

**REPORT TO
THE CONGRESS OF THE UNITED STATES**

**ADMINISTRATION OF WITHDRAWAL ACTIVITIES
BY
BUREAU OF INDIAN AFFAIRS
DEPARTMENT OF THE INTERIOR
MARCH 1958**



**BY
THE COMPTROLLER GENERAL OF THE UNITED STATES
AUGUST 1958**

TO THE READER:

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON 25

B-114868

AUG 8 - 1958

Honorable Sam Rayburn
Speaker of the House of Representatives

Dear Mr. Speaker:

Herewith is a copy of our report on review of the administration of withdrawal activities by the Bureau of Indian Affairs, Department of the Interior, as of March 1958. The examination was performed at Washington, D.C., and at selected field offices of the Bureau of Indian Affairs.

In this report we comment upon legislation on termination of Federal supervision over Indian Affairs as well as on the administration and development by the Bureau of termination programs for specific tribes and groups. We comment also on the Bureau's relocation and industrial development activities.

Our review of the Bureau's withdrawal activities disclosed certain deficiencies and weaknesses in the administration and development of termination programs and in the administration of the relocation and industrial development programs. For example, we noted that action has not been taken to remove restrictions on certain Indian property as provided by law and that certain Bureau practices have resulted in not placing sufficient emphasis on successful relocations. We noted also a lack of adequate planning in advance of negotiations for establishment of industrial development projects.

We recognize that the withdrawal of Federal supervision over Indians is very complex. Our comments in this report are intended to be constructive and are made in the interest of improving the administration of activities for the withdrawal of Federal supervision over Indians in the future.

A copy of this report is being sent today to the President of the Senate.

Sincerely yours,

Comptroller General
of the United States

Enclosure

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REPORT ON REVIEW
OF
ADMINISTRATION OF WITHDRAWAL ACTIVITIES
BY
BUREAU OF INDIAN AFFAIRS
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In connection with the audit of the BUREAU OF INDIAN AFFAIRS, Department of the Interior, the General Accounting Office has reviewed certain Bureau activities relating to withdrawal of Federal supervision over Indians. This review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

The review, which was completed in March 1958, was performed at Washington, D.C., at selected area and agency offices of the Bureau, and at certain field relocation offices in the continental United States. Additional comments on the scope of our review appear on page 45.

GENERAL COMMENTS

The withdrawal of Federal responsibility for administering the affairs of Indians is being carried out by the Bureau of Indian Affairs through various programs and activities authorized by numerous laws. The laws apply to specific Indian groups and tribes or to activities carried out for all Indians under the jurisdiction of the Bureau. The stated fundamental objective of all

Bureau programs or activities is the social and economic advancement of the Indian people sufficient to remove their need for the supervision and services rendered under the special jurisdiction of the Bureau.

The following are some of the more significant activities of the Bureau which vitally affect the withdrawal of Federal supervision over Indians:

1. Land management
2. Education
3. Administration and development of termination programs for specific tribes or groups
4. Relocation and industrial development

Land management and educational activities are carried out for all Indians under jurisdiction of the Bureau and are part of the over-all Bureau program on withdrawal. Because of the significance of these activities, however, we previously submitted separate reports thereon.

Removal of Federal supervision over Indians is largely dependent upon the removal of Federal trusteeship over Indian property, including lands. In our audit report issued to the Congress in November 1956 on administration of Indian lands by the Bureau of Indian Affairs, Department of the Interior (B-114868), we commented upon the problems encountered in withdrawal of Federal supervision over Indian lands and recommended certain legislation and corrective action by the Commissioner of Indian Affairs to alleviate these problems. Further comments on this matter appear on page 1 of our report on the administration of Indian lands, and page 12 of this report.

Education is another major area of Bureau activity which vitally affects the withdrawal of Federal supervision over Indians. We commented upon this activity in our report on review of administration of educational activities by Bureau of Indian Affairs, Department of the Interior (B-118601), submitted to the Commissioner of Indian Affairs on August 13, 1957.

In this report we comment upon termination legislation and upon the administration and development by the Bureau of termination programs affecting certain Indians and Indian groups. We comment also upon the Bureau's relocation and industrial development activities carried on for all Indians under the jurisdiction of the Bureau.

The Bureau's Branch of Tribal Programs is primarily responsible for the administration and development of termination programs for specific Indian tribes or groups. The Branches of Relocation Services and Industrial Development are responsible for carrying out relocation and industrial development activities.

Expenditures for relocation services and industrial development are authorized by the act of November 2, 1921 (25 U.S.C. 13), which provides that the Bureau of Indian Affairs shall direct, supervise, and expend such moneys as Congress may from time to time appropriate for the benefit, care, and assistance of Indians throughout the United States. The appropriation for "Education and Welfare Services" for fiscal year 1957 of \$50,720,000 included about \$3,500,000 for relocation services and industrial development. The fiscal year 1957 appropriation "Resources Management"

of \$16,450,000 included about \$300,000 to finance the activities of the Branch of Tribal Programs.

SUMMARY OF PRINCIPAL FINDINGS AND RECOMMENDATIONS

Following is a summary of our comments upon legislation on termination, as well as a brief description of the principal deficiencies and weaknesses noted in the Bureau's administration of withdrawal activities and our recommendations for corrective action.

Termination legislation

Although no general legislation on the termination of Government supervision is in force, House Concurrent Resolution 108 of the Eighty-third Congress, first session, dated August 1, 1953, states that it is the policy of Congress to end the Indians' status as wards of the Government, making them subject to the same laws and responsibilities and entitled to the same privileges as are other citizens. In addition, the Eighty-third and Eighty-fourth Congresses have enacted legislation providing for termination of Federal supervision of specific tribes. During our review of withdrawal activities we noted that withdrawal of Bureau supervision over certain Indians and Indian groups depends primarily on the enactment of legislation similar to that now before the Congress. For example, a bill (S. 2397) "To authorize the partition or sale of inherited interests in allotted Indian lands, and for other purposes" was introduced in the Eighty-fifth Congress, first session, on June 26, 1957. At the time of the preparation of this report it had not been enacted. We believe that enactment of Senate bill 2397 or similar legislation would do much

toward solving heirship problems and would hasten withdrawal of Federal supervision over the Indians.

A further discussion of termination legislation appears pages 8 to 14.

Weaknesses in the Bureau's administration and development of termination programs

Our review disclosed that action has not been taken to remove restrictions on property of the Five Civilized Tribes of Oklahoma as provided by law, and that termination legislation has not been proposed for withdrawal of Federal supervision over the Mole Lake and St. Croix groups and the Oneida and Winnebago tribes in Wisconsin.

To expedite the Bureau of Indian Affairs withdrawal program, we are recommending that the Secretary of the Interior take action to have instructions issued so that restrictions may be removed, as applicable, from the property of competent Indians of the Five Civilized Tribes, without application, by the Indians, in accordance with the provisions of the act of August 11, 1955 (69 Stat. 667). We are recommending also that the Commissioner of Indian Affairs submit to the Department, as promptly as possible, proposed legislation for termination of Federal supervision over the Wisconsin Tribes and groups mentioned above.¹ Additional comments on these matters appear on pages 15 to 17.

