

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: Blackwell, Morton: Files
Folder Title: American Indian Leaders
Advisory Council (1 of 7)
Box: 31

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

ORIGINAL

Transcript of Proceedings

UNITED STATES DEPARTMENT OF THE INTERIOR

AMERICAN INDIAN LEADERS ADVISORY COUNCIL BRIEFING

Washington, D.C.

June 24, 1981

Acme Reporting Company

Official Reporters

1411 K Street, N.W.

Washington, D. C. 20005

(202) 628-4888

THE WHITE HOUSE AND THE DEPARTMENT OF INTERIOR

* * * * *

AMERICAN INDIAN LEADERS
ADVISORY COUNCIL BRIEFING

Old Executive Office Building
Room 474
Pennsylvania Avenue, N. W.
Washington, D. C.

Wednesday, June 24, 1981
2:00 p.m.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

- 1 AMERICAN INDIAN LEADERS ADVISORY COUNCIL:
- 2 PETER MACDONALD, Chairman
Navajo Tribal Council
3 Window Rock, Arizona
- 4 ED DRIVING HAWK, President
National Congress of American Indian
5 Mission, South Dakota
- 6 NED ANDERSEN, Chairman
Arizona Inter-Tribal Council
7 Sam Carlos, Arizona
- 8 JOHN SLOAT, Vice President
United Tribes of Western Oklahoma & Kansas
9 Shawnee, Oklahoma
- 10 NELSON ANGAPAK, Chairman
Alaska Federation of Natives
11 Anchorage, Alaska
- 12 JOHN HOPE
Alaska Federation of Natives
13 Anchorage, Alaska
- 14 FRANK TENORIO
All Indian Pueblo Council
15 Albuquerque, New Mexico
- 16 DALE RISLING, President
California Tribal Chairman's Association
17 Huopa, California
- 18 BUFFALO TIGER
Miccosukee Tribal Council
19 Miama, Florida
- 20 R. PERRY WHEELER, Deputy Principal Chief
Cherokee Nation
21 Tahaquah, Oklahoma
- 22 FRANK LAWRENCE, Chairman
Standing Rock Sioux Tribal Council
23 Fort Yates, North Dakota
- 24 CALEB ROANHORSE, Executive Assistant
Office of the Chairman
25 The Navajo Nation
Window Rock, Arizona

1 AMERICAN INDIAN LEADERS ADVISORY COUNCIL (Cont'd) :

2 ERNEST STEVENS, Executive Director
3 Division of Economic Development
4 The Navajo Nation
5 Window Rock, Arizona

6 RON WOOD, Executive Director
7 Division of Health Improvement Services
8 The Navajo Nation
9 Window Rock, ARizona

10 BOBBY GEORGE, Executive Director
11 Division of Social Welfare
12 The Javajo Nation
13 Window Rock, Arizona

14 OTHER GUESTS:

15 GEORGE VLASSIS, ESQUIRE
16 Phoenix, Arizona

17 JOE TRUJILLO, Aide to Senator Domenici
18 Washington, D. C.

19 JEFF BOOTHE, Aide to Senator Hatfield
20 Washington, D. C.

21 ELMER SAVILLA, Acting Director
22 National Tribal Chairman's Association
23 Washington, D. C.

24 RON ANDRADE, Director
25 National Congress of American Indians
Washington, D. C.

DALLAS MERRILL

FEDERAL EMPLOYEES:

MORTON BLACKWELL (Chairman)
Special Assistant to the President
for Public Liaison

KENNETH SMITH
Assistant Secretary for Indian Affairs
Department of Interior

1 FEDERAL EMPLOYEES (Cont'd):

2 JAMES DE FRANCIS
3 Deputy Assistant Secretary for External Affairs
4 Department of Energy

4 ALAN PARKER
5 Director of Indian Affairs
6 Department of Energy

6 A. DAVID LESTER
7 Commissioner, Administration for Native Americans
8 Department of Health and Human Services

8 PETE HOMER
9 Acting Director, Office of Indian and Native American
10 Programs, Department of Labor

10 LOUIS McGUINNESS
11 Acting Director, Indian Education Programs,
12 Office of Elementary and Secondary Education
13 Department of Education

12 BOB CARLESON
13 Special Assistant to the President
14 for Policy Development

14 EMERY A. JOHNSON
15 Director, Indian Health Service
16 Public Health Service/Department of Health
17 and Human Services

17 BILL GRISBY
18 Deputy Assistant Secretary for Public Housing
19 and Indian Programs - Designate, Department
20 of Housing and Urban Development

19 DON CRABILL
20 Deputy Associate Director, Natural Resources Division
21 Office of Management and Budget

21 JOHN McCLAUGHRY
22 Senior Policy Advisor
23 White House Office of Policy Development

23 KATHRYN HARRIS TIJERINA
24 Indian Affairs Office
25 Department of Energy

1 FEDERAL EMPLOYEES (Cont'd):

2 EDWARD SIMERMEYER
3 Team Leader for Region 2
4 Office of Indian Education
5 Department of Education

6 JOSEPH EXENDINE
7 Deputy Director, Indian Health Service
8 Public Health Service/Department of Health
9 and Human Services

10 RALPH REESER
11 Congressional and Legislative Affairs Officer,
12 Bureau of Indian Affairs, Department of Interior

13 CARL SHAW
14 Public Affairs Officer, Office of Assistant
15 Secretary for Indian Affairs,
16 Department of Interior

17 JIM YOUNG
18 Administration for Native Americans
19 Department of Health and Human Services
20
21
22
23
24
25

I N D E X

	<u>PRESENTATIONS BY:</u>	<u>PAGE</u>
1		
2		
3	KENNETH SMITH	
4	Department of the Interior	9, 55
5	JAMES DE FRANCIS	
6	Department of Energy	14
7	ALAN PARKER	
8	Department of energy	18
9	A. DAVID LESTER	
10	Department of Health and Human Services	28
11	PETER HOMER	
12	Department of Labor	20
13	LOUIS McGUINNESS	
14	Department of Education	59
15	BOB CARLESON	
16	The White House	66
17	EMERY A. JOHNSON	
18	Department of Health and Human Services	92
19	BILL GRISBY	
20	Department of Housing and Urban Development	111
21	DON CRABILL	
22	Office of Management and Budget	117
23	JOHN McCLAUGHRY	
24	The White House	122
25		

P R O C E E D I N G S

1
2 CHAIRMAN BLACKWELL: If I could have your attention,
3 please, first let me on behalf of the President, on behalf
4 of Mrs. Dole who is the Head of the Office of Public Liaison,
5 welcome you to the White House complex--delighted that you
6 could all come.

