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REPORT TO THE CONGRESS⁰⁹

UNITED STATES
GENERAL ACCOUNTING OFFICE

AUG 13 1975



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Better Overall Planning Needed To Improve The Standard Of Living Of White Mountain Apaches Of Arizona

Department of the Interior

Bureau of Indian Affairs

This review was undertaken to examine, on a single Indian reservation, how different Federal programs cumulatively affect the standard of living, considering the values and aspirations of these Indians.

The review focused on the White Mountain Apache Tribe, on Fort Apache Indian Reservation, east central Arizona. Many Federal programs available to Indians were in operation on this reservation.

This tribe's population and relatively isolated geographical location provided a well-defined and appropriately sized statistical base for such a review.

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

FGMSD-75-47

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AUG. 12. 1975

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COMPTROLLER GENERAL OF THE UNITED STATES

WASHINGTON, D.C. 20548

B-114868

To the President of the Senate and the
Speaker of the House of Representatives

This report shows that the standard of living for Apache Indians on the Fort Apache Reservation in Arizona is considerably lower than that for the general public. The problems preventing White Mountain Apaches from achieving a standard of living comparable to the national average are multiple and interrelated. In the report we discuss the need for the Department of the Interior to assist the Fort Apache tribal council in planning and implementing an overall program for improving the standard of living of the White Mountain Apaches.

We believe that coordination of Federal efforts at the reservation level is needed for all Indian tribes and that evaluations of the type covered in this report should be made for all tribes. We are, therefore, recommending that the Office of Management and Budget take action to coordinate Federal efforts at the reservation level, see that continuous evaluations are conducted of the effect of Federal programs on the standard of living at Indian reservations, and submit annual reports to the Congress on the progress made.

If early action is not taken by the Office of Management and Budget, we recommend that the Congress enact appropriate legislation.

We made our review 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).

Copies of this report are being sent today to the Director, Office of Management and Budget; the Secretary of the Interior; and heads of other departments and agencies administering programs discussed in the report.

A handwritten signature in black ink, reading "Luther B. Stacks".

Comptroller General
of the United States

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ABBREVIATIONS

BIA	Bureau of Indian Affairs
EDA	Economic Development Administration
GAO	General Accounting Office
GNP	gross national product
GRP	gross reservation product
HEW	Department of Health, Education, and Welfare
HUD	Department of Housing and Urban Development
IHS	Indian Health Service

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

BETTER OVERALL PLANNING
NEEDED TO IMPROVE THE
STANDARD OF LIVING OF
WHITE MOUNTAIN APACHES OF
ARIZONA

1 Department of the Interior
2 Bureau of Indian Affairs

D I G E S T

In this report, GAO recommends that the Department of the Interior take the lead in formulating and implementing a development plan integrating all of the various Government programs on the Fort Apache Reservation. The plan should take into account the natural assets of the reservation and its people and should establish goals and priorities in accordance with Apache values and aspirations.

GAO also recommends that Interior work with other Federal agencies and with the tribal council to improve the economic self-sufficiency of the reservation so that increases in Apache income are less dependent upon increased Federal expenditures.

The goals and aspirations of the White Mountain Apaches have not been extensively studied by the Federal Government.

Limited studies, conversations with tribal officials, and the results of a GAO questionnaire distributed to 250 Apache households indicate that the Apaches have such aspirations as

- better training and education, especially for their children;
- more and better jobs; and
- a larger voice in the decisions on how reservation moneys are spent.

These aspirations are generally consistent with statements of Federal policies and programs which generally require that the social and economic conditions of American Indians be

improved to a level comparable to that of the national average.

A variety of federally funded programs administered through various Federal, State, and local agencies have more specific goals such as improving health, education, and housing. It is national policy that the Federal Government promote economic self-sufficiency and provide for increasing self-determination for Indian tribes.

Although some progress has been made, the White Mountain Apache standard of living is considerably lower than the national average. Among the problems preventing Apaches from achieving this level of living are:

- Health problems which cannot be completely reduced by improved health services alone as housing and sanitation problems also affect health.
- Lack of new business and industry. Business and industry are needed to increase employment and incomes.
- Need for improvements in education, transportation, and relations with non-Apaches.
- Alcohol consumption which needs to be reduced.
- Need for a better school system to promote greater educational attainment and better housing and home environment.

