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1 to do is not conduct business as usual, keep putting money
2 into the program when we have specific problems.

3 It really isn't a good business decision. We are
4 trying to turn the program around so it will be a viable
5 program, so the program is not being phased out. No monies
6 are being committed for Fiscal Year 1982 because we have
7 approximately 15,000 houses in the pipeline. It will take
8 about three years to get those houses out of the pipeline.

9 If you will look at the pipeline from region to
10 region, you will find some regions are far ahead of others
11 and further head of others, and I do have those specific
12 figures if you are interested in them.

13 MR. MACDONALD: I would like to ask a question.
14 First I would like to make the remark concerning John
15 McClaughry's statement, I thought it was a very good statement
16 on behalf of the President, and I just want to know when
17 the President is going to say that to all of us because it is
18 very good and reassuring, and it also gives some direction as
19 to where we may be heading in terms of programs that we have
20 for our own tribes, and I think it is very much in line with
21 what the native Americans, the Indian people on reservations
22 want to do in terms of self-determination, in terms of ability
23 to have their own economy, to forge for themselves, but to get
24 to that level there is a certain amount of assistance and
25 understanding that must be accomplished between the tribes and

1 the federal government, and I think the statement made here
2 on behalf of the President by John McClaughry is very much in
3 line with what we understand the President to stand for, and
4 I appreciate it. I think it is very good.

5 We are working here together to try to make
6 suggestions, and hopefully very shortly somewhere along the
7 way the President can actually come out and declare those
8 same concerns, the same policy that has been made here, and
9 I think that it will be a tremendous amount of boost for the
10 Indian tribes throughout the country, and not only to the
11 Indian tribes, but I think can translate his feeling and his
12 philosophy to all other minorities throughout the country, so
13 I think it is a very good idea.

14 The second thing is, the question I have, the second
15 question is I know that we have three years of backlog on
16 housing. Now unless the reason for the backlog is addressed,
17 this three-year backlog will probably end up a continuing
18 backlog for the next six years and will not address the
19 immediate need for housing, and there are definite reasons
20 for these backlogs.

21 DR. GRISBY: You are right.

22 MR. MACDONALD: We have got to get down to that and
23 address these. Some of them are, yes, with the tribes, but
24 many of these backlogs, reasons for backlogs, are not with
25 the tribes at all. They are because of regulations. They are

1 because of red tapes, in many cases because the houses have
2 escalated to some ridiculous price, all because in the past
3 these layers of bureaucracy have developed itself into a
4 dictatorial organization where they even tell you who is
5 going to do the architectural work and who is going to do the
6 construction work, and a contractor maybe 200 miles away
7 where you have a local contractor who may do the job cheaply,
8 and there may be a way to do this on a turnkey basis, and
9 they say well, our regulation says no, you have to go it this
10 way.

11 DR. GRISBY: You are absolutely right, and you
12 probably should be making the presentation instead of me
13 because you are absolutely right. I think in my opening
14 remarks I stated that one of our top priorities in the Office
15 of Public Housing is looking at the regulation consistent
16 with President Reagan's Administration. There are too many
17 regulations. Hopefully I can put a sign on my door that
18 says if the answer is no, don't come in, for my staff.

19 We have to look for alternatives, and it appears as
20 if that, since I have been on the job, the frustrations are
21 that staff people have a tendency to say no and hide behind
22 regulations. Things can be done. We need your cooperation
23 to get those things done.

24 I also mention the fact that we have a deregulation
25 task force within the Office of Public Housing that are headed

1 up by a young attorney. I have a representative on that
2 particular task force. Multi-family has a representative, and
3 Single family has a representative. Even within my own office
4 of Public Housing and Indian Programs I have issued a
5 memorandum. I want a report by August 1st for all of my
6 staff to identify any handbook, memos and things of that
7 nature, any type of regulation or decisions that prohibit you
8 from doing a good job, the type of memos and regulations that
9 does not require any type of legislative action on the hill,
10 but I do need your assistance. I do need the feedback from
11 you in terms of what are the regulations, what are your
12 specific problems.