7 I'm sure everyone knows the nature of the meeting.
8 This is a briefing on the status of Administration policy
9 with a view towards getting input from Indian leadership that
10 was requested by Chairman Peter MacDonald of the American
11 Indian Leaders Advisory Council, and I am delighted that
12 virtually everybody who we invited has been able to come here,
13 and I am looking forward to a very productive and educational
14 afternoon for myself, and I trust for most of us here in the
15 room.

16 This is a first meeting, by no means a last meeting.
17 We are hoping that this meeting will lead to increased
18 communications between Indian leadership and the Reagan
19 Administration, and we want to encourage other Indian leaders
20 to request briefings.

21 We have a couple of other pending requests that we
22 are working on, and so we are going to have meetings in
23 various different locations and various different fora about
24 the issues that we discuss here and other issues that are of
25 interest to Indian leaders.

1 I should mention that I think most of you are aware
2 that this room is referred to as the Treaty Room or the
3 Indian Treaty Room. We don't have very many meeting rooms
4 in the complex and this is one of the nicest of them. The
5 acoustics are not particularly good, but I think it is a very
6 attractive meeting room, and I hope that you all enjoy it as
7 much as I do.

8 So far as we know, there were never any Indian
9 treaties signed in the Indian Treaty Room, but that is what
10 it was called, but it wasn't chosen for that purpose. It
11 was chosen because it happens to be the room that is most
12 suitable I think for this kind of meeting which will be
13 productive of a give and take operation, and it has a nice
14 table and so forth.

15 The court stenographer here who is taking this down
16 has requested that those of you who are seated at the table
17 would please turn your placecards around so that when you ask
18 a question she won't have to stop and ask what your name is.
19 She will just be able to take it down in the ordinary course
20 of events.

21 We have provided you with a schedule. We are going
22 to try to adhere pretty closely to this schedule. There will
23 be a break shortly after four o'clock at which time if the
24 arrangements we set into motion are put into effect we will
25 in fact have some refreshments brought in.

1 We are going to try to keep the presentations from
2 the scheduled speakers to a total in each hour of one half
3 hour which will allow approximately half an hour for questions
4 and answers and comments and exchanges of information from
5 the members and guests of the American Indian Leaders Advisory
6 Council.

7 Our first discussion for the first hour is on the
8 topic of resource development, and to open it up I am pleased
9 to present to you a man whom I believe you have all met before
10 and I'm sure you all know a lot of, and I have certainly
11 enjoyed working with him these last couple of months, and am
12 looking forward to continuing that, that is our Assistant
13 Secretary of the Interior for Indian Affairs, Ken Smith, who
14 will start us off. Ken, would you come and open up our
15 substantive discussion? Thank you very much.

16 MR. SMITH: Thank you, Martin. First of all, it
17 is a pleasure to be here and for once I am on the other side
18 of the fence here I guess.

19 As you said, Martin, you said something about there
20 has never been an Indian treaty signed in this room. Well, I
21 just happen to have a draft of an Indian treaty here that
22 we were supposed to negotiate. We'll make it the first!

23 I came to this meeting assuming that we would have
24 a dialogue, talking about these four important issues, and I
25 didn't come here to preach to you or give you a lecture because

1 most of you probably know more about resource development
2 than I do, so I guess I am coming here mostly to listen to you.
3 Since this is the first time I am coming into a public office,
4 working for the government, for the President, I would want
5 to listen to you for your ideas, your thoughts, about resource
6 development, and I think we all know that resource development
7 is a key area in Indian country. Basically it is a key to
8 self-sufficiency and self-determination if we are ever going
9 to reach there.

10 I know we have got a lot of valuable resources in
11 Indian country--the timber resource which is something that
12 I know quite a bit about because this is where I come from.
13 This is our major resource was timber.

14 We have got the energy and minerals. We have got
15 the water which is the biggy. It is going to be bigger all
16 the time. We have got agriculture, fishing, wildlife, and
17 I think that is going to be the key. I have always felt
18 several years ago that we were spending our money in the
19 wrong areas. We had EEA out there building resorts, nothing
20 but resorts, which isn't too bad of an investment if you have
21 got loads of money.

22 What else did you have? Community centers, museums,
23 industrial parks, and I always felt why couldn't we build
24 sawmills where there was a timber reservation? Why couldn't
25 we build some of these other things? Why couldn't we develop

1 the minerals? Why couldn't they be developed, coal and this
2 type of thing, and I think we were always on the wrong track.
3 We were trying to induce industry to come on our reservations
4 which we know that is very difficult to do nowadays, and I
5 really felt that we were going down the wrong road and
6 hopefully we will be able to turn that around and I know the
7 reservations, the ones that do have a resource, I think we
8 have got to help that tribe and support the tribe in develop-
9 ing that resource.

10 I know it has been very valuable for us in Warm
11 Springs. We built our own sawmill there. It is our major
12 revenue. We have increased our employment. We have increased
13 our revenue. We are more or less selling the finished
14 product, and I just can't see why tribes with timber resources
15 are letting that timber roll off their reservation and selling
16 their logs to some outsider that is running the sawmill. I
17 just can't see that happening in Indian country, and I just
18 sure hope we can turn that type of thing around.

19 As you know, we have got some budget cuts that we
20 had in 1981, and if we don't get the inflation and the economy
21 turned around, I'm sure we are going to see some budget cuts
22 in 1983. I should have said '82 I guess is where we took
23 some budget cuts.

24 We came out pretty well. We only came out with
25 about a 7 percent cut in the Bureau of Indian Affairs, but

1 some of the other departments didn't fare very well, and this
2 was the first time I found out that only a third of the money
3 that flowed into Indian reservations from the government, a
4 third of it came from the Bureau, and two thirds of it came
5 from other departments, and that was a surprise to me. I
6 didn't realize that before, but if anything goes wrong out in
7 the Indian country, I think all the fingers point to BIA,
8 so now as I am directing that I feel very well responsible
9 for that, and I hope I can coordinate that whole program in
10 some way or another or hopefully the Administration will
11 come up with a process where we can better coordinate our
12 programs.