Since many Federal programs on the Apache reservation continue to be operated by separate departments and agencies and are often planned and administered through State or local governmental units, they generally operate independently from each other.

Improvements in tribal planning and management capabilities are needed to permit the tribe to set such goals and to establish coordinated programs and activities at the reservation level. The Federal Government's role under the Indian Self-Determination and Education

Assistance Act of January 4, 1975, Public Law 93-638, 88 Stat. 2203, requires the Federal agencies to build tribal capacity to perform planning and coordination functions.

Present knowledge of the Apache situation could be used more efficiently if the Federal and other resources applied to the reservation were planned and managed by this tribe more systematically. (See p. 75.)

The Department of the Interior concurred and said that the Bureau of Indian Affairs has been working with tribal leaders and cooperating with other Federal agencies.

Even recognizing the Self-Determination Act and the emphasis it places on giving Indians more responsibilities for managing their own affairs, the executive branch still has a large responsibility for seeing that Federal funds are used effectively and efficiently to improve the standard of living of Indians on reservations.

3 The Office of Management and Budget should see that 27

--an approach is developed which will coordinate Federal efforts at the reservation level, 1/

--continuous evaluations are made of the effect of Federal programs on the standard of living at Indian reservations including the development of information systems to support them, and

1/A previous GAO report, "Improving Federally Assisted Business Development on Indian Reservations" (RED-75-371, June 27, 1975), made a similar recommendation with respect to business development programs on Indian reservations. The above recommendation expands the earlier one to apply to all Federal programs.

--annual reports are submitted to the Congress on progress made in improving the standard of living of reservation Indians and on any needed changes in legislation to improve the effectiveness of Federal programs.

If early action is not taken on these recommendations, GAO recommends that the Congress enact appropriate legislation.

CHAPTER 1

INTRODUCTION

FEDERAL ASSISTANCE TO INDIAN RESERVATIONS

A plethora of agencies and programs operates at every level of government--Federal, State, and local--to improve the standard of living for Indians. At the Federal level, the most important agencies assisting Indians are the following.

- The Bureau of Indian Affairs (BIA), which has the primary responsibility for administering Federal programs for Indians. Its principal objectives are to encourage and train Indians to manage their own affairs and to fully develop their human and natural resource potentials. The Congress has also vested in BIA various "trust" responsibilities with respect to tribal lands, moneys, and mineral rights. BIA operates and/or assists in developing and managing public education systems on the reservations, works with the Indian people to obtain or provide social and community development programs and services, and aids in establishing and administering economic and natural resource development programs consistent with the principles of resource conservation.
- The Indian Health Service (IHS) of the Health Services Administration, Department of Health, Education, and Welfare (HEW), which is responsible for providing comprehensive health care to Indians. IHS offers programs for hospitalization, outpatient medical care, public health nursing, school health, maternal and child health, dental and nutrition services, health education, and environmental health services.
- The Economic Development Administration (EDA) of the Department of Commerce, which is authorized to assist areas having substantial unemployment, and to develop stable and diversified local economies. EDA has funded many projects for developing public works and/or industrial facilities on Indian reservations. EDA also provides funds through its business loan program to help finance commercial ventures on Indian reservations.

--The Department of Labor has the prime Federal responsibility for developing job skills among the unemployed and underemployed--particularly welfare recipients and other disadvantaged persons. Labor programs on reservations include institutional and on-the-job training programs under the Manpower Development and Training Act of March 15, 1962, Public Law No. 87-415, 76 Stat. 23, such as Neighborhood Youth Corps and Operation Mainstream programs. (See pp. 30 and 31.) These programs were consolidated under the Comprehensive Employment Training Act of December 28, 1973, Public Law No. 93-203, 87 Stat. 839.

--The Department of Housing and Urban Development (HUD), which is responsible for administering programs to meet the goals of the Housing Act of July 15, 1949, c. 338, 63 Stat. 413, which provides for remedying unsafe and unsanitary housing conditions and the acute shortage of housing for families of low income in urban, rural nonfarm, and Indian areas. At the end of 1973 HUD had assisted in the construction of about 14,500 new homes on Indian reservations.