13 I guarantee you we will get the answers. If the
14 backlog ends up to be a six-year backlog, I haven't done my
15 job, and I am quite sure that Phil Wynne won't put up with it.
16 Secretary Pearce won't put up with it, and I know President
17 Reagan won't put up with it, so we will not have, I promise
18 you, a six-year backlog as long as we have the current people
19 we have in our program because we are working hard.

20 For the first time we have invited people in to sit
21 down and talk because we have a tremendous lack of communi-
22 cation in our specific office, local units of government,
23 including reservations, regional and area offices, tremendous
24 lack of communication.

25 For example, the moratorium really should have

1 never been issued. You cannot apply a moratorium unilaterally
2 for programs. You have to look at each of the programs
3 by program and work with people and try to come up with
4 solutions.

5 MR. DRIVING HAWK: Did you want to respond to that
6 question?

7 CHAIRMAN BLACKWELL: No. Do you want to direct the
8 question to John? Fine.

9 MR. MACDONALD: The question was, the beautiful
10 statement you made about the President, we believe in that
11 and we just want to know if there is somewhere in the future
12 here you could make that announcement to the native Americans?

13 MR. McCLAUGHRY: Mort, I don't know how to answer
14 that. I personally hope that he would. He has a lot of
15 demands on his appearance, but this is one I would certainly
16 recommend that he make.

17 MR. MACDONALD: I think it would be great for the
18 native Americans, but as I said, it can also translate across
19 the whole country where people who are in similar situations
20 that we are in can appreciate what you have said about the
21 President and that there are certain concerns that he has
22 for community and for people to do their own thing, and one
23 of the key examples is what the native Americans are trying
24 to do, and I think that is very good. It needs to be brought
25 out.

1 MR. McCLAUGHRY: Thank you. Let us pursue that
2 with your recommendation.

3 MR. LAWRENCE: I think basically what we are trying
4 to say is that we know that the President has made some
5 commitments for a government-to-government relationship with
6 the tribes, but we haven't heard anything since then, and we
7 would just like to know what his policies are, what his
8 feelings are.

9 I think you expressed them well, but I think we
10 have been waiting for some kind of response from the White
11 House.

12 MR. McCLAUGHRY: There is obviously a gap between
13 feelings and instincts on the one hand and policies on the
14 other, and we have not yet filled that gap, you are correct.
15 That is something we will have to work on here, and I hope
16 I will be able to contribute to that in some way.

17 MR. TENORIO: It is well that we know the feeling
18 and thoughts of the President in regard to Indian matters
19 and what gets me or what the danger is, those around him
20 don't, and I think he should get to those people that are
21 more or less going to be going over the issues. That is our
22 direct recommendation. That is my concern.

23 MR. McCLAUGHRY: I will take that under advisement.

24 CHAIRMAN BLACKWELL: There has been a significant
25 number of Indian leaders who have suggested that the President

1 should put forward a general statement of Indian policy,
2 and that is one of the things that is under consideration as
3 well as the consideration of a general meeting much larger
4 than this of Indian tribal leadership, and that might be an
5 appropriate time for the President to make such a statement.
6 We have no date set for that, but it is under discussion
7 actively.

8 MR. TENORIO: I still revert back to the commitment
9 that he made regarding Indian water rights where nothing,
10 as far as attempting to quantify the Indian water rights,
11 nothing will be done to the detriment of the Indian people.
12 All right, but yet the job to quantify, to use the format,
13 will be outside of his jurisdiction. That doesn't guarantee
14 us that our rights are protected.

15 MR. McCLAUGHRY: With respect to federal water
16 policy or state policy?

17 MR. TENORIO: Well, federal water policy; the
18 attempt is to let the states handle it, and we don't agree
19 with that.

20 MR. MACDONALD: I think, John, what Frank Tenorio
21 is talking about is that the President we believe, we
22 understand has this understanding of where he is with respect
23 to Indian people, perhaps all other people as well, and unless
24 he announces it publicly as President of the United States,
25 the tendency is for the bureaucrats who were here before he

1 became President to tend to continue to issue regulations and
2 policies which is entirely different than what he has stated,
3 and I think it will help tremendously if he just says it,
4 and then it goes across the nation, and even you will begin
5 to see Congress acting according to what the President has
6 said and how he feels.