13 Just looking at our total budget, we don't spent a
14 lot of money for resource development in the BIA budget. I
15 notice we only have \$149 million out of a budget of \$979 million.
16 We only spent about 15.2 percent, and to me we have either
17 got to change that around or increase it, or do something with
18 it, or make that 149 million dollars grow into a billion
19 dollars out in Indian country.

20 I know one of my new initiatives that we are going
21 to start off with is economic development in the Interior
22 Bureau of Indian Affairs. What we are hoping to do, for
23 instance, hopefully in '83 we will be able to come up with
24 some money that we could utilize in developing the resources on
25 reservations. We are hopefully going to accelerate the

1 inventory taking in Indian country, accelerate the development
2 of those energy resources and those mineral resources on Indian
3 reservations, and also look into developing the entrepreneurship.
4 I think that is something that we haven't really touched.
5 We have always worked with governments and tried to develop
6 project by project. You know what happens when government
7 runs an enterprise. Sometimes we are not successful, and I
8 think we have got to look on the other side of the fence and
9 say you have got probably a lot of young, energetic people
10 out there, business people that really want to move, and I
11 think we have got to develop the program for those types of
12 people because I think they are the ones that are going to
13 make our reservations with our help and with the local
14 government's help, so I think I don't have too much more to
15 say other than I am happy to be on board, and I'm sure that
16 the key, tome the key to economic and resource development in
17 Indian country is going to be tribal government.

18 Hopefully we can work with tribal government. We
19 can assist you, support you, encourage you to meet your
20 objectives in these particular areas, and I know our
21 dollars are going to be short, but some way or another we have
22 got to tap the private sector I think, and to be able to come
23 up with the dollars we need and the capital we need to make
24 this whole thing come together.

25 Like I said before when I started here, that

1 hopefully this will be a dialogue and hopefully--I came here
2 to listen to you since I am going to be developing policy,
3 developing my budget or our budget in the Bureau of Indian
4 Affairs, that I want to listen to you because we, as I said
5 before, the dollars are shrinking, and we have got to set
6 some priorities.

7 I am looking at our budget maybe going down again,
8 so what do I delete? That's a good question, and that's a big
9 problem, and I think I have got to listen to your comments.
10 I would love to carry on this dialogue and hopefully this
11 isn't the only meeting or the last meeting, that hopefully
12 we will have additional meetings, be able to pursue our
13 objectives here.

14 That's all I have.

15 CHAIRMAN BLACKWELL: Thank you very much, Ken. In
16 the materials which we gave you there is biographical
17 information on each of our speakers, but because we have a
18 large number of speakers and limited amount of time, I am
19 just going to introduce them by their current title and you
20 can look in the little pamphlet as to what their backgrounds
21 are such as we have.

22 Our next speaker is from the Department of Energy,
23 Deputy Assistant Secretary for External Affairs, James
24 DeFrancis. Jim?

25 MR. DEFRANCIS: Thanks, Morton, very much. I

1 appreciate the opportunity to be here and have a chance to
2 meet all of you and talk to you.

3 Very briefly, I will ask Alan Parker, who heads
4 our Indian Affairs Branch, to also deal with much more detail
5 than I do. He knows all the information that I don't.

6 I don't know if this means cocktail hour now or
7 I should stop. I've put audiences to sleep. When they turn
8 the lights out, that's a new low!

9 CHAIRMAN BLACKWELL: Now bring out the treaty!

10 MR. DEFRANCIS: I have only been here at the Energy
11 Department for one month, and I appreciate Ken's offer to
12 allow the finger of blame to be pointed at him. I think that
13 works out as a fine arrangement for us, and I will follow up
14 on that as soon as we get back to the office!

15 At the Energy Department we are going through a
16 series of reorganizations at this very moment. We have
17 announced substantial cutback in the budget of the Energy
18 Department and in our staff. I want to tell you how that
19 affects the subject we are dealing with today.

20 The Indiana Affairs Branch has always been a part
21 of intergovernment affairs, and in the past that office
22 reported directly to the Secretary. Now it reports to the
23 Assistant Secretary for Congressional and Public Affairs and
24 Intergovernmental Affairs.

25 That is an advantage, not a disadvantage. In the

1 prior Administration the Director of Intergovernmental Affairs
2 reported directly to the Secretary along with 73 other people
3 which meant he never reported to the Secretary. I think we
4 have a much better avenue of approach at this time, and I
5 think we are much closer to the Secretary than that has been
6 in the past.

7 We are having, as I said, a substantial cutback in
8 the number of people, but I can tell you that the Indian
9 Office within the Department of Energy is always going to
10 remain and will remain there under this Administration and
11 continue the same functions essentially that it has in the
12 past. I think to my knowledge, from my brief experience here
13 has been a good working relationship with Alan and with
14 Kathryn Tijerina who is also here with us today, and I think
15 that is going to be a continuing relationship I hope on our
16 part.

17 Alan is going to get into some funding situations
18 that we have, some budget figures, into our main functions
19 with you which are policy and liaison and coordination. I
20 just want to briefly touch on what the policy of this
21 Administration is on energy.

22 The policy of this Administration is very clear. In
23 one word, it is the production of energy. There are 10,000
24 employees and 110,000 consultants with the Energy Department,
25 and in four years we didn't produce one barrel of oil or one

1 kilowatt of electricity or one bit of nuclear fuel.

2 The policy of this Administration is production of
3 energy. To make us truly energy independent, we intend to do
4 that through the conservation programs that are now in place.
5 We, however, think a more important segment of our production
6 policy is producing energy through a free market economy.
7 We have demonstrated that by the deregulation of oil and we
8 have had a dramatic increase in the drilling in this country,
9 this and the soon to be announced policy on the deregulation
10 of gas as well.

11 We always have done and are continuing to lessen
12 the economic regulatory burden on energy producers in this
13 country with some recent announcements allowing conversion to
14 gas and oil for industrial facilities, and our fourth element
15 is a sensible choice for consumers on energy consumption.
16 Again, it is back to the free market economy. We think the
17 free market economy is going to determine production, is going
18 to determine conservation in this country.