--The office of Economic Opportunity, which was established in 1964 to strengthen, supplement, and coordinate efforts to eliminate poverty in the United States. The Office of Economic Opportunity Community Action programs on Indian reservations vary depending on community interest, but could include manpower, education, alcoholism, and emergency welfare programs as well as day care centers, credit unions, and other services.¹

Other Federal programs operating on reservations include those administered by local, nontribal institutions. For instance, some welfare programs for Indians, such as the aid-for-dependent-children program or the food-stamp program, are administered at the county level and are funded wholly or in part by the Federal Government.

¹All Office of Economic Opportunity programs on reservations were converted to Native American Programs administered by HEW effective July 1973.

GOALS FOR FEDERAL PROGRAMS

The President of the United States, in a July 1970 message to the Congress, summarized the goal of Federal Government programs for Indians.

"* * * Down through the years, through written treaties and * * * formal and informal agreements, our Government has made specific commitments to the Indian people. For their part, the Indians have often surrendered claims to vast tracts of land and have accepted life on Government reservations. In exchange, the Government has agreed to provide community services such as health, education, and public safety, services which would presumably allow Indian communities to enjoy a standard of living comparable to that of other Americans."

In December 1971 the Congress acknowledged the Government's responsibility for improving Indian living conditions and passed a concurrent resolution which stated that the:

"Federal Government is responsible for assuring that the * * * rights of American Indians are fulfilled and that the eradication of adverse economic, education, health, and social conditions which prevent any American from achieving a life of decency and self-sufficiency is a priority national goal."

The Congress has also recognized the Federal Government's responsibility with respect to Indian self-determination. The Indian Self-Determination and Education Assistance Act, Public Law No. 93-638, 88 Stat. 2203, became law on January 4, 1975, following hearings in 1973 and 1974. This act states that:

"The Congress, after careful review of the Federal Government's historical and special legal relationship with, and resulting responsibilities to, American Indian people, finds that--

- (1) the prolonged Federal domination of Indian service programs has served to retard rather than enhance the progress of Indian people

and their communities by depriving Indians of the full opportunity to develop leadership skills crucial to the realization of self-government, and has denied to the Indian people an effective voice in the planning and implementation of programs for the benefit of Indians which are responsive to the true needs of Indian communities; and

- (2) the Indian people will never surrender their desire to control their relationships both among themselves and with non-Indian governments, organizations, and persons."

With regard to education, the act provides assistance which is supplemental to assistance provided under the "Indian Education Act" of June 23, 1972, Public Law No. 92-318, 86 Stat. 235. The 1972 act established an Office of Indian Education in the Office of Education, HEW, and a National Advisory Council on Indian Education which "shall consist of fifteen members who are Indians and Alaska Natives appointed by the President of the United States."

PREVIOUS GAO STUDIES OF INDIAN PROBLEMS

We have reported previously to the Congress on many aspects of Indian problems. Some of our more recent reports dealing with broad categories of Indian problems are:

- "Improving Federally Assisted Development on Indian Reservations" (RED-75-371, June 27, 1975).
- "Progress and Problems in Providing Health Services to Indians" (B-164031(2), March 11, 1974).
- "Opportunities to Improve Indian Education in Schools Operated by the Bureau of Indian Affairs" (B-161468, April 27, 1972).
- "Slow Progress in Eliminating Substandard Indian Housing" (B-114868, October 12, 1971).

In each of these reviews, our efforts were focused on one functional area in which governmental programs were operating. This approach allowed us to view these programs in operation for a number of reservations and enabled us to make several recommendations for improving the effective operation of these programs.

GAO STUDY OF THE WHITE MOUNTAIN APACHE TRIBE

This review was undertaken to examine, on one Indian reservation, the interactions among different programs and factors affecting the Indian standard of living, considering the values and aspirations of these Indians.

The review focused on the White Mountain Apache Tribe, located on the Fort Apache Indian Reservation in east central Arizona. Many Federal programs available to Indians were in operation on this reservation. Also, the tribe's population and relatively isolated geographical location provided a well-defined and appropriately sized statistical base for review.

Data sources for our review included agency records containing financial and program results for the period 1968 through 1972. We interviewed tribal leaders, Government officials, and businessmen, and obtained their views on major reservation problems and possible solutions to them. We also obtained information directly from the Apache people through the use of household survey questionnaires.