7 This has worked, as a matter of fact, in my own time
8 when I noticed they were kind of doing the same thing until
9 then President Nixon came out and said by God, this is the
10 way it is going to be, and the policy of this Administration
11 is that Indian solution to Indian problems, Indian solutions
12 to Indian problems, self-determination. Immediately the
13 whole Executive Branch fell in line, and the Congress fell in
14 line, as a matter of fact passed the Indian Self-Determination
15 Act.

16 It may appear what do they want a statement for,
17 but we have found that if the President says so--he may just
18 take five minutes to say it, but it has a tremendous amount
19 of good results so far as we are concerned, and I think that
20 is what we are suggesting here.

21 MR. McCLAUGHRY: I think that is an excellent
22 recommendation, and Commissioner Smith and Secretary Watt
23 and perhaps some of us here ought to set some stuff in motion
24 rather quickly on that. I will be happy to collaborate in
25 doing that.

1 MR. MACDONALD: Excellent.

2 CHAIRMAN BLACKWELL: Okay. Other questions?

3 MR. LAWRENCE: You are looking for recommendations.

4 One of the things that I have found in dealing with people
5 is that many times the individual living in the homes will
6 take care of them more if they know that that house may be
7 one day his own.

8 In these low rent houses, a lot of times they get
9 destroyed because they don't find--there is no commitment
10 there. There is no way of identifying with the house. If
11 there could be something put in the regulations to allow the
12 people to own those houses at a particular time, I think it
13 would be very beneficial for the Indian housing program.

14 DR. GRISBY: We do have the mutual help program,
15 and I don't think that we want to regulate. What we would
16 like to eventually do is turn the program over to you and let
17 you do the regulation consistent with the Administration policy,
18 but we really have to get the program back on a sound,
19 rational and operating basis before we can do that.

20 MR. MACDONALD: The water and sewer hookup, that
21 went along with the HUD program and the IHS program, and when
22 the IHS program cut off the 121 program which is water and
23 sewer, the 15,000 homes that are still now to be built, how
24 are those going to be hooked up with the water and sewer when
25 on the one hand the monies for water and sewer has been cut

1 out from Dr. Emery Johnson's program?

2 DR. GRISBY: That money has not been cut out. As
3 you are aware, HUD--you may want to respond.

4 MR. CRABILL: We recognize those pipelines are
5 there and we are going to adjust that one way or another
6 through the budget process, and we have got time to do that.
7 This is something we are going to be attacking in the next
8 few months.

9 MR. MACDONALD: It will be taken care of, but you
10 are aware of it?

11 MR. CRABILL: We are aware of it, and we know one
12 way or another the houses have to have some kind of a
13 sanitary system, and we know that we are out of sink in
14 these two pipelines and we are addressing it.

15 MR. MACDONALD: Terrific!

16 MR. TENORIO: You say it will take two months?

17 MR. CRABILL: A few months, a few months; we have
18 got about a two year, three year, we have got about a two year
19 problem. We don't have a problem in the next few months. It
20 is a physical problem.

21 MR. ANDRADE: Let me ask you a question. I want to
22 get something clarified. You are saying in this next fiscal
23 year, '82, you have no housing proposal units, is that correct?

24 DR. GRISBY: That is true. Well, we have 15,000
25 that have been committed over the past few years.

1 MR. ANDRADE: That is pipeline. Those are--backlog,
2 that is a better word to use, not pipeline.

3 DR. GRISBY: Exactly.

4 MR. ANDRADE: Are there any units committed for new
5 starter use units, units the tribes can commit in the '82
6 budget?

7 DR. GRISBY: Four thousand was recommended, although
8 no action has been taken.

9 MR. ANDRADE: I understand the committee has come
10 out with 4,000, the recommendation. We do not know how the
11 Senate is going to go.

12 DR. GRISBY: We have not heard anything either.

13 MR. ANDRADE: But I am asking, in response to the
14 question, are there any new housing units within public
15 assistance housing for Indian tribes in 1982?

16 DR. GRISBY: Four thousand have been recommended,
17 and up to this point we have not heard anything about whether
18 this has been approved or not.

