federal agencies, etc. -- requires a Presidential level initiative with joint Federal effort among many agencies if major changes are to be effected.

- (3) Recent hearings on Tribal Economic Development held by the Senate Select Committee on Indian Affairs generated a great deal of creative thinking by tribal government leaders, Indian individuals and national Indian groups. Tribal testimony on the need for developing reservation economies was extremely persuasive. The testimony, backup papers and data are still pertinent, and could be made available to the Commission.

Cons:

- (1) Creation of a Presidential Commission might seem to some as inefficient and perpetuating the growth of government.
- (2) Creation of a Presidential Commission might seem to be a way of sidestepping action by doing another "study."

- (3) Technicalities involved in setting up and running a Presidential Commission could possibly adversely affect its timely and effective operation.

Option 2: Establish a Commission at the Secretarial level.

Pros/Cons:

There are no obvious pros. A Secretarial Commission, no matter how efficient, cannot effectively address intergovernmental problems.

Option 3: Establish an Interagency Task Force on Development of Reservation Economies or use the existing Working Group on Indian Policy.

Pros:

- (1) Interagency activities can be carried out without the technicalities involved in setting up a Commission.
- (2) Interagency action is a mechanism which is easily understood and widely used.
- (3) High level intergovernmental involvement can bring about intergovernmental change.

Cons:

- (1) An interagency mechanism has no provision for tribal or private sector involvement, a flaw so fatal that the purpose -- developing reservation economies -- is not likely to be achieved.
- (2) Interagency actions to date have not provided comprehensive, long range solutions.

Option 4: Use the President's Task Force on Private Sector Initiatives.

Discussion: The President's Task Force on Private Sector Initiatives is made up of 44 representatives from a cross-section of the private sector -- corporations, religious groups, unions, foundations, civic groups and many others. It began work on December 2, 1981 and will exist for one year. Its purpose is to encourage and share examples of successful private sector initiatives in meeting human needs and addressing community priorities. The Task Force works closely with the public sector in looking at the whole range of problems which communities face and in developing community partnerships. The Task Force has had three meetings to date; two additional meetings are planned before it expires. Its work is done through 10 action-oriented committees, made up of Task Force members, some of whom serve on more than one committee. These committees work with or through national organizations when possible. The Task Force has a \$100,000 budget. Its primary support is from private contributions. Task Force members are loaned by the groups they represent.

**DRAFT**

Pros:

- (1) Indian issues could be introduced to an existing Task Force which has extensive private sector involvement and which has already spurred action in numerous communities.

Cons:

- (1) Scope of Task Force mission is too sweeping and its membership too global to be able to focus on the complexities of developing Indian reservation economies.

Option 5: Encourage private sector involvement, Indian and non-Indian, on reservations.

Pro:

- (1) Strongly worded Presidential endorsement for private sector involvement, backed by tribal and intergovernmental support, would likely result in some development.

Con:

- (1) There is no mechanism for assuring any kind of coordination; results could only be fragmented and no lasting gains would be made except in isolated instances.

RECOMMENDATION:

The Working Group on Indian Policy recommends the establishment, by Executive Order, of a Commission on Development of American Indian Reservation Economies to advise the President on what Federal actions are required to create a positive environment for the development and growth of the economies on Indian reservations.

Further, the Working Group recommends that it continue its activities in order to achieve interagency cooperation and

coordination in support of the Commission's work and to continue to study and advise the Cabinet Council on Human Resources on major policy areas related to developing reservation economies, such as housing, health and education.

Further, to complement the work of the Commission, the Working Group recommends that encouragement be given to Indian tribes and individuals to participate in the activities sponsored by the President's Task Force on Private Sector Initiatives.

CHARTER  
COMMISSION ON  
DEVELOPMENT OF AMERICAN INDIAN  
RESERVATION ECONOMIES

**DRAFT**

1. The official designation of the Commission is the Presidential Advisory Commission on Development of American Indian Reservation Economies.
2. The purpose of the Commission is to advise the President what Federal actions are required to create a positive environment for the development and healthy growth of the economies on American Indian reservation lands. The underlying principles of this mission are the government-to-government relationship, the established Federal policy of self-determination and the Federal trust responsibility. The Federal role must be in the direction of less involvement. To complete its mission, the Commission will at a minimum:
  - (a) Identify the obstacles to the creation of a positive economic environment.
  - (b) Examine legislation (existing and pending), regulations, and procedures which contain any of the obstacles identified and recommend changes or other remedial actions necessary to remove these obstacles.
  - (c) Examine the Federal-Tribal Government relationship to identify the proper role of each in creating this environment and make appropriate recommendations.



(d) Identify conditions which would create a positive climate for reservation economies and recommend ways to establish these conditions for Indian reservations.

(e) Recommend ways for the private sector, both Indian and non-Indian, to participate in the development and growth of reservation economies.

3. The Commission shall be composed of 7-10 members ( \_\_\_\_\_ from the private sector and \_\_\_\_\_ from tribal governments), who shall be appointed by the President from recommendations made by the Cabinet Council Working Group on Indian Policy. The National Tribal Chairman's Association (NTCA), the National Congress of American Indians (NCAI) and the Council of Energy Resource Tribes (CERT) will coordinate recommendations to the Working Group from Tribal governments on tribal government representation. A non-Indian corporate representative and an Indian representative shall serve as co-chairmen of the Commission.

4. The Commission will be in existence not to exceed six months from the appointment of the last Commissioner.

5. The Commission will deliver its final report to the President, and will function independent of, but in cooperation with, the various Federal agencies.

6. Staff support of the Commission is to be provided by the Federal agencies selected by the Cabinet Council Working Group on Indian Policy.

7. The duties of the Commission are advisory in nature in accordance with this document.

8. The estimated operating cost of the Commission is approximately \$650,000, including approximately 1.5 staff-years of support.

9. The Commission will meet approximately 15 times at the call of the chairmen. All meetings of the Commission and all agenda must have prior approval of the chairmen.

10. The Commission shall submit a final report to the President within six months after appointment of the last Commissioner, or no later than \_\_\_\_\_ 1983, whichever comes earlier, and shall terminate 60 days after the final report is submitted unless extended by the President.

11. Creation of this Commission is by Executive Order of the President.

12. Members of the Commission may receive compensation, travel and per diem expenses for each day such member is engaged in the work of the Commission. Travel and per diem reimbursement shall be up to a daily rate in accordance with the Federal Travel Regulations.

13. In carrying out its responsibilities, the Commission is authorized to:

- (a) use the support services within the Bureau of Indian Affairs as appropriate in carrying out its functions.

(b) select an Executive Director and other required personnel in accordance with an established budget.

(c) conduct hearings (swearing in witnesses as appropriate), interviews, and reviews at field sites, or wherever deemed necessary to fulfill its duties.

(d) review Federal information with full access to all unclassified pertinent Federal files.

(e) confer with Indian tribal government officials and members, private sector business officials and managers, and other parties dealing with matters pertaining to the Commission's mission.

14. The co-chairmen or a Commissioner specifically designated by the co-chairmen shall be the official spokespersons for the Commission for contact with the Congress, public, media, and others.

15. All Commission meetings and activities will operate in accordance with the Federal Advisory Committee Act (5 U.S.C., Appendix I § 10).

\_\_\_\_\_  
President

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Date Filed