¹By letter dated June 5, 1958, the Administrative Assistant Secretary of the Interior stated that in view of the limited Minneapolis facilities for administering these programs, legislative proposals for termination of Federal supervision over the Mole Lake, St. Croix, and Oneida Indians have been withheld pending congressional action on the termination bills already before it for other tribes under the jurisdiction of the Minneapolis Office.

Deficiencies in the Bureau's administration of relocation program

Our review disclosed that certain Bureau practices have resulted in not placing sufficient emphasis on successful relocations. We noted also certain deficiencies in accounting for and disbursing of cash by Field Relocation Offices and in preparing relocation records and reports. To reduce the cost of permanent relocations accomplished we are recommending that the Commissioner of Indian Affairs take certain steps to require that more emphasis be placed on successful relocations. We are recommending also that the Commissioner and Field Relocation Officers take appropriate action to improve Field Relocation Office procedures for accounting for and disbursing of cash and that the Commissioner take action to promote complete, accurate, and current relocation records and reports.¹ Additional comments on these and other deficiencies appear on pages 18 to 38.

Weaknesses in administration of industrial development program

Our review disclosed a lack of adequate planning in advance of negotiations for establishment of industrial development projects. We are recommending that the Commissioner of Indian Affairs establish criteria to promote sound planning and negotiations in

¹By letter dated June 5, 1958, the Department stated that appropriate action would be taken on these matters. Details on the action to be taken appear on pages 28, 29, 34, and 38.

connection with this program.¹ Further comments on this matter appear on pages 39 to 44.

¹In the letter dated June 5, 1958, the Department stated that steps are being taken to formalize the organization which will provide the personnel necessary to do a satisfactory planning and supervisory job and that criteria are being developed which will provide minimum standards for industrial training facilities and basis for negotiation with industry.

TERMINATION LEGISLATION

The passage of the Dawes Act of 1887 (25 U.S.C. 331) implemented the Government's policy of allotment of Indian lands. This policy was designed to assimilate the Indians into non-Indian society and contemplated that each individual Indian be given a tract of reservation land. The act provided that individual Indians might receive a trust patent¹ from the Government for an allotment of land on the tribal reservation. At the end of a 25-year trust period, full control of the land was to pass to the individual Indian unless the period was extended by the President of the United States. The periods of trust applying to Indian lands have been extended from time to time by Executive Order or by statute and the trust responsibility is still in force.

Since that time, general termination legislation has been introduced in the Congress but so far none has been enacted. For example, a bill H.R. 4985 was introduced in the Eighty-third Congress, first session, providing that "Any Indian born after the date of the enactment of this Act, who is a citizen of the United States, shall, upon reaching the age of twenty-one years, be no longer subject to Federal laws applicable to Indians as such." The House Committee on Interior and Insular Affairs reported favorably on this bill after receiving a favorable report from the Department of the Interior but the bill was not enacted into law.

¹The trust patent is evidence that the land is held in trust by the United States for the beneficial use of the Indian, usually for a definite period of time. The Indian cannot convey or encumber this land without the consent of the Secretary of the Interior.

Pursuant to House Resolution 89, dated March 25, 1953, a Special Subcommittee on Indian Affairs was appointed to conduct an investigation of the Bureau of Indian Affairs. The subcommittee completed its investigation and submitted House Report 2680 to the House Committee on Interior and Insular Affairs, Eighty-third Congress, second session, on September 20, 1954. In the report the subcommittee stated in part that "On the basis of 103 years of programming by the Federal Government, through the Department of the Interior, Members of Congress can only conclude that there have not been made available to our Indian fellow citizens those benefits which our modern concept of citizenship participation prescribe for all citizens." It also stated that "The record suggests that only through an energetic program to eliminate statutory provisions setting Indian citizens apart from non-Indian citizens in matters relating to personal status can there be hope of attaining for the Indian the benefits and responsibilities enjoyed by non-Indians," and that "Apparently no law yet enacted in the field of Indian affairs has had the effect of stimulating Indians, as a group, to make an active effort to end Federal wardship."

In House Report 314, Eighty-third Congress, first session, dated April 23, 1953, the House Committee on Appropriations stated, in pertinent part, as follows:

"The committee is also convinced that a number of the Indian tribes and communities are ready for complete separation from control of the Bureau of Indian Affairs. *** A report with recommendations as to which groups can be separated from control of the Indian Bureau will be expected in connection with the 1955 appropriations bill hearings. Between now and then, the Secretary is urged to take whatever steps he feels are justified to separate other Indian groups from the burden of Bureau supervision and control."

To carry out the directives contained in House Report 314, the Bureau's Branch of Tribal Programs was given the responsibility in large part for the surveys and analyses bearing on the readiness of the various bands and tribes to dispense with special services furnished by the Federal Government and also for preparation of factual data and legislative recommendations for submission to the Congress to effect release of the bands and tribes deemed ready to assume full or increased responsibility for management of their own affairs.

Although no general legislation on the termination of Government supervision over Indians is in force, House Concurrent Resolution 108 of the Eighty-third Congress, first session, dated August 1, 1953, states that it is the policy of Congress to end the Indians' status as wards of the Government, making them subject to the same laws and responsibilities and entitled to the same privileges as are other citizens. In addition, specific acts of Congress have provided for termination of Federal supervision of 10 specified tribes, as follows:

Tribe and state	Public Law		Congress	Termination date
	Date	No.		
Menominee, Wisconsin	6-17-54	399	83d	12-31-58
Klamath, Oregon	8-13-54	587	83d	8-13-58 ^a
Tribes and Bands in Western Oregon	8-13-54	588	83d	8-13-56
Alabama and Coushatta, Texas	8-23-54	627	83d	6-30-55
Ute, Utah	8-27-54	671	83d	-
Mixblood Utes				8-27-61
Fullblood Utes				No date
Paiute, Utah	9- 1-54	762	83d	9- 1-56
Colville, Washington	7-24-56	772	84th	7-24-61 ^b
Wyandotte, Oklahoma	8- 1-56	887	84th	8- 1-59
Peoria, Oklahoma	8- 2-56	921	84th	8- 2-59
Ottawa, Oklahoma	8- 3-56	943	84th	8- 3-59

^aTermination date extended to August 13, 1960, by the act of August 14, 1957 (Public Law 132, 85th Cong.).

^bRepresents the deadline for submission by the Tribal Business Council of prepared termination plans to the Secretary of the Interior.

Termination dates have been specified in these acts for all of the tribal groups listed except the Colville Tribe and the full-blood group of the Ute Tribe. The termination dates on these tribes will be based on termination plans submitted to the Secretary of the Interior by their Business Councils. The Secretary of the Interior has announced, by proclamations published in the Federal Register, the removal of Federal supervision over the Alabama and Coushatta Tribes as of June 23, 1955; the Tribes and Bands in Western Oregon as of August 18, 1956; and the Paiute Bands as of March 1, 1957.