19 MR. CRABILL: There are none in the budget. The
20 Administration's budget contains zero.

21 MR. ANDRADE: We are zeroed out on new housing
22 starts.

23 CHAIRMAN BLACKWELL: As I understand it, that does
24 not mean there won't be new houses started, but there will be
25 no new ones authorized to start. Is that correct?

1 DR. GRISBY: That is exactly right.

2 MR. ANDRADE: No new commitments?

3 DR. GRISBY: From a business standpoint, we could
4 put probably what, 10,000 in as an example, and we can give
5 you X millions of dollars to carry that out, so where are we
6 because the whole thing won't be built? Our experience is
7 that you probably only build about 5,000 per year. That is
8 our experience over the past three years.

9 MR. ANDRADE: If we are going to be honest, a lot
10 of the responsibility that publicly assisted housing is
11 laying out here is not that the Indians messed up this
12 business. Your backlog is the fault of HUD.

13 DR. GRISBY: It is a combination of fault. It is
14 a combination. We have regulations that you know prohibit
15 you from really doing your job, and in addition to that, a
16 lot of Indian housing authorities have really gotten into a
17 lot of financial trouble.

18 MR. ANDRADE: Don't you think there is something
19 to be resolved in the fact that HUD in the twelve years of
20 the Indian housing authority program has not developed a
21 management manual? Don't you think that with all the money
22 in HUD, all the money you have in that Department--and this
23 was Democratic Administrations and Republic Administrations,
24 in the twelve-year existence of the Indian housing authorities,
25 there has not been a management manual developed by HUD.

1 Now we are turning around twelve years later and you are
2 saying the authorities are not living up to the management
3 standard HUD has never been able to publish.

4 DR. GRISBY: The problem is that that is what you
5 have, a manual. A manual would not resolve the problem.
6 The problem in itself isn't management. For example, some
7 tribes divert funds into other programs.

8 MR. ANDRADE: Some cities do, but you have not cut
9 them out.

10 DR. GRISBY: We don't want to cut out anyone or
11 take advantage. What we would like to do is look at the
12 entire program and try to turn the entire program around,
13 and we are going to do that. We are going to do that. We
14 are going to look at what we do to prohibit you from operating
15 a good program, and we are going to look at your housing
16 authorities to see what happens at the tribal level.

17 As you are aware, part of the problem is that we
18 cannot come tell you how to operate your housing program in
19 terms of the commission that you appoint, the directors and
20 the managers. We cannot tell you that. That is a tribal
21 government obligation. We cannot do that in public housing
22 authorities because that is left to local units of government.

23 MR. DRIVING HAWK: That's fine, but that is not
24 necessarily true, because the reason that the housing
25 authorities, a lot of the housing authorities are in the

1 condition that they are is because of HUD telling them what
2 to do--whatever is convenient for HUD. They created this
3 system of the Indian housing authorities and created a split
4 between housing authorities and the local tribal governments
5 as such, and they played one against the other, time and time
6 again creating holy chaos and expecting them to manage the
7 houses under those circumstances.

8 It is impossible, and as far as tribal governments,
9 this has been brought to the attention of HUD four years ago.
10 I was Secretary of Housing here in Washington with the same
11 basic problem, and the reason why you have got this moratorium
12 or whatever is going on in Region 8 out there--we were pre-
13 senting these particular problems throughout the regional
14 directors, the Secretary, the Senator Proxmire's committee,
15 and here all of a sudden in Region 8 they are taking
16 disciplinary action against housing authorities. That should
17 have been resolved four years ago.

18 DR. GRISBY: You are absolutely right, and I would
19 like to start from now on and look forward. You know,
20 individuals come in our office consistently with problems
21 that they have had and we have to go back through the cobweb
22 of files and we have to wade through about two hours of
23 orientation about what happened in previous Administrations
24 and the past Administration, and I said let's start from
25 here. Let's see how we can resolve the problem.

1 MR. DRIVING HAWK: One thing in regard to starting
2 them here and forward, in regard to the Indian preference
3 that is needed throughout all your regions, as far as con-
4 tracting construction and so forth, what is the Administration's
5 policy in regard to that, or do you have one yet?

6 DR. GRISBY: We are abiding by the Indian preference,
7 but if you would get more specific, or in some tribes when
8 contracting out for development and/or construction there are
9 no Indians or organizations that are qualified to get the
10 contracts and administer those contracts.