Social and program interrelationships were studied by making statistical analyses of questionnaire responses and supplemental data obtained from family, medical, housing, environmental, and education records. We also considered certain aspects of the reservation's economy--growth rates, dependency on Government investments, and opportunities for expansion.

CHAPTER 2

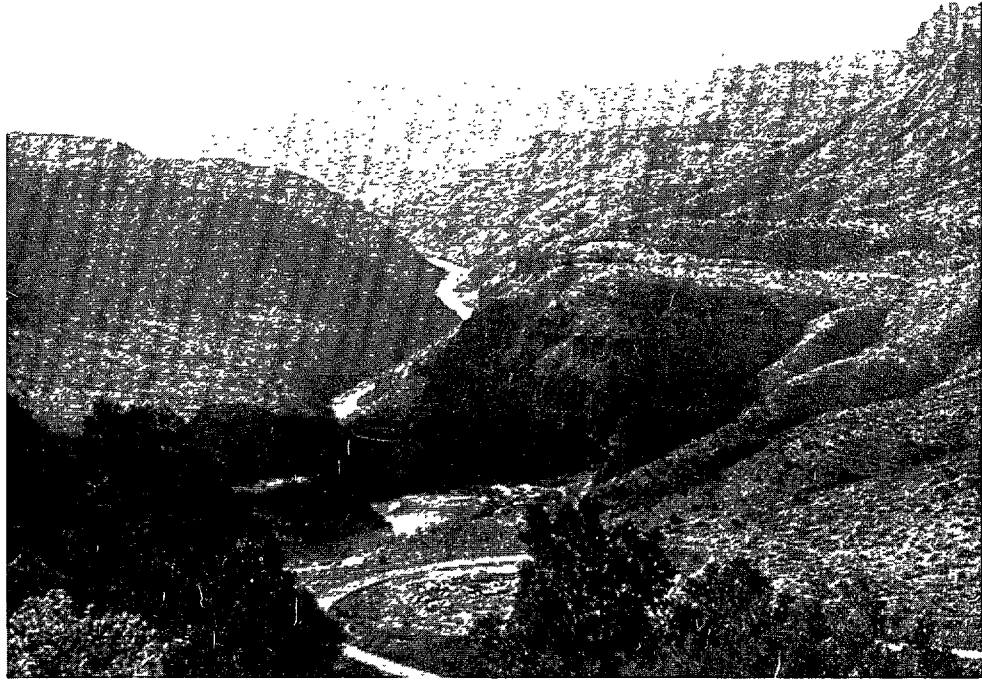
THE FORT APACHE INDIAN RESERVATION

GEOGRAPHIC FEATURES OF THE RESERVATION

The White Mountain Tribe--one of several Apache tribes in Arizona, New Mexico, and other Western States--makes its home on the Fort Apache Reservation. The reservation includes about 1.7 million acres in Apache, Gila, and Navajo counties in east central Arizona and is about 200 miles east of Phoenix and 200 miles north of Tucson.



Climate and topography range from semidesert at 2,700 feet elevation along the Salt River, to mountainous at 11,500 feet elevation on Mount Baldy. Annual precipitation ranges from 18 to 39 inches.



Varied topography on reservation

TRIBAL POPULATION

Tribal population--about 6,500 in 1972--had grown at an annual rate of nearly 3 percent over the previous 5 years, or about three times the national rate. According to our household survey, the average family on the reservation had 5.6 persons in 1973. The following table compares the reservation's 1968 population by age with 1970 national census age data.

<u>Age</u>	<u>Percent of population</u>	
	<u>Reservation</u>	<u>National</u>
0 to 15	58	31
16 to 19	6	7
20 to 39	21	26
40 to 59	9	22
60 and over	<u>6</u>	<u>14</u>
Total	<u>100</u>	<u>100</u>

APACHE HISTORY

The early Apaches were basically migratory bands who roamed the Southwest and subsisted by hunting and gathering natural foods. Later, through contacts with the Spanish conquistadors, they acquired horses and emulated Spanish cavalry tactics in raiding other tribes and Mexican settlements to obtain food, livestock, slaves, and other booty.