PENDING TERMINATION LEGISLATION

During our review of withdrawal activities at certain field offices of the Bureau, we noted that withdrawal of Bureau supervision over certain Indians and Indian groups depends primarily upon the enactment of legislation similar to that now before the Congress. For example, we noted that bills have been introduced in Congress to alleviate heirship problems, for termination of the Bureau's supervision over Indians in California, and for termination of Federal supervision over Michigan and southern Minnesota communities. These bills, however, had not been enacted at time of the preparation of this report. Our comments on the proposed legislation are as follows:

Heirship problems

Our review of withdrawal activities of the Bureau for fiscal year 1957 disclosed that fractionated interests in Indian lands continues to be a major problem affecting withdrawal activities. Land held in trust for individual Indians totaled 13,230,896 acres at June 30, 1957. A majority of the original allottees are

deceased and ownership of these lands has descended, with attendant subdivision, to the heirs or devisees. We noted, for example, that in the Anadarko Area there were 1,055,329 acres of land under Bureau supervision as of June 30, 1957, and that more than 1,000,000 acres of this land is involved in a multiplicity of ownerships. Our review of surveys and analyses made by the Bureau to determine the readiness of seven Minnesota bands to dispense with Bureau services disclosed that heirship problems represented obstacles to withdrawal for six of these bands.

In our report issued to the Congress in November 1956 on administration of Indian lands (B-114868), we pointed out some of the problems arising out of multiplicity of ownership of Indian lands and stated that the withdrawal of Federal supervision over Indian lands is related directly to the reduction of fractionated interests in Indian lands. We recommended that the Congress consider legislation to authorize the Secretary of the Interior to sell or partition inherited lands held under trust patent, without requiring the consent of all competent owners. Based on our recommendation, Senate bill 2397 "To authorize the partition or sale of inherited interests in allotted Indian lands, and for other purposes" was introduced in the Eighty-fifth Congress, first session, on June 26, 1957.

There appears to be no clear authority in Federal statutes for sale or partition of individual interest in Indian lands without consent of the competent owners. In view of the continuous subdivision of Indian allotments due to the deaths of allottees and the transfer of the undivided interests in the land to heirs and

devises, the responsibilities of the Bureau in connection with the management and disposal of Indian trust property have become seriously complicated. The complexities of the problems associated with such lands tend to increase with time. We believe that enactment of Senate bill 2397 or similar legislation would do much toward solving these problems and would hasten withdrawal of Federal supervision over the Indians.

Termination of the Bureau's supervision
over certain Indian groups

Legislation is needed to provide for termination of Bureau supervision over certain Indian groups. For example, there has not yet been adopted a statutory program for complete termination of the Bureau's activities in California. Because the remaining responsibilities of the Bureau are related principally to the disposition of lands and appurtenant assets held in trust, legislative authority is needed before the Bureau can liquidate these responsibilities. In 1952 and again in 1954 proposed legislation backed by the Bureau for creating such authority was introduced in the Congress. This authority would apply to the lands and appurtenant assets of all the Indians in California except the Agua Caliente Band of Mission Indians and included authority to sell, allot, exchange, or otherwise dispose of trust lands and distribute the proceeds. Termination under these proposals was to be completed within 5 years from the date of enactment. Several bills (H.R. 2824, H.R. 9512, and H.R. 9530), dealing with termination of Federal supervision over Indians in California were introduced in the Eighty-fifth Congress, first session.

A bill (S. 2837) to provide for termination of Federal supervision over Michigan Indians was introduced in the Eighty-fifth Congress, first session, on August 22, 1957. Bureau records show that this bill is based on Bureau recommendations. The records show also that four Indian groups involved have been determined by the Bureau to be reasonably competent to manage their affairs and that two of these groups have indicated a willingness to withdraw from Bureau supervision.

A bill (S. 704) to provide for the termination of Federal supervision over Indians of the southern Minnesota Indian communities was introduced in the Eighty-fourth Congress, first session. This bill was also based on Bureau recommendations and the records show that the Indians involved are reasonably competent to manage their affairs and that the majority of them are in favor of withdrawal of Bureau supervision.

ADMINISTRATION AND DEVELOPMENT

OF TERMINATION PROGRAMS

Our review of the Bureau's administration and development of termination programs disclosed that action has not been taken to remove restrictions on property of the Five Civilized Tribes, Oklahoma, and that legislation has not been proposed by the Bureau for termination of Federal supervision over certain Indian tribes.

ACTION NOT TAKEN TO REMOVE RESTRICTIONS ON PROPERTY

The act of August 11, 1955 (25 U.S.C. 355 note), provides in part that the Secretary of the Interior is authorized and directed to issue, without application, to any Indian of the Five Civilized Tribes who in the judgment of the Secretary is able to manage his or her own affairs an order removing restrictions in accordance with certain specified standards. The act provides also that, when an order removing restrictions becomes effective, the Secretary shall cause to be turned over to the applicant full ownership and control of any money and property that is held in trust for him by the United States, issuing, in the case of land, such title document as may be appropriate.

Our review at the Muskogee Area Office in September 1957 of the progress made in carrying out the provisions of the act of August 11, 1955, disclosed that instructions regarding the procedures to be followed in issuing orders removing restrictions had not been received from the Bureau in Washington.

In August 1957, the Area Director advised the Commissioner of Indian Affairs that many orders removing restrictions on competent Indians could be issued to competent Indians under the act. The

Area Director stated that the Area Office was ready to proceed with carrying out the legislation as soon as instructions are received from the Bureau in Washington.

Recommendation

To expedite the Bureau of Indian Affairs withdrawal program, we recommend that the Secretary of the Interior take action to have instructions issued so that restrictions may be removed, as applicable, from the property of competent Indians of the Five Civilized Tribes in Oklahoma, without application by the Indians, in accordance with provisions of the act of August 11, 1955.

LEGISLATION NOT PROPOSED FOR TERMINATION
OF FEDERAL SUPERVISION OVER INDIAN TRIBES

Legislation has not been proposed to provide for the termination of Federal supervision over certain tribes or other Indian groups determined by Bureau surveys to be ready for withdrawal.

In the Minneapolis area, the Minnesota Agency surveyed the 8 tribes or other groups under its jurisdiction and the Great Lakes Agency surveyed the 15 tribes or other groups under its jurisdiction. Reports on these surveys were submitted to the Commissioner of Indian Affairs in December 1955 and in April, May, and June 1956. The reports showed that 9 tribes or other groups were ready for withdrawal from Bureau supervision.

At the time of our review in August 1957, legislation had been introduced in Congress for the termination of the Federal supervision over 4 bands in Michigan and the Indian communities in southern Minnesota. Legislation had not been proposed, however, for the termination of Federal supervision over the Mole Lake and

St. Croix groups and the Oneida and Winnebago Tribes in Wisconsin although the surveys disclosed that these Indians were ready for withdrawal through appropriate legislation. The Minneapolis Area Director informed us that termination legislation for these groups is being delayed pending the outcome of the termination legislation proposed to provide for termination of the Federal supervision over the 4 bands in Michigan and the Indian communities in southern Minnesota. (See p. 14.) Bureau officials in Washington advised us that as of March 1958 termination legislation for these tribes and groups had not been presented to the Department for approval. They stated that drafting of legislation for the Mole Lake and St. Croix groups and the Winnebago Tribe is being postponed until the imbalance of people to resources at the locations involved can be reduced through the relocation and vocational training programs. Legislation has been drafted to provide for the termination of Federal supervision over the Oneida Tribe but according to Bureau officials submission for departmental approval is being withheld pending solution of certain problems regarding the distribution of tribal lands.