19 This is all a greater part of President Reagan's
20 economic program, to lessen inflationary pressure, to
21 increase economic production of and create jobs, and we think
22 energy is a vital part of that presidential program.

23 Specifically in the area of Indian affairs, the
24 Department of Energy, as is President Reagan, is committed
25 that tribal governments have the right to determine the extent

1 and methods of developing tribal natural resources. That is
2 the policy of this Administration, and that is the policy of
3 Secretary Edwards, and we mean to carry that out.

4 As a policy, as you can see, that applies to all
5 energy producers in this country. We always, being well
6 aware of the trust responsibilities, are interested in the
7 protection of the resources from alienation and exploitation
8 from the outside. We are interested in helping you produce
9 energy in the best method that we can.

10 I would like to have Alan Parker who you all know
11 talk to you very briefly about some things that Alan, specific
12 things that Alan can handle better than I do.

13 Thank you.

14 MR. PARKER: I will just take a few minutes. As
15 Jim and I conferred before we started, I think I said I will
16 stand ready to fill in the holes and he didn't leave very
17 many holes at all, so about the only thing I would emphasize
18 is that when you have an energy policy issue that you need
19 information on, that you want to have input to the Adminis-
20 tration on, that is what our office is for in the Department
21 of Energy.

22 It is a policy advisory, it is a policy development,
23 it is a policy formulation office, and by that obviously we
24 mean legislation that deals with energy issues that affect
25 tribes, that impact on tribal energy base or that are concerned

1 with things that the tribes or your tribe is concerned with.

2 The other main function that this office serves,
3 the Indian Affairs Office in DOE, is what we call liaison.
4 Basically that means if you want to know who is doing what
5 to who in DOE or you want to try to figure out does DOE have
6 something that you need to know about, that you need more
7 information on, we are the office that you should be calling,
8 and we will be trying to help you. We have served in that
9 role and I think it is an important role.

10 Secretary Edwards has met with the Executive
11 Committee, with the Council of Energy Resource Tribes, shortly
12 after he was confirmed, and at that time public assurances
13 were given that have subsequently been affirmed that the
14 Administration and the Department will be investigating and
15 making every effort to find ways of continuing assistance
16 through the regular program elements as opposed to having
17 money channeled through an Indian Affairs Office, and I think
18 we just have to see what the future brings in terms of
19 Congress' action on the budget, and as those things develop
20 in the fall and in this coming winter.

21 The only other thing I would mention is that the
22 Indian Affairs Office in the Department of Energy I think has
23 played a very vital role in terms of providing assistance for
24 the Council of Energy Resource Tribes over the past three years.
25 That assistance is continuing in this fiscal year, and I

1 think that through that assistance, the Energy Resource
2 Council of the Energy Resource Tribes has developed into a
3 very effective advocate and very effective organization to
4 assist tribes on a project-by-project basis and in more
5 generic forms of technical assistance and research.

6 Thank you.

7 CHAIRMAN BLACKWELL: Our final speaker on the topic
8 of resource development will be Peter Homer who is Acting
9 Director, Office of Indian and Native American Programs at
10 the Department of Labor.

11 Well, Pete, you come along. I have introduced you.
12 Come right along. I missed David Lester. We will go back
13 afterwards. I hope you all weren't planning on doing Parts I
14 and II of your same presentation. Otherwise I'm in trouble
15 right now.

16 MR. HOMER: Very good. It is a pleasure to be here
17 today, and I am very happy to see that we finally have a
18 connection in the White House to deal with tribal chairmen
19 and Indian organizations.

20 Also I am glad that we have so many of the top
21 Indian leaders here to be a part of the new Administration's
22 decisions on some of the budgets that are coming down the line.

23 I am here representing the Department of Labor's
24 Office of Indian and Native American Programs which administers
25 comprehensive employment training and CETA programs for 139

1 native American grantees. These grantees serve native
2 Americans in the Continental United States, Alaska, and Hawaii.
3 In almost all cases, the grantees are reservations tribal
4 governments or other native American organizations.

5 These grantees survey our labor market needs and
6 plan for their programs. The plans usually entail a year, but
7 the money can be used or spread over a two-year period. The
8 primary goal of those plans are to create unsubsidized employ-
9 ment on or near Indian reservations. Tribes take that a step
10 further and they are involved in economic development and
11 CETA funds have become involved in hundreds of enterprises
12 that create jobs.

13 In addition, on the job training programs and
14 vocational classroom training and work experience and support-
15 ive services, our reservations are very, very involved. CETA
16 has been used to train people in all aspects of tribal
17 government and increasingly the growing native American private
18 sector.

19 Because of their unique economic problems and their
20 special relationships with the federal government, Indians
21 and other native Americans are served under CETA through a
22 separate network of employment and training programs
23 administered by the Office of National Programs of which the
24 Office of Indian and Native American Programs is a component.
25 Most similar in most respects to the comprehensive programs

1 conducted by state and local governments that serve as CETA
2 prime sponsors, these particular programs are conducted
3 through formal grants made directly to tribal governments and
4 other organizations or entities that are controlled and
5 managed by native Americans.

6 This approach reflects the concept of self-
7 determination for native American people and is also intended
8 to help them preserve the integrity of their culture. These
9 programs differ from state and local CETA programs in that
10 they are administered by the National Office of the Department
11 of Labor through direct grants with federally-recognized
12 tribes and other Indian and Native American organizations.

13 Of the 193 native American grantees, 133 are
14 federally-recognized tribes which receive Title 2(d)(3),
15 Title 4, Title 6, summer youth, and Title 7 TSIP, Tribal
16 Sector Initiatives Program; 60 grantees are urban Indian
17 organizations which receive Title 3, Section 302 funds.

18 Today I want to discuss three areas--first, an
19 overview of the budget for 1981 which will include the budget
20 cuts; secondly, the 1982 budget; and finally, the Department
21 of Labor's unofficial plan for reauthorization of manpower
22 training programs for 1983.

23 First, I would like to go back in history and tell
24 you a little bit about the funding in prior years before 1980.
25 Over the past four years, funding levels for these programs

1 have increased dramatically. In 1976, the funding level
2 was 19 million as compared to 1980 level of 177 million. The
3 funding level for the three-year period of 1974 through 1976
4 was 162 million as compared to 744 million for the following
5 four years.