To pacify the Apache raiders, the Spanish provided them with food and liquor and induced them to live near Spanish forts. Spanish rations were withdrawn during the Mexican revolution and conflict between the Apaches and the residents of Mexico resumed.

Hostilities between Apaches and the United States began when much of Apache territory was acquired by the United States as a result of its war with Mexico. The U.S. Government, after attempts to deal with the Apaches by treaty failed, adopted the Spanish pacification and reservation policy and, in November 1871, established the White Mountain Reservation.

About 1,800 Apaches--a collection of several bands who had made their homes on the slopes of the White Mountains

and who had been more peaceful than other bands--were placed on the White Mountain Reservation. In 1897, a portion of the reservation was declared public, and the remainder was divided into the Fort Apache and the San Carlos Reservations. The San Carlos Reservation adjoins the Fort Apache Reservation on the south.

The Department of the Interior assumed control of the Fort Apache Reservation in 1923. A formal tribal government was organized in 1939 when the first council was elected in accordance with a constitution adopted in 1938. The constitution was authorized by the Indian Reorganization Act of June 18, 1934, c. 576, 48 Stat. 984.

TRIBAL GOVERNMENT

The tribal council consists of a chairman, a vice-chairman, and nine councilmen. Each serves a 4-year term. (Only the chairman and vice-chairman are salaried and work full time.)

Powers vested in the council by the tribal constitution, as amended in 1958, include the following:

- "To represent the tribe and act in all matters that concern the welfare of the tribe * * *.
- "To negotiate, make, and perform contracts and agreements of every description * * * subject to the review and approval of the Secretary of Interior * * * required by statute or regulation * * *.
- "To advise the Secretary of the Interior on all activities that may affect the Fort Apache Indian Reservation and on all appropriation estimates and Federal projects for the benefit of the tribe before such estimates are submitted to the Bureau of the Budget and to Congress.
- "To veto the sale, disposition, lease or encumbrance of tribal lands * * * that may be authorized by any agency or employee of the Government.
- "To protect and preserve the wildlife, natural resources, and water rights of the tribe.

- "To regulate the use and disposition of tribal property.
- "To manage all economic affairs and enterprises of the tribe including tribal lands, timber, sawmills * * *.
- "To provide by ordinance for the assignment, use or transfer of tribal lands within the reservation.
- "To levy and collect taxes and to impose license fees, subject to review and approval by the Secretary of the Interior upon members and non-members doing business within the reservation."

WHITE MOUNTAIN APACHE GOALS AND ASPIRATIONS

Our conversations with tribal officials and the results of a questionnaire survey of 250 randomly selected Apache households indicate that, in general, the Apaches desire

- better training and education, especially for their children;
- more and better jobs; and
- a larger voice in the decisions on how reservation moneys are spent.

Questionnaire results which reflected Apache aspirations included the following:

- 85 percent indicated that Apache children should receive much more education than the respondent had received.
- 78 percent believed that Apaches should have more to say about how money is spent on the reservation.
- 90 percent agreed that Apaches can understand Apache needs and problems better than non-Apaches.
- 78 percent agreed that Apache life can be improved by adopting more of the standards of other Americans, although 97 percent indicated that Apaches can keep

their culture and traditions and still adapt to the non-Apache American society.

--About 78 percent believed there is a need for more stores and businesses on the reservation. Specific businesses mentioned included grocery stores, clothing stores, eating places, and laundromats.

--About 52 percent believed it was best for the tribal government to own businesses on the reservation (29 percent preferred individual Apache ownership; the remainder preferred either individual non-Apache or U.S. Government ownership). However, 88 percent are willing to have both Apaches and non-Apaches own businesses together if that is the only way to provide employment for Apaches.

--About 63 percent indicated that persons in the household would like to work more hours.

These Apache goals and aspirations do not appear to be in conflict with national goals and programs. As in any society, however, opinions vary among tribal members concerning the priority of goals and the sacrifices they are willing to make to achieve a given goal.

A plan for overall reservation and tribal development, which was funded by HUD and completed in January 1970 by a consulting firm on the basis of interviews of 10 percent of the tribe, recommended the following tribal goals in order of priority:

1. Better education and training.
2. More jobs and industrial development.
3. More and better housing.
4. Better family welfare service programs.