Recommendation

To accomplish withdrawal of Federal supervision over Indian tribes and groups in accordance with congressional and Bureau policy, we recommend that the Commissioner of Indian Affairs submit to the Department of the Interior as soon as possible, proposed legislation to provide for the termination of Federal supervision over the tribes and groups discussed above.

RELOCATION OF INDIANS AWAY FROM RESERVATIONS

The Bureau's relocation services program for Indians wishing to seek permanent employment opportunities away from reservations was inaugurated in fiscal year 1952. An appropriation for this purpose was requested for fiscal year 1952 and in the midsummer of calendar year 1951 a staff was appointed to work in the states of Oklahoma, Arizona, New Mexico, Colorado, Utah, and California.

In November 1951 a Field Relocation Office was opened in Chicago; the placement staff on the Navajo Reservation was incorporated into the relocation program, and the Navajo placement offices in Denver, Salt Lake City, and Los Angeles were converted to Field Relocation Offices to serve members of tribes in all the states mentioned above. Included in the appropriation for fiscal year 1952 were funds to underwrite the costs of transportation, shipping household effects, subsistence enroute to the relocation destination, and subsistence for relocatees during the first few weeks at the point of relocation.

In February 1952 the first relocatees moved to off-reservation locations and the number of Indians relocating has increased steadily since that time. Bureau records show that relocations and program costs by fiscal year from the inception of the program to June 30, 1957, are as follows:

Relocations and related costs, fiscal years 1952-1957

Fiscal year	Number of relocated persons	Cost	
		Total	Per person
1952	868	\$ 576,413	\$664
1953	1,470	566,093	385
1954	2,553	579,431	227
1955	3,459	690,525	200
1956	5,119	973,475	190
1957	<u>6,964</u>	<u>2,806,687</u>	<u>403</u>
Totals	<u>20,433</u>	<u>\$6,192,624</u>	<u>\$303</u>

The substantial increase in costs per person in fiscal year 1957 over fiscal year 1956 was due primarily to the establishment of additional financial assistance grants to relocatees at Field Relocation Offices during fiscal year 1957 for health insurance, furniture, housewares, and for personal appearance improvements, such as haircuts and clothing.

In July 1954, because of limited relocation opportunities in Salt Lake City, the Field Relocation Office there was closed and a new office was established in Oakland, California, for the San Francisco-Oakland Bay Area.¹ In 1956, offices were established in St. Louis, Missouri, and San Francisco and San Jose, California. During the period July to November 1957, additional offices were established at Dallas, Texas; Cincinnati and Cleveland, Ohio; Joliet and Waukegan, Illinois, making a total of 12 relocation offices in operation at November 1957.

We recognize that the relocation of Indians is a very complex task and that the Bureau has had considerable success in assisting Indians to take advantage of relocation and employment opportunities away from reservations. In connection with our review of withdrawal activities, we reviewed relocation activities of the

¹The office at Oakland was discontinued in 1955 and reestablished in July 1957.

seven Field Relocation Offices in operation at the start of our review in July 1957, as well as selected area and agency offices of the Bureau. Our review at some of the locations visited disclosed certain deficiencies in the administration of the relocation services program such as sufficient emphasis not being placed on the number of successful relocations, inadequate relocation records and reports, and inadequate control over Agent Cashier funds. The comments in this report are not intended as a general criticism of the Bureau's relocation services program. On the contrary, we believe that the program is generally sound. In our opinion, however, the Bureau should take certain actions to improve the administration of the program in the future. Specific comments and recommendations on the deficiencies noted follow.

SUFFICIENT EMPHASIS NOT PLACED ON NUMBER OF SUCCESSFUL RELOCATIONS

Our review disclosed that certain Bureau practices have resulted in not placing sufficient emphasis on successful relocations. Although the number of relocations has increased considerably each year since 1955 (see p. 19), the percentage of relocatees returning to the reservation increased from 24 percent in fiscal year 1955 to 31 percent in 1957.

We noted that Indians were relocated to an area not offering adequate opportunities to relocatees, Indians were inadequately prepared for relocation, and minimum standards for selecting relocatees had not been prescribed by the Bureau. Additional comments on these matters follow.

1. Relocation of Indians in an area not offering adequate opportunities to relocatees

The Indian Affairs Manual (82 IAM 4.6) states that "Relocation is encouraged only to communities where adequate opportunities exist, including availability of diversified employment and housing and where facilities exist to assist newly arrived Indians to adjust to the community." Our review of relocation activities at the St. Louis Field Relocation Office disclosed, however, that this policy has not always been complied with. We noted the existence of conditions which are not conducive to successful relocations. The two major problems affecting relocation operations in the St. Louis area are lack of employment opportunities and of desirable housing for relocatees.

The St. Louis Field Relocation Officer's report to the Bureau's Central Office for June 1957, points out the low starting rate for all workers in the St. Louis area and mentions the fact that St. Louis industry has at its command a large body of unskilled and semi-skilled workers in the southern and southwestern part of the state as well as a large group of unskilled workers who reside in St. Louis proper that are immediately available. The report goes on to state that "unless the employment picture changes considerably we are doubtful that wages for our Indian people can be brought in line with the cost of living in this area." A similar report submitted in July 1957 points out that "Slow employment and low starting wages continue to be problems" and that "these in turn affect the level of living relocatees are able to attain."

Our review of applications filed in the St. Louis Field Relocation Office disclosed that employment trends have affected the scheduling of relocatee arrivals in St. Louis. We noted that in the 11 cases selected for review, only one relocatee unit (individuals or families) was scheduled to arrive in St. Louis within 30 days after receipt of the application by the Field Relocation Office. The remaining 10 units were scheduled after the elapse of from 33 to 83 days. In our opinion, such delays in scheduling arrivals tends to discourage the applicants as well as prospective relocatees who have not yet applied for relocation.

In a report dated August 9, 1957, on population and employment trends, the Library of Congress cited the lag in employment and population growth in the St. Louis area. Referring to the St. Louis area, the report said:

"This lower than average increase in population reflects the relative economic stagnation that the area has been undergoing for the past few years. Unemployment has been appreciably higher than in the rest of the United States, and a number of industries have moved out of the area."

Bureau reports state that there are practically no single-unit accommodations available within the price range that can be afforded by relocatees and that notwithstanding the number of public housing units that have been provided in the St. Louis area there is a definite housing shortage for the low-income population. These reports point out also that desirable housing with rental within the reach of relocatee wages is difficult to secure. A brief discussion of housing rentals as compared with relocatee wages is included on page 30 of this report.

The cost of operating the St. Louis Field Relocation Office for fiscal year 1957 was \$138,624. Expenses for subsistence of relocatees totaled \$58,293 or \$120 for each Indian relocated during the fiscal year. The average subsistence cost for each relocatee at the other Field Relocation Offices was \$69 for the fiscal year. The comparatively high cost of subsistence at St. Louis was caused in part by the difficulty in finding employment for relocatees.

The St. Louis office began operations in the early part of fiscal year 1957. During the year, a total of 486 Indians were relocated in the St. Louis area. Bureau records show that 42 percent of the Indians relocated in St. Louis during fiscal year 1957 had returned to the reservation as of November 1957, compared with the Bureau-wide average of 31 percent. The St. Louis office had the highest percentage of relocatees returning to the reservation (see appendix A) and the highest cost per successful relocatee (see appendix B) of the six Field Relocation Offices in operation during fiscal year 1957.