6 The approval in 1977 of the economic stimulus
7 appropriation which included funding for the Administration's
8 jobs program gave a substantial boost to reservation economic
9 development. Under the two-year stimulus program, 31 million
10 was channeled to reservation-based CETA programs. The
11 native American economic stimulus mandate linkages created
12 linkages with on-going economic development and community
13 development efforts.

14 The Office of Indian and Native American Programs
15 decided the application process should be a competitive type
16 process rather than the format that we use or the formula of
17 allocating funds that we use for a regular allocation program.
18 This allowed for targeting projects on the merit of good
19 projects. Panels from numerous federal agencies were set up
20 to deal and rate and review proposals. This stimulus program
21 also resulted in a greater federal agency cooperation with
22 the Department of Labor coordinating its own activities with
23 those agencies from the Bureau of Indian Affairs, the
24 Administration for Native Americans, the Indian Health Service,
25 the Department of Agriculture, Small Business Administration,

1 EDA. the Native American Private Sector Initiative Program
2 authorized under the 1978 CETA amendment was build upon the
3 knowledge and experience gained through the economic program.

4 I will get into the private sector initiative
5 programs a little later. The budget for 1981 was a budget
6 that started out at a level of 192 million. We initially
7 had in October 1 of 1980--'81, excuse me--81 million in Title
8 3; 45.6 million in Title 2(d); 27.9 million in Title 6, PSE;
9 17.5 million in the youth programs, YCCIP and YETP; 13.9
10 million in the summer youth programs; and 6.6 million in the
11 Title 7 private sector initiatives program.

12 Shortly after October 1, the Title 6 PSE program
13 was cut from 27.9 million to 17.9 million. Shortly after
14 January 19th, the Title 2(d) program was cut from 45.6 million
15 to 28.4 million. Title 6 PSE was then cut from 27.9 million
16 to 17.9 million. The youth programs, YCCIP, stayed in tact.
17 The summer youth stayed in tact with 17.5 million. Summer
18 youth stayed in tact with 19.9 million, and Title 7 stayed in
19 tact with 6.6 million.

20 In April of '81, Title 6 PSE was cut and an additional
21 4.7 million from 17.9 million to 13.2 million. The total cut
22 was somewhere around 31.9 million.

23 Right now we end up with 160.6 million for Indian
24 tribes and Indian organizations. I would like to go into
25 FY '82. The budget for FY '82, we will have 81.6 million in

1 Title 3, our core program, Section 302. We will be phased
2 out of Title 2(d), PSE. We will be phased out of Title 6,
3 PSE. We will be phased out of Title 4, YCCIP and YETP. We
4 will will have summer youth funded at a level of 13.9. We
5 will have Title 7 at 6.6 million.

6 I would like to say one of the positive things
7 that we are doing right now is transitioning, and we have
8 funded 42 projects for Indian tribes with Title 7 funds. The
9 cuts that the tribes have taken under PSE have given us the
10 opportunity to transition something like 4100 people into
11 jobs on special projects under the Private Sector Initiatives
12 Program.

13 A little bit about the reauthorization of '83 which
14 we have been in the Department of Labor talking about. A
15 lot of things that are unofficial, but I want to, and I think
16 it is very important that we let you know what the dialogue
17 and the strategy internally is going to be--the long-range
18 goal of this program and, of course, this is the reauthorization
19 of manpower program, the long-rnage goal of this program is
20 to increase the economic well-being of native Americans,
21 including native Hawaiians, by direct placement into jobs
22 by providing unemployed, underemployed, economically dis-
23 advantaged, and low-income members of those tribes with job
24 training, retraining, and related services designated to
25 lead to permanent, unsubsidized employment--cost-effective

1 on-the-job training, classroom training, vocational work
2 experience, and other services.

3 These will be major tools that are used to accomplish
4 this mission. Additionally, a major objective will be to
5 assist in the economic development of Indian reservations,
6 native Alaskan villages and Oklahoma tribes in line with the
7 mandate of Public Law 93-638, the Indian Self-Determination
8 and Education Act of 1973.

9 The new policy of the new initiative will be,
10 because of their unique economic problems and their special
11 relationships with the federal government, native Americans
12 will be served through a separate network of employment and
13 training programs. A block grant system will be utilized.
14 Eligible grants will be federally and state-recognized tribes
15 and native American communities and Alaska native corporations.
16 The minimum grant of 200,000 will be used. Applicants falling
17 below this level may enter into consortiums or tribal
18 governments to receive a block grant.

19 This method will reduce the number of Office of
20 Indian and Native American Programs grantees from a current
21 level of 195 to about 125. Additionally, this system will
22 enable the already staff to provide more direct technical
23 assistance and monitoring.

24 Grantees will only be allowed to spend up to 20
25 percent of their grants for public service employment, provided

1 these jobs are linked to eventual unsubsidized jobs in the
2 private sector.

3 With the strong effort and employment and training
4 funds to economic development, projects such as PSE will soon
5 be unnecessary. It is anticipated that grantees will use
6 more and more of their funds for Title 7 private sector
7 initiative projects, a trend that has already begun.

8 The Indian block grant system will fit in excellently
9 with the Administration's goal of creating permanent, un-
10 subsidized jobs by strengthening local markets. Indian tribes
11 are becoming much more adapting, using integrated planning
12 processes to maximize the federal assistance that is being
13 provided to them.

14 The employment and training block grant funds will
15 become even more important in this system as reservations
16 begin to more fully develop their natural resources.

17 This private and tribal enterprise development trend
18 will dramatically change the present array of participant
19 figures with more and more tribal enterprises, tribal and
20 corporate joint ventures, and other economic development
21 efforts being initiated. On-the-job training, classroom
22 training and activities will greatly increase. Total
23 participants for 1983 should be about 87,000, reflecting the
24 cost savings achieved through reducing PSE and work experience
25 expenditures.

1 The projected 1983 figure for classroom training
2 should increase from 17,420 to 30,000, and on-the-job training
3 from 6,730 to 15,000.