11 MR. DRIVING HAWK: This is it exactly. Public Law
12 93-638, the federal law, says bang, bang, bang this; on the
13 other hand, when you have a non-Indian contractor bidding,
14 you don't have qualification this, this and this. Non-
15 Indians can go in there and bid. Hell, a farmer off the
16 street can come in to bid on housing, and it's fine as long
17 as he is a non-Indian, but you get an Indian and he has got
18 to have the pre-qualifications and so forth to go through.

19 DR. GRISBY: To the best of my knowledge, we follow
20 the same--to the best of my knowledge, we follow the same
21 guidelines. Maybe that is an issue we can address.

22 MR. DRIVING HAWK: You have got to expand your
23 knowledge into that field, okay?

24 CHAIRMAN BLACKWELL: Let me ask you a question. Is
25 there perhaps--to you, Don; that might be a good response for

1 you as well--is it anticipated by anybody in the Administration
2 that by not authorizing any new starts in three years from
3 now we will have a year with no new housing starts?

4 DR. GRISBY: No.

5 CHAIRMAN BLACKWELL: Then is it fair to characterize
6 what is happening is that what we are attempting to do is
7 analyze the system to shorten the pipeline and then next
8 year we will have a shorter pipeline and the process of con-
9 struction will continue and actually the process of actual
10 physical construction will never slacken, but there is not
11 going to be a period when as a result of this, where there is
12 going to be no new houses actually under construction?

13 DR. GRISBY: Exactly. That is correct, and in the
14 staff meeting that we had Monday Assistant Secretary Wynne
15 asked us to look at whether or not this particular policy
16 could be applied to financially troubled public housing
17 authorities. We have approximately 32 financially troubled
18 housing authorities around the country, 32, whereas on
19 Indian reservations we have approximately 62 percent of those
20 housing authorities are financially troubled.

21 We have some Indian housing authorities that have
22 no operating reserve whatsoever, zero operating reserve, and
23 when the operating reserve falls below 20 percent, all housing
24 authorities are identified as financially troubled.

25 MR. MACDONALD: I understand there is a guarantee

1 that in FY '82 there will be back in place the monies and
2 appropriations necessary to continue housing starts?

3 DR. GRISBY: I don't know about guarantee, but I
4 can give you an example of what is going on from region to
5 region.

6 For example, this is an estimate--that will be
7 depleted in approximately three years, but for example in
8 the Oklahoma City office there are 2,119 houses in terms of
9 pre-construction and construction, and in the Seattle region
10 there are only 712, whereas in the San Francisco region
11 there is 5,091, so different regions are at different levels,
12 so maybe we have to look at those regions that are having
13 specific problems in terms of pre-construction and maybe we
14 can facilitate that.

15 We are just saying in terms of our experience it
16 would take approximately three years. We are hoping that we
17 can get it done faster than that, but I don't know if that
18 is possible.

19 MR. LAWRENCE: I have a question. Are those houses
20 that are in the pipeline, they are already obligated, is that
21 correct?

22 DR. GRISBY: Exactly. They are obligated.

23 MR. LAWRENCE: What happens to some of the other
24 tribes that have completed their houses? Do they have to
25 wait three years before they, or four years before they are

1 eligible to submit for new housing?

2 DR. GRISBY: That is a question we have not addressed
3 either, and maybe we have to look at the program tribe by
4 tribe. I am not familiar at this point with any particular
5 tribe that has completed all of its housing, and maybe this
6 gentleman can address that, but I am not familiar with any.

7 MR. LAWRENCE: I think there is some tribes.

8 DR. GRISBY: That have totally completed the houses
9 out of the pipeline?

10 MR. LAWRENCE: Yes. The other question is I have
11 heard that a number of the field offices are going to be
12 closed and merged with the regular housing. Is this true?

13 DR. GRISBY: I have heard that from Administration
14 to Administration to Administration. We always hear rumors
15 about field offices, regional offices. I understand that
16 question was directed to the Doctor. I have not heard that
17 rumor, and Secretary Pearce is still looking at the whole
18 organizational structure of our entire delivery system, and
19 I have not heard that rumor whatsoever.