Various tribal and Government officials told us that, although the tribal council passed a resolution adopting the plan proposed by the consulting firm, tribal officials were never really committed to the plan. They said that the resolution was passed hastily in the midst of many other

items of business and was not extensively discussed or studied by the tribal council. They also said the tribal council has not tried to implement the plan because many of its members did not fully understand it and because the plan did not address the feasibility of attaining specified goals or the amount or method of financing required.

BIA and tribal officials advised us that no other formal statement of goals had been adopted by the tribe. They said, however, that the tribal council's top priority was to create additional jobs on the reservation through the development of tribal lumber and timber operations and tourism.

About 68 percent of the respondents to our household questionnaire rated alcohol consumption as the biggest problem on the reservation, because it prevented Apaches from attaining a better life. About 23 percent rated the need for jobs as the biggest problem.

STANDARD OF LIVING ON THE RESERVATION

Questionnaire results for 250 randomly selected Apache households and data from BIA and IHS records reflect a standard of living for White Mountain Apaches which is considerably lower than for the average population.¹

--Tribal work force unemployment has fluctuated around 30 percent.² For the 1968-72 period, national figures on unemployment show rates ranging from 3.5 to 5.9 percent in this period.

¹The term "standard of living" reflects the values that people seek for themselves--better education, better health status, higher incomes, better housing, and preservation of social and cultural values. In the survey used in this study, Apache people were asked to provide factual information as well as aspirations and opinions concerning such values. Thus, the standard of living in this study is expressed by the Apache people themselves.

²This report uses the Bureau of Labor Statistics' definition of unemployment: total persons unemployed and seeking work as percent of labor force. (The labor force consists of all those employed plus those unemployed and seeking work.)

- Per capita money income in 1972 was about \$1,380. However, nonmonetary income to Apaches such as free health and educational services is also important. Such nonmonetary income is approximated to be slightly less in amount than money income. National per capita income, without regard to any nonmonetary benefits, was about \$4,500 in 1972.
- Reservation officials estimate that Apache students graduating from high school were, on the average, at least 3 years below national norms in 1972.
- Reported incidence rates for such diseases as tuberculosis, otitis media (inflammation of the middle ear), gastroenteritis (diseases of the stomach and intestines), pneumonia, and venereal diseases far exceeded national rates in 1971, the only year for which comparative rates are available.
- Life expectancy for tribal members is at least 6 years lower than for the general population.
- The infant mortality rate was twice the national rate in 1972.

Other circumstances of reservation life in 1972-73 which, in our opinion, do not reflect a satisfactory standard of living are:

- About 40 percent of tribal members over 16 years of age had problems because of alcohol consumption severe enough to cause them to miss work or school or to interfere with their family life.
- About 63 percent of the tribe lived in houses considered substandard by BIA because
 - (a) 41 percent of Apache households did not have running water;
 - (b) about 22 percent did not have electricity; and
 - (c) almost 90 percent did not have telephones.

- More than half of Apache households did not have a working car or truck.
- About 40 percent of tribal adults (16 years and older) had less than a ninth grade education and about 76 percent had less than a 12th grade education.
- As a group, accidents, suicides, and homicides were the leading cause of death on the reservation.