Although the per capita cost of successful relocations at Chicago for fiscal year 1957 was comparatively high also, our review disclosed that this was due in part to the use of Chicago staff members in developing employment and housing opportunities for relocatees in suburban areas and in other work in connection with decentralization of the Chicago relocation activities. At the time of our visit to Chicago in August 1957, Bureau officials estimated that 90 percent of the Indians relocated in areas outside metropolitan Chicago do not return to the reservation.

2. Inadequate preparation of Indians for relocation

Our review of the operating statements for the relocation activity for fiscal year 1957 disclosed that no funds were allocated to Area or Agency offices for expenditures for improvement of the appearance, such as clothing and haircuts on behalf of persons being relocated during the fiscal year. During our visit to the St. Louis and Chicago Field Relocation Offices we noted that some relocatees reporting to those offices were shabbily dressed and that some were dressed in traditional reservation clothes. The Acting Field Relocation Officer at St. Louis agreed that some of the funds now allocated to Field Relocation Offices for "personal appearance" should be made available to the Agency because the arrival of relocatees at the relocation center dressed in a conventional manner would aid in their assimilation into a non-Indian society.

In the narrative report on Navajo relocation activities submitted by the Gallup Area Director to the Commissioner on November 16, 1956, the Agency Superintendent expressed the need for a modest personal appearance allowance prior to departure for the relocation city. He pointed out that Navajo relocatees' clothes may be threadbare, torn, and otherwise worn, that the women and children are often dressed in traditional reservation clothing, and that the men frequently need haircuts. The report stated further that this is a poor way for relocatees to meet this first and important phase of the relocation experience and that there are probably many who would like to relocate but hesitate simply because they believe they do not have the clothes to wear when they board the train.

We discussed the matter of personal appearance allowances with Bureau officials in Washington, who stated that they believed essential clothing could be obtained for needy relocatees through the Bureau's welfare program.

Officials at the St. Louis Field Relocation Office advised us that some relocatees who arrive in St. Louis are not readily employable because they cannot read simple English words or need glasses and that some of the women need basic housekeeping training. An official at the Chicago Field Relocation Office informed us that such cases have been noted also at the Chicago office.

3. Lack of minimum standards for selecting relocatees

Our review disclosed that the lack of prescribed minimum standards for selecting relocatees has resulted in unsuccessful relocations and unnecessary costs. The Indian Affairs Manual does not provide any specific guidelines for use at the Agency level in selecting persons for relocation. We noted that at some locations relocatees who had returned from relocation were known to be poor prospects before relocation.

Review of Bureau records and discussion with Bureau officials at Standing Rock Agency, Aberdeen Area, disclosed that of the 70 individual or family units relocated from this Agency since January 1, 1956, 39 had returned to the reservation as of August 30, 1957. Our examination of the records of these 39 family units disclosed that 16 units, consisting of 53 persons, had a history of drinking, criminal, family, or financial difficulties before relocation.

The Aberdeen Area Relocation Specialist stated that poor prospects are generally the ones who apply for relocation and that he believes that the program is designed to relocate these people.

On the other hand the Relocation Officer at the San Jose Field Relocation Office advised us that as a matter of general practice applicants who have a history of drunkenness, arrests, marital problems, poor health, or other serious problems which would make their successful relocation very doubtful are rejected. As indicative of this approach the Relocation Officer stated on the summary statement of relocation activities for the period October 1, 1957, to April 30, 1958, that "Those applicants with health problems, arrest records, large indebtedness, should be required to correct these deficiencies before they are considered for relocation." Our selective review of the individual case files at the San Jose Field Relocation Office for unsuccessful relocatees disclosed that the relocatees had been screened for local suitability and that only a few had a previous history of drunkenness and arrests.

Of the 29 individual or family units relocated during fiscal year 1957 from the Menominee Agency, Minneapolis Area, nine were unsuccessful. The record shows that two of the individuals relocated unsuccessfully were known to have records which would make their successful relocation very doubtful before relocation proceedings began. For example, one of these returnees had a long list of legal difficulties and a dishonorable discharge from the armed services.

On the basis of the average cost for fiscal year 1957 of relocations in the Aberdeen and Minneapolis Areas and the average cost per relocatee at the destination to which the 18 poor prospects from the Standing Rock and Menominee Agency were relocated, these relocation attempts resulted in expenditure of about \$20,100 in Bureau funds in fiscal year 1957.

At the St. Louis Field Relocation Office, we selected nine relocatee cases for examination. The selection was made on the basis of highest expenditures for financial assistance. Five of the nine cases examined showed that the relocations were unsuccessful. Three of the unsuccessful cases showed a history of drinking, marital and legal difficulties, or overbuying and slow paying. One of these cases showed also that the relocatee had left a steady job on the reservation which paid a salary comparable to that offered in St. Louis. Financial assistance grants to these three unsuccessful relocatees totaled about \$3,200 during the first 7 months of 1957. Another case selected for examination at the St. Louis office disclosed that before relocation the returnee had been arrested on seven occasions for drunkenness and disorderly conduct. All of these unsuccessful relocatees were relocated from agencies under the jurisdiction of the Gallup and Minneapolis Areas.

In our opinion, the processing of individuals known to have records which would make their successful relocation very doubtful not only increases the number of unsuccessful relocatees but also may affect the success of the program in succeeding years because

it tends to discourage relocation participation and tends to cause prospective employers to become reluctant to accept relocatees for employment.

We realize that the relocation service is available only to individuals who voluntarily decide to relocate. As of April 1, 1958, however, the Bureau had a backlog of applications for relocation services totaling 1,285 units or about 3,000 persons. In view of this backlog we believe that additional efforts could be made to discourage applications from poor prospects.

Recommendations

We believe that the Bureau's relocation services program should place more emphasis on successful relocations. The emphasis on successful relocations should help reduce the number of unsuccessful relocations and reduce the cost of accomplished permanent relocations. Accordingly, we recommend that the Commissioner of Indian Affairs:

1. Consider curtailing relocation activities at St. Louis until employment and housing conditions in the area improve substantially.¹

2. Instruct Agency officials to provide clothing and other needed services for relocatees either through the welfare program or through use of personal appearance funds. We further

¹By letter dated June 5, 1958, the Department stated that it will continue to evaluate relocation operations in the light of basic developments in the economic situation to determine a future course of action as to the best approach toward operations in St. Louis.

recommend that the Commissioner take action to (a) extend counseling service to prospective relocatees at the Agency level, and (b) explore the possibilities of obtaining needed glasses for prospective relocatees through the Indian health program, providing training in basic English reading through the Indian education program, and obtaining training in housekeeping and homemaking through the agricultural extension program.¹

3. Establish prescribed minimum standards for selecting relocatees at the agency level. These standards should be designed to encourage those Indians who appear to have the qualifications to relocate.²

¹By letter dated June 5, 1958, the Department advised us that appropriate action will be taken, and that in the ensuing years, as the program develops, efforts will continue to find new techniques to prepare Indians for relocation and urban living.

²In the letter dated June 5, 1958, the Department stated that action in this field is under way and expressed the belief that criteria can be formalized and issued this fall.