20 MR. ANDRADE: I think Frank was asking is the
21 Office of Indian Affairs, the Indian Housing Division, being
22 reorganized out of existence?

23 DR. GRISBY: My answer to him was that I have not
24 heard that rumor, and Secretary Pearce will make that decision.
25 As of today, Secretary Pearce has not made that decision.

1 MR. ANDRADE: The Office of the Director of the
2 Office of Indian Affairs, will that be reappointed?

3 DR. GRISBY: You have to address that to Secretary
4 Pearce. In terms of the commissioner for Secretary Pearce?
5 There are two positions that are open. That is at Secretary
6 Pearce's level and I cannot address that.

7 MR. ANDRADE: The other one is under your division.

8 DR. GRISBY: That position has been opened and
9 since I have been on the Board I have been saving that
10 position to get an Indian to fill that position, and that was
11 about approximately one week after I got there. I have
12 received many recommendations. Some of the recommendations I
13 have received are individuals who are as you identified
14 bureaucrats and may not have the same philosophy we have in
15 terms of what we would like to do concurrent with the current
16 Reagan Administration.

17 Some of the individuals have not been able to
18 receive political clearance, so the position is there and I
19 would also like to receive recommendations from you in terms
20 of individuals who could possibly fill that position.

21 MR. ANDRADE: You will have an Indian appointed
22 to be Director of Indian Housing within the publicly assisted
23 housing division?

24 DR. GRISBY: Currently as of today that position
25 is still open, currently as of today.

1 MR. ANDRADE: Will you be employing an Indian
2 to be the Director of the public Indian housing division
3 within the publicly assisted housing division at some time?

4 DR. GRISBY: As of today, yes; as of today, yes;
5 I cannot supersede anything that Secretary Pearce is thinking
6 about or Assistant Secretary Wynne is thinking about in
7 terms of reorganization. As of today, yes; if I said yes, in
8 the future I will be doing that then I may be superseded in
9 anything that they are thinking about in terms of reorganization
10 consistent with what that gentleman asked me.

11 I know nothing at this point about any type or
12 reorganization as of today. That position is still open,
13 and I have been actively recruiting for that position.

14 MR. ANDERSEN: I have a couple of things. Number
15 one, I just wanted to get one thing clarified. You gave us
16 a copy of a telegram saying that there is no moratorium.
17 Then we had Mr. Crabill up there saying there is a moratorium.

18 What is the answer?

19 DR. GRISBY: In terms of the Office of Indian
20 Housing, I think he has explained what he said, but as of the
21 date of that telegram, in the Office of Public Housing Indian
22 Program there is no moratorium on Indian housing programs.

23 In that particular telegram there are steps that
24 financially troubled Indian housing authorities must abide by
25 as they move from one step to another in terms of construction

1 and development.

2 As of today, any Indian housing authority--for
3 example, Fort Duchesne sent us a telegram. They said we are
4 not diverting funds. We don't have a financially troubled
5 problem, so they are to contact that region and the region
6 will give them permission to go ahead to the next step in
7 terms of development, construction or whatever phases in terms
8 of their entire housing program.

9 MR. CRABILL: When I said moratorium, I was
10 referring to the fact that there is in the Administration
11 budget right now for Fiscal Year 1982 zero new housing starts
12 in Indian set-aside. Moratorium referred to that zero. The
13 moratorium is a temporary condition as opposed to a program
14 determination. That is the sense in which I used it.

15 DR. GRISBY: Our program is continuing concistent
16 with the guidelines in that telegram.

17 MR. ANDERSEN: Number 2, I am talking about my
18 tribe now, but I think it also applies to perhaps other tribes,
19 I think we are in a dilemma right now and that has to do with
20 the way HUD, and this has been mentioned by a couple of these
21 gentlemen, it has been primarily because of the way HUD has
22 handled our housing program on reservations.

23 About three years ago I was asked by HUD officials
24 that I create a commission, a housing commision, and the
25 commission should be composed of lay members, so we did that.

1 As time went on, HUD said it is not working.
2 Perhaps you should have a different kind of commission.
3 Perhaps the commission members ought to be composed of tribal
4 council members, so we did that. I lost five friends at the
5 time, but HUD is now saying again we don't want your commission.