CHAPTER 3

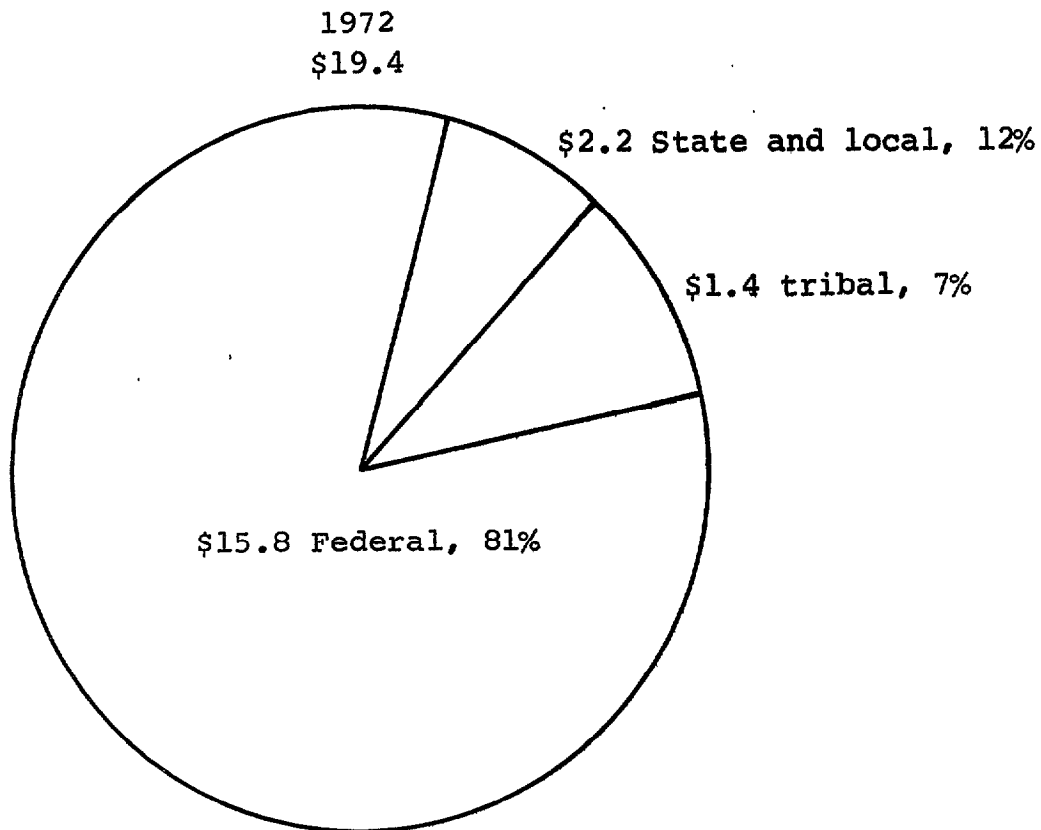
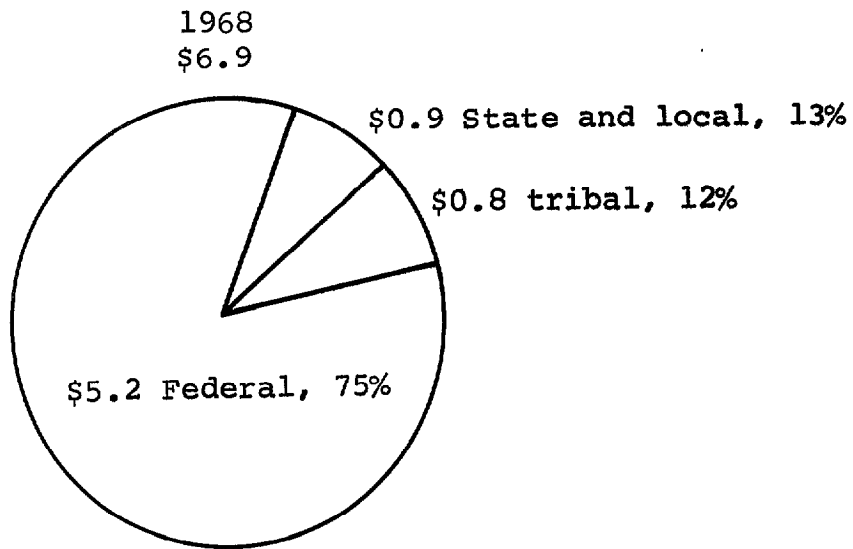
PROGRAMS AND EXPENDITURES

From 1968 through 1972 about \$62.1 million was spent by government at all levels--Federal, State, and local, including tribal--on the Fort Apache Reservation. These expenditures increased 181 percent, from \$6.9 million in 1968 to \$18.4 million in 1972, as shown in the following graph.