4 Concurrently, work experience participants will be
5 reduced from 43,950 to about 32,000. Due to this strong
6 dramatic response tying Indian employment and training efforts
7 to economic development, permanent, unsubsidized placement on
8 or near reservations will increase from 17,130 to about 25,000.
9 We have a budget that contemplates the Title 3, Section 302
10 summer youth fund and the Title 7 funds together. We have
11 used the 1982 figures for funding level. We increased that
12 by 8 percent because of the inflationary percent that goes
13 along with that.

14 We come up with a budget for the reauthorization
15 year of 110 million, 870 thousand.

16 MR. MACDONALD: A hundred and ten million?

17 MR. HOMER: A hundred and ten million, 800 thousand.

18 CHAIRMAN BLACKWELL: Our final speaker on this topic
19 will be the Commissioner of the Administration for Native
20 Americans of the Department of HHS, Dave Lester. Dave?

21 MR. LESTER: I notice, I was noticing that one of
22 you was kind of starting to nod off, and I thought I would
23 have everybody stand up and stretch. The last time somebody
24 did that, all the tribal chairmen got up and left, so I'm
25 afraid to do that.

1 It is a pleasure to be with you this afternoon.
2 I think most of you are familiar with the Administration for
3 Native Americans, our programs, but I would like to provide
4 a perspective as to our view of how we fit into the family
5 of federal programs that are addressing a number of problems
6 that you face at the local level, and certainly the problems
7 that are experienced by tribal members.

8 As you know, the number one priority or the mission
9 for ANA is the economic and social self-sufficiency for Indian
10 tribes, and their members. We have talked a little bit about
11 the development of the economic potential. Our purpose or
12 our direction as an agency is to work with the tribes in
13 establishing stable, diversified local economies.

14 Development of Indian resources is nothing new. In
15 fact, all the resources developed in this continent are
16 examples of past efforts of Indian resource development. My
17 tribe and member tribes of eastern Oklahoma were energy
18 resource tribes before there was a CERT. My tribe no longer
19 is an energy resource tribe, unfortunately, because of past
20 approaches to development that developed the resource but
21 forgot about developing the people and the tribe and the
22 institutions needed to establish stable, diversified economies
23 after the exploitable resource has been extracted, and that
24 is our concern now, that we move toward a more long-term,
25 perhaps a more enlightened approach that not only addresses

1 the energy needs or the timber needs or the other needs of
2 America as a macroeconomy, but also begins to address the
3 economic and social needs of the tribe so that it can continue
4 to exist as a separate political and cultural entity within
5 the American system which is the essence of the self-
6 determination policy, allowing the tribes the freedom to
7 exercise their own decisions that assure their survival and
8 hopefully their prosperity into the future, **and so the economic**
9 goals established for whatever tribe have to be founded upon
10 the basic community values of the tribe itself.

11 When we talk about economy, we have got to look
12 at the three aspects of any economy--the production of wealth,
13 the distribution of wealth, and the consumption of wealth,
14 and here again we need to look at how those factors intertwine
15 at the local level because to have true Indian economic
16 development, those three elements of the economy must benefit
17 the tribe itself or it is not Indian economic development,
18 and that is what we are after, true Indian economic development
19 for the tribe and its members, but while we pursue these
20 goals of economic development, I think it is important that
21 we also pay attention to the other side of the coin.

22 We are just not economic units but we are human beings
23 and so are our tribal members, and there is a social side to
24 the equation, and therefore we must look at human development
25 as a necessary process, in fact, a complementary process to

1 the overall development of the tribe, and this is where the
2 Department of Health and Human Services I think must play an
3 ever-increasing role. I won't get into the health aspect,
4 but certainly what we are looking at is services not as an
5 end to themselves, but services as a means to help people
6 become self-sufficient and as more and more members of the
7 tribe are capable of standing on their own two feet, having
8 overcome the social and human barriers to self-sufficiency,
9 the tribe itself will be in a much better posture to achieve
10 its overall economic and social goals.

11 The key to all this, of course, is not a meeting
12 in Washington, D. C., nor a group of planners here in this
13 city. The key really, in fact, we can look over the last 20
14 years, the key is Indian leadership. The advances that have
15 been made over the last 20 years have come as a result of
16 strong, stable, far-sighted Indian leadership emerging from
17 the tribes.

18 We would not have the policy of self-determination
19 had it not been for men like Win Kleeno, like Frank
20 Ducheneaux, Cheyenne River from the leadership of Chairman
21 MacDonald, and we can go across the country. Buffalo Tiger
22 has been certainly a national Indian leader for as long as I
23 can remember attending meetings and him speaking out on behalf
24 of the Indian people. This is where the ideas flow because
25 those are where the problems are, and those are where the

1 solutions must come from.

2 Well, if we are going to embark on a long-term
3 social/economic development approach that benefits the tribe
4 and its members, then I think we have to look at the local
5 institution of tribal government because that then becomes
6 the cornerstone or the keystone for long-term, stable growth
7 of the local economy because it is that leadership that is
8 going to be most concerned and most dedicated to assuring a
9 stable, long-term economic progress that is compatible with
10 the social development process at the tribal level as well,
11 and so the ANA program, policy, and how we fit into this is
12 to support exactly that, to support and assist the tribes
13 in establishing and implementing their own tribal specific
14 social and economic development strategies.

15 Now this will require I think greater coordination
16 at the local level of all of the federal resources. It will
17 also require greater effort on our part and certainly the
18 discussions that we have had with Assistant Secretary Smith
19 and his staff indicate that there is a willingness now to open
20 up and bring us all together in a more coordinated effort
21 because the intended beneficiaries, of course, are the
22 members of the tribe and the tribal government which represents
23 their interests.

24 Thank you very much.

25 CHAIRMAN BLACKWELL: Okay. Thank you very much, all

1 of these speakers, and now we have a good solid 25 minutes
2 to half an hour for questions and answers and comments back
3 and forth, and I am hopeful that somebody will raise a point
4 and ask a question.

5 MR. ANGAPAK: Mr. Blackwell. I am happy to hear
6 that people are concerned, especially Ken Smith. First of
7 all, I am delighted that one of the basic concerns in the
8 policy of the Department of Energy is production of energy.