NEED FOR CRITERIA ON MAXIMUM HOUSING RENTALS

The Field Relocation Offices are responsible for developing housing opportunities for relocatees and placing them in this housing. We noted that the Bureau has not established rental guidelines for use by Field Relocation Offices in selecting housing for relocatees. At the Chicago Field Relocation Office we were informed that the judgment of the staff is relied on to determine the amount of rent to be paid by the relocatee. At the St. Louis Field Relocation Office, the suggested maximum rental is 25 percent of the relocatee's take-home pay.

Relocation officials in Chicago stated that relocatee housing is generally adequate and not substandard but that in the past some relocatees have moved to substandard housing after their initial placement in housing and that this has caused some unfavorable publicity. We noted that the average married man's salary for relocatees placed by the Chicago Field Relocation Office in February and March 1957 was \$1.60 and \$1.65 an hour respectively, or about \$66 a week for a 40-hour week. The Chicago Office does not maintain statistics on rentals paid by relocatees.

Reports prepared by the St. Louis Field Relocation Office show that in many cases the cost of housing for relocatees is out of line with the worker's take-home pay. The average wage for men placed in employment by this office during June 1957 was \$1.57 an hour or about \$63 a week. The average cost for an adequate unfurnished apartment for man and wife and one or two children is from \$65 to \$75 a month. Of the 25 family units relocated in St. Louis during June 1957, 11 included families averaging over four members each.

Recommendation

To provide assurance that shelter rents paid by relocatees are in line with their wages, we recommend that the Commissioner of Indian Affairs consider establishing criteria for use by Field Relocation Offices in determining the rentals relocatees can afford to pay. We suggest that maximum rentals be based on an income formula rather than a flat percentage so as to avoid encouraging overexpenditure for rent while other necessary expenses are curtailed. We suggest also that these criteria, when established, should be used as a basis for discouraging relocations in areas where adequate housing is not available at rentals relocatees can afford to pay.

DEFICIENCIES IN ACCOUNTING FOR AND DISBURSING OF CASH

Our review disclosed certain deficiencies in accounting for and disbursing of cash by Field Relocation Offices. Comments on the deficiencies follow:

a. The use of Treasury checks drawn in the name of each relocatee for payment of several categories of relocation expenses as prescribed by the Bureau of Indian Affairs Manual (82 IAM 5.5.3) results in excess costs in the administration of the relocation program.

Treasury checks drawn in the name of the applicant for payment of relocation expenses are requested from the Phoenix Area Office by all Bureau Field Relocation Offices at the time the applicant is scheduled for relocation. After arrival at the relocation city, the relocatee endorses the checks for health services, furniture, and tools and equipment in favor of the person or firm furnishing the goods or services. The checks for transportation by

personal car and subsistence enroute are mailed by the Treasury Regional Disbursing Officer, Los Angeles, California, to the Agency Relocation Officer who assists the relocatee in cashing the checks prior to his departure from the reservation. Upon receipt of the checks for physical examination from the Regional Disbursing Officer, the Field Relocation Office mails the checks with attached powers of attorney signed by the relocatees to the examining physician.

A particularly large number of checks are issued for recurring payments for health services. Relocatees are furnished health insurance coverage for a period of 1 year, beginning on the date of arrival at the Field Relocation Office. Health insurance is provided by a continuing Group Hospitalization and Surgical-Medical Service Contract, number HMS-733, dated March 30, 1955, between the Bureau and Health Services, Incorporated. At the Los Angeles Field Relocation Office, 1,369 Treasury checks were required to pay \$142,359 to Health Services, Inc., for health service premiums for 1,369 relocatee family units during fiscal year 1957. Also, our review of the Chicago and St. Louis Field Relocation Offices disclosed a similar situation.

Numerous checks are issued also for payments of invoices for physical examinations. For example, at the Los Angeles Field Relocation Office, our review of invoices for physical examinations, on hand at August 12, 1957, disclosed that 14 Treasury checks were required to pay one clinic \$400 for physical examinations of relocatees.

b. At the San Jose, San Francisco, and Oakland Field Relocation Offices the Agent Cashier's duties included posting and maintenance of financial assistance control registers and unit ledger records. The combining of cash handling duties with cash record-keeping duties in one person results in inadequate control over cash.

To the extent practicable, the responsibility for maintaining records of cash transactions should be assigned to someone other than an employee responsible for the custody and handling of cash.

Each of the Field Relocation Officers advised us that he was without authority to reassign the financial recordkeeping duties of the Agent Cashiers. The duties are as prescribed by the Bureau's central office and stated in the position descriptions.

c. At the San Francisco Field Relocation Office personnel other than the Agent Cashier and alternate had knowledge of the combination of the safe in which cash funds are held. The Agent Cashier and alternate are responsible for the cash funds. We were advised at the San Francisco Field Relocation Office that corrective action would be undertaken as soon as practicable. We suggest that corrective action be taken also at other locations where this situation is found to exist.

Recommendations

1. To reduce the cost of making payments on behalf of relocatees, we recommend that the Commissioner of Indian Affairs take action to provide for a direct billing-payment arrangement between the Bureau and the individuals or firms furnishing goods or

services to relocatees. Generally, not more than one check per month should be issued to each vendor.¹

2. To improve the system of internal control over cash and reduce the possibility of irregularities, we recommend that the Commissioner have descriptions and duties of Agent Cashiers revised to provide for a separation of responsibility for handling cash and for maintaining the accounting records for cash to the extent practicable.¹

¹By letter dated June 5, 1958, the Department advised us that action will be taken, including developing a plan for the issuance of Treasury checks and studying job sheets of Agent Cashiers for rewriting job descriptions.

INADEQUATE RELOCATION RECORDS AND REPORTS

Our review disclosed that certain relocation records and reports are incomplete and inaccurate and that certain desirable information on relocations is not maintained at Agency or Field Relocation Offices.

We noted that in some cases the provisions of the Indian Affairs Manual dealing with records and reports were not being followed. For example, at the time of our visit in September 1957 at the Kiowa Area Field Office, Anadarko Area, the Relocation Officer did not maintain a relocation officer's notebook. At the Menominee Agency, Minneapolis Area, the Relocation Officer's notebook was incomplete; the most current information in July 1957 was dated August 12, 1955. It contained no record of relocatee names, date of departure, community departed from, or destination community. Moreover, information on social, religious, and political events or opening and closing dates of schools was not included in the notebook. The Indian Affairs Manual (82 IAM 2.2) requires that this information be maintained. We believe that maintenance of the required information in the Relocation Officer's notebook on a current basis is desirable because it may be used to good advantage in answering relocatees' questions and in promoting the program at the reservation level.

At the Menominee Agency individual file folders on relocatees were not being labeled by name and the alphabetical cross index file was not current as required by the Manual (82 IAM 6). Also, the monthly Relocation Officer reports on the number of relocations accomplished did not agree with the number of relocations

shown by the individual relocatee files for 4 months of fiscal year 1957. The individual files showed that 15 family units consisting of 34 persons were relocated during the 4 months but the monthly reports showed that 9 family units consisting of 20 persons were relocated during the same period.