6 What do they want?

7 DR. GRISBY: I am not familiar with anything that
8 HUD is telling you. We have a complete new Administration.
9 We have new people, and I think that you really should
10 communicate with us to let us know, as I mentioned before,
11 what your overall problems are so we can address the problem.

12 Let me give you an example of something that I
13 turned around. There was sort of an interoffice memorandum,
14 in order to, if you are a financially troubled housing
15 authority, you must increase your operating reserve above
16 20 percent, and once you increase that operating reserve above
17 20 percent, you are no longer identified as a financially
18 troubled housing authority. However, you remain on the
19 financially troubled list.

20 What incentive do you have in order to get off the
21 financially troubled list if you are going to remain on that
22 list? For example, the mayor in El Paso, Texas, he turned
23 his financially troubled housing authority around. He fired
24 the Board. He fired the housing authority director. He
25 turned it around. His operating reserve went up to 30, 35

1 percent, so we issued him a letter stating that that's great,
2 you have done a terrific job, but you are going to remain on
3 the list--no incentives whatsoever, so I issued a memorandum,
4 and I required my people to issue a memorandum to that mayor
5 stating that his tribe was removed from the financially
6 troubled list. We are still going to monitor that tribe,
7 that housing authority on a month-to-month basis. The worst
8 that can happen is the individuals will go back on the
9 financially troubled list.

10 That is a small example, but I think you really
11 should communicate with us because we do have a new
12 Administration, and we do have new ideas. We are not willing
13 to come down and tell you how to operate your program.

14 However, we are taking the business-like approach
15 to turning the program around. We are not going to give you
16 more funds, specific tribes, while you are diverting funds,
17 while the programs are mismanaged, while the program indicates
18 that there is fraud.

19 We are doing the same thing with the public housing
20 authorities. We are not going to plop money into poorly
21 managed programs. We are not going to do that. If we do
22 that, that would be a disservice to you and I don't want to
23 start a--people come into my office and say HUD is doing
24 this and HUD is to blame. I don't want to lay blame any
25 place. I like to say let's sit down and work it out. There

1 are alternatives to problems. You can't just say that HUD
2 has a problem and get into an argument that well, whether it
3 is a tribal council, I want to get into that tribe. I want
4 to get a handle on trying to work out specific problems, and
5 that is how we like to start.

6 MR. ANDRADE: I think that, if I can follow Mr.
7 MacDonald's statement, we are very pleased with the statement
8 by the Administration, very pleased by the statement by some
9 of the speakers here today. One person said there is no
10 difference, nothing changes.

11 The President can make very good statements, and
12 so can you, who are just new people in this Administration.

13 DR. GRISBY: Come over to my office.

14 MR. ANDRADE: We have identified people that have
15 been in that office for the last four years. They are still
16 there. The names appear in your memorandum, and they are
17 still running things. They still have verification. You
18 are telling Mr. Andersen we can't deal with something that
19 is happening down at the regional office, you have got to
20 talk to us, and that is exactly why we are here today
21 because our concern is that with the new Administration, we
22 don't want to keep fighting you, the Administration, because
23 of bureaucrats who have stayed inside who have been with this
24 division now for at least four years that I can identify.

25 We keep fighting these people, and new Administrations

1 keep coming in.

2 DR. GRISBY: Let me give you another example of
3 something positive that has happened in my office in terms
4 of what can or cannot be done.

5 I guess the most positive thing other than all
6 this sweat and tears that you try to put in the job, ten to
7 twelve hours a day, is receiving comments from individuals in
8 terms of memoranda about positive things that you are doing,
9 and I don't want to take all your time, but I will stay here
10 as long as you like.

11 There was an organization I think in Virginia
12 where they developed a proposal approximately eighteen months
13 ago about trying to turn the program around into a coop
14 development, and the area office gave these individuals a
15 one-page memorandum about why the program could not be turned
16 around because of specific regulations, and I asked these
17 individuals in my office to work with the program, to
18 evaluate the proposal, to establish some specific guidelines
19 and give the people an answer in terms of what other problems
20 they have that we can work out, and that is the type of
21 positive approach that we are trying to take.