9 I would like to, in the same light of that statement,
10 bring out one of the very basic and fundamental concerns of
11 the Alaska natives. In 1971 the Alaskan natives were promised
12 transfer of land, of 44 million acres, to the native community.
13 At this point in time, ten years from the passage of the Native
14 Land Claims Settlement Act, 17 million acres of land has
15 transferred to the community. Of that 17 million acres that
16 have been conveyed to us, probably about 50,000 acres of the
17 land has not actually been transferred to us in title, yet
18 the Alaska Native Claims Settlement Act when it was passed
19 promised us that that land would be conveyed to us in fee
20 simple title.

21 At the present rate of the land transfers that are
22 coming from the Bureau of Land Management to the native
23 community, it is estimated that anywhere between 20 to 25
24 years will have elapsed before 85 percent of our basic
25 entitlements have been conveyed to us, and it has been very

1 realistically and conservatively estimated that it will take
2 anywhere between 50 to even 100 years and possibly 150 years
3 until all of our land entitlements has been transferred to us,
4 yet the Alaska Native Claims Settlement Act states that the
5 land was going to be transferred to us quickly.

6 One of the concerns, one of the very basic concerns
7 that we are interested in at this point in time is production
8 of resources within the lands that have been promised to be
9 conveyed to us. There has been some hesitancy shown by
10 companies to a large degree that until the land is actually
11 transferred to us, they won't even talk to us about development
12 of the resources that are located on our lands.

13 The Alaska native community have selected some
14 of the prime oil and gas resources lands, some of the prime
15 mineral lands, some of the prime agricultural lands, yet to
16 this day we haven't received them as promised to us.

17 Mr. Blackwell, one of the basic concerns we are
18 faced with at this point is in 1980, Fiscal Year 1980, we
19 were promised that 6 million acres of land would be trans-
20 ferred to us, but because of budgetary restraints, budgetary
21 cuts, that figure at one point was actually reduced down to
22 1.5 million acres of land transferred.

23 What we are asking is that this Administration--we
24 have high hopes really--that this Administration will do all
25 it can to implement the Alaska Native Claims Settlement Act

1 by speeding up land transfers. This is a very serious matter
2 to us. This is no light matter. It is a very serious matter.

3 Thank you very much.

4 CHAIRMAN BLACKWELL: Anybody in the policy area in
5 the Administration want to respond on that?

6 MR. ANGAPAK: Mr. Chairman, my question is will
7 this Administration assist us in any way, shape, or form to
8 transfer the land that was promised to us some ten years ago
9 so that we may go ahead and proceed with the development of
10 the resources that are located in the land?

11 MR. SMITH: Morton, as I understand it, that land
12 appears to be BLM land that will be transferred to the native
13 groups, and if I might pursue that and check on it and see
14 where we stand, and I can talk to Nelson, see where we are at
15 and see if that process can be speeded up.

16 CHAIRMAN BLACKWELL: Very good.

17 MR. SMITH: I am not sure what the problem is.

18 CHAIRMAN BLACKWELL: For those with whom I haven't
19 met before and discussed what the function of our Public
20 Liaison Office is, we are not a policy office. What we do
21 is bring you together, bring various groups together with
22 those people who are policy, as Ken Smith is a policy office
23 at the Department of Interior, and what we are trying to do is
24 facilitate it.

25 I am not a spokesman for Administration policy. I

1 am a facilitator of communications in meetings such as this,
2 so I probably am not going to know the answers to these
3 things, but that is why we have people like Ken here, and I
4 am delighted that he will undertake to look into it and get
5 back with you, Nelson.

6 MR. ANGAPAK: Thank you.

7 MR. RISLING: Dale Risling from Huopa, California--
8 I have two questions to Mr. Smith. I talked to Mr. Smith
9 and the Secretary a couple of months ago on these issues.

10 One relates to a plan that has been implemented by
11 the Interior Assistant Secretary Gerard on the Huopa Valley
12 Reservation. This plan in effect gives the Administration
13 management the total resources, unallotted resources, to the
14 reservation. It has in effect stymied our reservation and
15 our pursuits toward self-sufficiency and is forcing us towards
16 governmental dependency.

17 Our employment rate is 79 percent right now on the
18 reservation. We contend that we can deal with the high
19 unemployment and we could deal with less government dependence
20 in the immediate future if these restrictions were relaxed.
21 We feel that the Gerard plan which was supposed to be a two-
22 year plan is now in its fourth year. It is more of a political
23 plan than it is for legal purposes, and I would like to ask
24 what is being done?

25 I believe there is a similar situation in California.

1 This goes just the opposite direction of Indian self-
2 sufficiency. I think that there needs to be some serious look
3 at this, these types of situations on reservations.

4 The other concern relates to water. The river
5 has very important fisheries for our tribes. There are three
6 tribes affected. The water release, the approval of
7 additional water by Secretary Andrus before he left office is
8 being reviewed now by the Secretary, and I would like to know
9 if you know what the status is as far as Mr. Watt is concerned
10 on decreasing the water again?

11 We are receiving a lot of pressure from southern
12 California, and I would ask if the Administration through your
13 office could look at this and give us a report because all,
14 we really depend heavily on these two areas for self-
15 sufficiency.

16 MR. SMITH: The first question is a toughy. The
17 Huopa is almost as bad as the Navajo and the others in the
18 southwest. I am not sure what stance we have taken on that
19 one. I haven't really had a chance to check into it too
20 much. The solicitors are saying it is a legal issue. Whether
21 it is a legal issue or a policy issue I am not sure at this
22 point, but we will get some of this money out.

23 As I understand it, we could possibly get sued by
24 the other tribe when it is finally determined. All I can do
25 is take another look and maybe see what we can do. It is not

1 an easy issue. It is a difficult one. I feel I am between
2 a rock and a hard place on that one, especially when you are
3 dealing with two tribes, but I haven't been in here long
4 enough to really get into the middle of that at this point.

5 MR. MACDONALD: Mr. Blackwell, I would like to know
6 how you want to conduct this session here. We could talk
7 about individual tribal needs and problems, but if that is
8 the case, then we need to invite all the 200 different tribes
9 in here.

10 I thought we were here to talk about the national
11 picture of whether it affects the Navajo or the Huopas or
12 the Alaskans or whoever they may be. We ought to talk at,
13 my personal feeling is we ought to talk at that level, what
14 is good for the whole national Indian scene, not just the
15 Navajo or just one or two tribes who are maybe having problems
16 with one department or another department.