Review of relocation reports at the Navajo Agency, Gallup Area, disclosed that annual reports on the operation and accomplishments of the Agency relocation activity had not been prepared since inception of the relocation program. The Indian Affairs Manual (82 IAM 2.11) requires that these reports be prepared by all Agency Relocation Officers for distribution to the Area Director, Central Office, Branch of Relocation, the Agency staff, local public agencies, the tribal governing body, and key Indian people in the various communities on the reservation. The Manual provides that, at the beginning of each fiscal year, the Agency Relocation Officer should set down in writing his plan of operations for the year and what progress he hopes to achieve in moving toward the long-range goal of the relocation program on the reservation he is serving; and that during the year he should maintain records so that he can measure program accomplishments. This information is used to prepare the required annual reports. We believe these reports should be prepared for use by Bureau officials and others in evaluating relocation program accomplishments.

We noted also that in some cases there is a need for additional Manual provisions or other instructions on the relocation program. For example, the Bureau does not require current returnee

statistics to be maintained. It is Bureau policy to prepare reports on returnees only after a returnee survey is made by the Bureau in November of each year. The reports cover the preceding fiscal year.

At the time of our review in September 1957, the Navajo Agency, Gallup Area, did not have complete statistical information gathered on returned relocatees. This lack of information was attributed in part to the difficulty in knowing which relocatees had returned and in part to the failure of subagency offices to follow up when a return had been noted. Current information on returnees was not available also at the Chicago, St. Louis, and Los Angeles Field Relocation Offices.

Bureau regulations do not require that Field Relocation Offices maintain a schedule of visits actually made to relocatees' homes and visits planned. A record of each visit is maintained in the individual relocatee file but no summary of home visits made is required to be prepared for review by the Field Relocation Officer or other Bureau officials.

Recommendations

To provide accurate and complete information on relocation activities for program evaluation purposes we recommend that the Commissioner of Indian Affairs take action to promote complete, accurate, and current relocation records and reports at all applicable levels of the relocation activity. Special emphasis should be given to the maintenance of current returnee statistics. We further recommend that the Commissioner require that schedules of

home visits be maintained at Field Relocation Offices so that interested officials may be currently informed regarding the status of home counseling services.¹

¹By letter dated June 5, 1958, the Department advised us that appropriate action will be taken including reviewing of agency files, reports, and records to assure compliance with provisions of the Indian Affairs Manual, making needed revisions of the relocation portion of the Indian Affairs Manual, and preparing annual reports on the operations and accomplishments of Agency Relocation Offices.

INDUSTRIAL DEVELOPMENT PROGRAM

The Bureau's special program for industrial development is part of the over-all program for withdrawal of Federal supervision over Indians. The Bureau is emphasizing the development of industry on or near Indian reservations because of the need for employment opportunities for an increasing Indian population.

For a number of years, certain Indian tribes, with the cooperation of the Bureau, have expended considerable effort to develop industrial and business enterprises on or near reservations. For example, a number of tribal business enterprises were initiated by the Navajo Tribe under the Navajo rehabilitation program approved by the Congress on April 19, 1950 (25 U.S.C. 631). Several of these activities proved to be financially unsuccessful and in the latter part of 1955 the tribal council decided on a shift in program emphasis. This new emphasis was directed toward attracting established industries to locate some portion of their activity in towns adjoining the Navajo reservation and is in harmony with the Bureau's special program for industrial development.

The Bureau's program is designed to encourage the establishment of industrial and commercial enterprises on or adjacent to Indian reservations or in areas of preponderantly Indian population. It began in May 1956 when a subsidiary of Saddlecraft, Inc., started to participate in the program as a pilot industry. Eight other industries had started to participate in the program as of June 30, 1957, and by November 1957, a total of 11 industries had participated in the program.

Under this program, the Bureau has provided financial assistance to cover the maintenance needs of Indians until receipt of income from employment. The Bureau has also paid for on-the-job training for some Indians. In addition, the tribes, in some cases, have furnished facilities such as plant buildings and paid on-the-job training costs.

Since February 1957, the Bureau has been authorized (25 C.F.R. 21.19) to make loans to any organization of Indians for use in attracting industries to operate in localities where such use will promote economic development of Indians. At the time of preparation of this report, however, no such loans had been made.

Bureau records show that as of November 1957, the Bureau estimated that these 11 industries would eventually employ 765 Indians representing nine tribes under the jurisdiction of six area offices and the Bureau's Washington, D.C., office. The Chief, Branch of Industrial Development, in Washington, estimated that as of November 1957 about 150 Indians were employed in these industries. Most of the industries had not been participating in the program for a year at the time of our review; some industrial development projects had not reached the size expected after more than 1 year of operation; and one plant expected by the Bureau to employ 100 Indians within 1 year had ceased operation by the end of the year. (See appendix C.)

Our review disclosed a lack of adequate planning in advance of negotiations for establishing industrial development projects. We noted also that as of March 1958 the Bureau has not established

written criteria for use in negotiations with industries. Specific comments follow.

NAVAJO TRIBE

Two manufacturing plants were established near the Navajo reservation, Gallup Area, in 1956, as a result of negotiations among the firms, the Navajo Tribe, and the Bureau. Navajo Furniture Industries, Inc., opened a plant near Gallup, New Mexico, for the manufacture of juvenile furniture and Lear-Navajo, an electronics plant, began operations at Flagstaff, Arizona. Both plants were operated as subsidiaries of California corporations. Although the Bureau estimated that after 1 year of operation each of these plants would employ 100 Navajos, Bureau records show that prior to November 1957 the Lear-Navajo plant had ceased operations and that as of November 8, 1957, Navajo Furniture Industries, Inc., employed 10 Navajos. The Lear-Navajo plant had previously employed 18 Navajos. We were informed that the furniture plant also faces a shut down of indefinite duration because of excess inventory of finished products.

Both plants were heavily subsidized by the tribe. The tribe invested \$89,660 in the Navajo Furniture industry. They also paid on-the-job training costs of \$6,399. For Lear-Navajo, the tribe invested \$15,953, paid rental on a building in the amount of \$2,250, and paid on-the-job training costs of \$11,289. In adopting a policy of removing every obstacle which might stand in the way of attracting outside firms, the tribe and the Bureau have made it easy for these firms to withdraw from operations. Arrangements with

the two firms did not require the enterprises to invest in plant or fixed equipment. Also, neither firm bore the full labor costs and did not agree to hire for minimum periods.¹

Both the Lear-Navajo and Navajo Furniture ventures met with difficulties involving the relocation of Indians to homes near the plants. Little was done to provide suitable housing for the Navajos and great reliance was placed on oral agreements which made housing a local community responsibility.

NORTHERN CHEYENNE TRIBE

In January 1957 an industrial enterprise was started at Lane Deer, Montana, in the Billings Area to provide for the employment of Northern Cheyenne Indians. The manufacturer was employing about 24 Indians in the manufacture of necktie racks as of June 1957. By June 30, 1957, the Bureau had paid a total of \$4,800 in subsistence grants to 31 trainees.

This enterprise was started at virtually no risk to the owner. The plant, a former school building located on tribal land, was made available rent free to the manufacturer. Woodworking machines were donated by well-wishers. The local power company donated electric power to the business to help it in getting started. The manufacturer used free salvage materials from the scrap pile of a nearby sawmill for raw materials.

