

COMMISSIONER THOMPSON'S STATEMENT

BIA Official Testifies On Appropriations

Statement of Morris Thompson, Commissioner of Indian Affairs, U.S. Department of the Interior, before the House Subcommittee on Appropriations for the Department of the Interior and related agencies.

Madam Chairman:

The Indian Financing Act of 1974 was signed on April 12, 1974, as Public Law 93-262. The act authorized appropriations of \$80 million which falls into three separate appropriation actions. On June 3, 1974, the President requested the bureau's fiscal year 1975 budget be amended for the total authorized amount.

Briefly, \$50 million is requested to provide capital for the revolving loan fund to be available for direct federal loans to Indian tribes, organizations and individuals. This fund represents the primary source of financing for Indians who cannot borrow from other government credit agencies or ordinary commercial lenders because of the Indians' low economic status, locations and lack of bankable security.

— \$20 million is requested for Indian Loan Guaranty and Insurance Funds which is to be used as a reserve for losses and to pay interest subsidies on guaranteed and insured loans and to pay other costs incident to, or

arising out of, such loans; to pay certain administrative costs and to provide management and technical assistance to eligible borrowers and recipients of development grants.

— \$10 million is requested for the Indian Business Development Program which will stimulate and increase Indian entrepreneurship and employment by providing equity capital through non-reimbursable grants to Indians and Indian tribes to establish and expand profit making Indian-owned economic enterprises benefiting Indian reservations and communities.

The implementation of this act provides the financial underpinning of the administration's pledge to pursue a policy of Indian self-determination since the ability of the American Indian to shape his own future and to assume control of federal programs created for his benefit bears a significant relationship to the strength of his economic base. To this end we expect this program to be the nucleus of our economic development efforts.