17 I think it would be terribly expensive as well as
18 a lengthy discussion if we are going to talk about each
19 individual tribal needs and problems, and I would like to
20 make some remarks with respect to resource development and
21 economic development on Indian reservations.

22 You know, we have had a number of starts way back
23 in the '60's when the Economic Opportunity Act was passed and
24 we had OEO programs where a number of efforts were made to
25 develop Indian resources as well as development of an economic

1 base on reservations where as they mentioned industrial parks
2 were established and other things were done, and then within
3 recent times after the Self-Determination Act, there were
4 other things such as contracting out of BIA services. Other
5 things were used to assist tribes to develop its own resources
6 and economy.

7 I would like to suggest that maybe a special task
8 force can be established by the President to look into the
9 possibility of how the tribes, tribal government can develop
10 their own economy on the reservation. I am talking about a
11 task force perhaps under the Council of Economic Advisers to
12 develop realistic strategies for long-term development of the
13 private sector on reservations.

14 If each tribe had their own program as to how they
15 want to develop a private sector or how they want to develop
16 their own resources, and it is very difficult to do it on
17 an individual basis when you have to deal with the entrenched
18 bureaucracy who are more interested in trying to protect their
19 own interests than trying to help you become self-sufficient,
20 so I feel that it is a wonderful speech made by Lester here
21 and Ken about how they are gearing things so that the tribes
22 could have their own economy, development of jobs and what
23 have you. Those are good, but I think they, too, will agree
24 that unless there is a Presidential, high-level encouragement
25 and assistance in the area of identification, realistic

1 identification of those areas where tribes want to move for
2 private sector and economic development, resource management
3 and development, that it becomes very difficult.

4 You know, I just, kind of looking at it from the
5 standpoint of what has happened with CERT, you know, individually
6 the 25 tribes who have oil and gas, coal and uranium, we
7 have a very difficult time trying to bring the expertise to
8 help us to manage the resources that we have until we were
9 able to come together and get the technical expertise and
10 mechanism in place to really help us look at these things more
11 objectively, and when we did that, we were able to see some
12 things and make intelligent decisions as to whether we should
13 or should not move forward in various areas, and if we should
14 move forward, what are some of the cautions and some of the
15 things that we need to look out for?

16 I think those kind of things are necessary for
17 tribes to really move forward in the area of economic and
18 social self-sufficiency that Lester has talked about, and so
19 that is just a suggestion as to one way to go.

20 The other suggestion that I have is that, you know,
21 with EDA and HUD planning money being pulled back, EDA is
22 going to phase out as we understand, and in many instances
23 there is talk now that HUD planning money to Indian tribes
24 is being phased out as well; now again, this hits at the
25 heart of Indian economic development and self-sufficiency

1 because we need to have planning mechanisms set in place to
2 do these things, but yet when these things are pulled away
3 from the tribes, then you really are left without the staff
4 and personnel and development of the in-house capability to
5 do planning.

6 In this instance, I understand there is a \$50 million
7 which the Senate committee is proposing to add to the '82
8 budget to sort of more or less replace the monies that were
9 lost in the CETA program to get title of that \$50 million
10 package, but I think that is a move in the right direction,
11 and I don't know where we are on that, but just like everything
12 else, sometimes they get hung up because maybe OMB decides
13 that is not a good idea so maybe we need--what I am asking
14 for here is if that \$50 million is actually in the works, I
15 would suggest that that be supported by the Administration
16 because I understand that is what the Senate is doing to help
17 the Indian tribes to maintain or continue to establish internal
18 staff capabilities, tribal governments to develop and under-
19 take a planning mechanism to develop their own private sector,
20 so I think that that is very important, and that is very
21 timely.

22 I don't know where that is now. I know they had
23 hearings on that last week or a week before last, and if
24 some support can be generated from this Administration--

25 CHAIRMAN BLACKWELL: Does anybody here in the

1 Administration, are you aware of what position has been taken
2 on that bill? Is there something, some information about it?
3 Ken and Dave, you both look like you are knowledgeable on
4 this matter.

5 MR. SMITH: I think it's David's lead!

6 CHAIRMAN BLACKWELL: Why don't you respond to that
7 and also if you care to about the proposal for a Presidentially
8 appointed task force?

9 MR. LESTER: On the \$50 million support to tribal
10 government for economic development, which is new Section 7
11 in the Native American Programs Act, up to now the position
12 of the Administration is not to support the inclusion of that
13 section or the money but to phase out the PSE.

14 The position of the Administration is that what we
15 need to do is take a careful look and among friends I guess
16 have a body count to determine the impact on Indian tribes,
17 unemployment and the infrastructure of Indian tribes. Once
18 we have that assessed and we can tell what the impact is on
19 Navajos as opposed to Zuni as opposed to Huopa, we can then
20 pattern a response based on the impact, and we would then have
21 not a generalized response to a generalized impact on Indian
22 people, but we could have a specific response to specific
23 impact on a tribe.

24 In the meantime, the preliminary data from the
25 Bureau of Indian Affairs is that there will be 17,000 more

1 welfare cases handled by the Bureau of Indian Affairs in
2 FY '82 at a cost of approximately \$16 million in increased
3 G&A. It is impossible to determine because data is not kept
4 on Indian participation as SSI and AFTC, but there probably
5 will be an increase in costs in those programs as well.

6 We have some preliminary data from Indian tribes,
7 but we ourselves in the Executive Branch have not made the
8 kind of assessment to pinpoint what kind of impact that we
9 are talking about. That is the current position of the
10 Administration.

11 MR. DRIVING HAWK: David, I would like to address
12 that if I may. Your testimony which I have heard here, you know,
13 that is in opposition to that 50 million; however, at the
14 sametime that the Administration is testifying opposing the
15 50 million, you are here telling us and Mr. Homer is telling
16 us that coordination of resources, and Mr. Smith is telling
17 us for economic development, and it goes on and on, and when
18 you have an opportunity to coordinate, an opportunity to
19 bring things together with dollars and cents to it, 50
20 million in this case, the Administration opposes it.

21 It doesn't make sense, and what you are saying as
22 to what has been testified to at the Senate hearings, as
23 far as putting the dollars and cents on our unemployment
24 rates or whatever on reservations, you know, as all of us are
25 aware, that we operate on a roller coaster type of operation