¹By letter dated June 5, 1958, the Department stated that the terms of the agreement between the Navajo Tribe and the Kingman Furniture Shops, Inc., the most recent Navajo project, are on a more equitable basis. The Department also stated that the closing of the Lear-Navajo plant and the slowdown of Navajo furniture industries operations were largely due to the change in general economic conditions.

The Bureau, in effect, subsidized the manufacturer's payroll during the early period of operations when it made subsistence grants in lieu of wages for training periods of up to 8 weeks. Bureau officials in Washington stated that the training period for this operation should be no longer than 3 weeks. The Bureau agreed to the longer training period because its officials were under the impression that the plant would produce fishing tackle, and therefore would involve a more complex operation requiring specialized training that could conceivably run for a period of 8 weeks. The Bureau's agreement with the firm did not provide for manufacture of necktie racks.

The Bureau refused to enter into an on-the-job training agreement with this manufacturer for fiscal year 1958. The Bureau estimated, however, that the manufacturer still employed 24 Indians in November 1957. (See appendix C.)

SIOUX TRIBES

At the time of our review in November 1957, two industrial development programs were in effect in the Aberdeen Area, one with New Moon Homes, Inc., in Rapid City, South Dakota, and the other with Tatanka, Inc., in McLaughlin, South Dakota. These industries were established to provide employment for Pine Ridge Sioux and Standing Rock Sioux Indians. Only 12 Indians were employed at New Moon Homes and 3 at Tatanka, Inc.

Aberdeen Area Office officials stated that industrial development is desirable but that economic and transportation problems in the Dakotas hinder industrial development. They agreed that the two industrial development programs were not of the size expected but believed that they will increase and improve in time.

Recommendation

Because the Bureau's special program for industrial development has been in operation a relatively short time we could not fully evaluate the progress made by the Bureau in seeking employment for Indians through this program. However, in view of the weaknesses disclosed by our review, we recommend that the Commissioner of Indian Affairs establish criteria to promote sound planning and negotiations in connection with this program.

SCOPE OF REVIEW

Our review of the administration of withdrawal activities by the Bureau of Indian Affairs was performed at Washington, D. C., at 7 of the 10 area offices, at 9 selected field locations under the jurisdiction of these area offices, and at 7 of the Bureau's 12 field relocation offices. Our review work in the field was completed in December 1957 and in Washington, D. C., in March 1958. At the area and agency offices visited we reviewed the progress made toward withdrawal under the termination programs enacted by the Congress and the progress made toward the development of termination programs for Indians not covered by terminal legislation. We reviewed also the Bureau's administration of the relocation and industrial development programs at the Washington office and at the area, agency, and field relocation offices visited.

Our review was conducted in the following manner:

1. We reviewed the specific acts of Congress providing for termination of Federal supervision over Indians under the jurisdiction of the Bureau field offices visited. We reviewed also the basic laws and regulations authorizing the Bureau's relocation and industrial development activities.

2. We ascertained the policies adopted by the Bureau and reviewed those policies for conformance with legislation and regulations.

3. We reviewed the procedures followed by Bureau employees to determine the effectiveness of the procedures.

4. We did not make a detailed examination, but we reviewed selected transactions to the extent we deemed appropriate under the existing circumstances.

BUREAU OF INDIAN AFFAIRS

PERSONS RELOCATED

FISCAL YEAR 1957

	Relocatees (persons)	Percent of relocatees returning to reserva- tions (note a)
FIELD RELOCATION OFFICES (destination)		
Chicago	943	36
Denver	662	29
Los Angeles	3,200	29
San Francisco	1,190	27
San Jose	469	31
St. Louis	486	42
Juneau (note b)	<u>9</u>	-
Total	<u>6,964</u>	31
AREAS (origin) (note c)		
Aberdeen	1,845	34
Anadarko	451	16
Billings	570	33
Gallup	1,353	32
Juneau	9	-
Minneapolis	627	39
Muskogee	791	15
Phoenix	745	36
Portland	518	26
Other (note d)	<u>55</u>	-
Total	<u>6,964</u>	31

^aBased on Bureau follow-up on 91 percent of persons relocated in fiscal year 1957. Percentages shown for areas were computed by the Bureau. Percentages for field relocation offices were not available and, therefore, were computed by GAO on the basis of available Bureau statistics.

^bAlthough not classified as a field relocation office by the Bureau, the Juneau Area Office renders relocation services occasionally.

^cStatistics reported by agencies and accumulated by the Bureau on an area basis.

^dRepresents the difference between the relocations reported by the field relocation offices and the agency offices in each area.

APPENDIXES

BUREAU OF INDIAN AFFAIRS

FIELD RELOCATION OFFICES
 AVERAGE COST PER SUCCESSFUL RELOCATEE^a
 FISCAL YEAR ENDED JUNE 30, 1957

	St. Louis	Chicago	San Francisco	San Jose	Denver	Los Angeles	All field relocation offices
PROGRAM DIRECTION COSTS:							
Personal services	\$103	\$156	\$111	\$ 89	\$115	\$ 83	\$103
Travel and motor services	13	19	17	11	14	8	12
Other expenses	20	24	25	21	12	9	15
Total	136	199	153	121	141	100	130
RELOCATION AID COSTS:							
Maintenance:							
Subsistence	207	129	102	111	87	89	105
Personal appearance	9	21	14	15	7	20	17
Housewares	7	12	10	7	7	10	10
Furniture	23	34	23	35	19	32	29
Transportation	53	29	29	31	39	30	32
Other ^b	57	65	77	70	72	67	69
Total	356	290	255	269	231	248	262
Grand total	\$492	\$489	\$408	\$390	\$372	\$348	\$392

^aThe per capita cost represents the cost incurred by the Field Relocation Offices divided by the number of successful relocations obtained by using the complement of the percentage of re-locatees who returned to reservations as shown in appendix A.

^bIncludes health services, physical examinations, employment and community adjustment services, and unusual emergencies.

APPENDIX B

BUREAU OF INDIAN AFFAIRS

STATUS OF INDUSTRIAL DEVELOPMENT PROGRAM

Office	Name of industry	Date started participation in program	Potential employment of Indians (estimated as of November 1957)	Employment of Indians (estimated as of November 1957)	Tribe
Aberdeen Area	New Moon Homes, Inc.	March 1957	100	12	Sioux
	Tatanka, Inc.	May 1957	50	3	Sioux
Billings Area	First Americans, Inc.	January 1957	125	24	Northern Cheyenne
Gallup Area	Lear-Navajo	November 1956 ^a	0	0	Navajo
	Navajo Furniture Industries, Inc.	November 1956	100	15	Navajo
Minneapolis Area	Simpson Electric Co.	September 1957	50	25	Chippewa
	Splicewood Corp.	November 1957	10	0	Chippewa
Phoenix Area	Casa Grande Mills	March 1957	100	2	Pima and Papago
Portland Area	Bayly Mfg. Co.	June 1957	100	10	Yakima
Washington, D.C.	The Cherokees	May 1956	100	44	Eastern Cherokee
	(Saddlecraft, Inc.) (Whitetree's Workshop)	June 1957	30	15	" "
	Total		765	150	

^aPlant ceased operations within 1 year. (See p. 41.)

APPENDIX C