22 We do have to operate the program within the
23 constraints, but you must remember in all deference to what
24 we are trying to do, there are career people that you do
25 have to work with who are very knowledgeable, and I think it

1 is a working relationship the political appointees established
2 with these individuals in terms of the current Administration
3 philosophy that would help turn the program around, and I can
4 say it can be done. It definitely can be done.

5 CHAIRMAN BLACKWELL: Okay. Thank you very much.

6 MR. SAVILLA: Can I say one thing? It is true
7 that we have had problems in the past, but I realize we can't
8 blame you for the people around you.

9 One thing I have never heard before, and that is
10 your offer to meet with us and work these problems out. I
11 accept that offer. I like that.

12 DR. GRISBY: You've got it. I think you have seen
13 the letter, so you have it.

14 Thank you very much.

15 CHAIRMAN BLACKWELL: I want to take one final
16 question and I have got to wrap this up.

17 MR. ANGAPAK: First, let me say that over the years
18 we have seen Administrations come and go, popular or otherwise,
19 and it has made some of us very skeptical of the commitments
20 that have been made by the Presidents of their treatment of
21 the American Indians and the Alaska natives.

22 I would like to share the desperation that I have
23 with the new Administration, and that is any programs or any
24 laws that are passed by Congress that is designed to assist,
25 that are designed to help the American Indian and the Alaska

1 native, I really hope, and this is my last wish, that this
2 Administration will carry out those commitments that they
3 might make from Congress to us.

4 CHAIRMAN BLACKWELL: Thank you. Well, I appreciate
5 all of you coming this distance to participate here. I
6 myself learned a lot here, and I think that the exchange of
7 views on matters that affect the Indian people has been
8 constructive here.

9 As I said at the outset, this is a first step. I
10 anticipate that there will be other meetings in the near
11 future. I solicit your suggestions as to the nature of those
12 meetings and as to the topics that could be addressed, and
13 I very much appreciate Chairman MacDonald's cooperation in
14 putting this together.

15 I have taken notes here as to the major things that
16 came up. The one issue which strikes me if there was one
17 above all that is of concern, it is the matter of the pass-
18 through on block grants in such a fashion that the states are
19 not in a position to do less than justice to Indian people.

20 I know that many of you have your views as to the
21 major things that are of importance to you. I encourage you
22 to give those people who spoke before you and others in the
23 Administration the benefit of your counsel. The more
24 communications we have, I think the better, and I think you
25 are going to find that you have a group of honorable people

1 here who are going to make commitments and keep those
2 commitments.

3 The President has been notable in keeping commit-
4 ments that he made during the campaign, and I suggest that
5 your constant communication will be an aid to him in doing
6 that.

7 If at any time you have people within the Executive
8 Branch with whom you need additional contact, that is the
9 function of our Office of Public Liaison. It is my intention
10 to follow through on many of the suggestions that are here.
11 We are going to type up a transcript of what was done here.
12 It is our intention to circulate that among not only those
13 of you who were here but make this available to other Indian
14 leadership because I think there is a lot of timely material
15 here that needs to get out, and as quickly as we can get
16 that understanding out. It helps to defuse misunderstandings
17 as to what the policy is and allows people not here to see
18 who it is they have to contact who are now in positions to
19 set policy for the government in matters that affect Indian
20 people.

21 Again, I want to thank you all very much. I enjoyed
22 it, and I am looking forward to continuing to work with you.

23 Thank you very much.

24 (Whereupon, at 6:45 p.m., the hearing was adjourned.)
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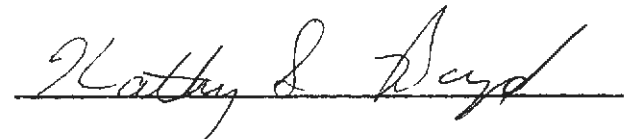
CASE TITLE: American Indian Leaders Advisory Council Briefing

HEARING DATE: June 24, 1981

LOCATION: Washington, D.C.

I hereby certify that the proceedings and evidence herein are contained fully and accurately on the tapes and notes reported by me at the hearing in the above case before The United States Department of Interior and that this is a true and correct transcript of the same.

Date: July 1, 1981



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