Total government expenditures
(millions)

Most of the government expenditures were Federal; these tripled over the 5-year period from \$5.2 million in 1968 to \$15.8 million in 1972. Per capita Federal expenditures on the reservation were about \$900 in 1968 and about \$2,400 in 1972. The following charts illustrate the mix of government expenditures:



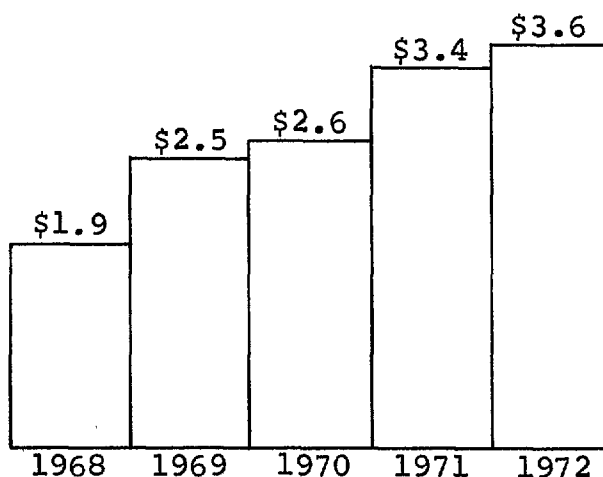
Reservation expenditures by Federal, State, and tribal governments, 1968 and 1972 (dollars in millions).

Government-funded programs were administered by at least 20 major Federal agencies and departments, 5 State agencies, and other agencies of county and school district governments, as well as by the tribal government. The amount and general purposes for which these expenditures were made and the percentage the expenditures increased from 1968 to 1972 are shown below.

<u>Purpose</u>	<u>Expenditures</u>		<u>Percent increase</u>
	<u>1968</u>	<u>1972</u>	
	(millions)		
Education	\$1.9	\$ 3.6	88
Health	0.7	2.5	242
Housing	0.2	1.7	1,005
Income maintenance and social services	1.3	2.3	74
Community services and other expenditures	0.8	1.2	42
Business development and maintenance	1.8	7.4	311
Employment placement and training	0.2	0.7	290
Total	<u>\$6.9</u>	<u>\$19.4</u>	181

EDUCATION

About \$14 million was spent by governments for education from 1968 through 1972 as shown below:

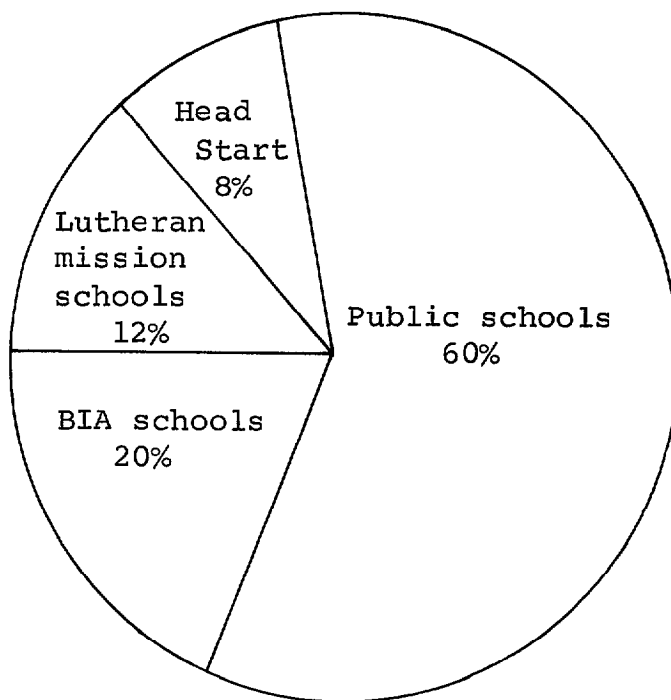


Education expenditures by governments
(millions)

An additional \$700,000 was spent for education on the reservation by the Lutheran Church over the 5-year period.

These moneys supported public, BIA, Lutheran, and Head Start programs, adult education programs, college scholarships, and an Apache Cultural Center. The Head Start, elementary, and secondary schools on the reservation served about 2,760 students in 1972, 2,180 of whom were Apaches.

On the reservation, local school districts operated three elementary, one intermediate, and two high schools in 1972. BIA operated two day schools and one boarding school through the eighth grade; the Lutheran Church operated one day school and one combination day and boarding school with grades through the twelfth. The following chart shows the percentage of Apache students on the reservation enrolled in each of these school systems.



Percent of Apache students by school system

Special education programs in operation during the 5-year period included:

- The Head Start program. This program was operated by the Office of Economic Opportunity until July 1, 1969, when it was delegated to HEW. It is designed to better prepare disadvantaged children for school by fostering their social and psychological development and attending to their health and nutritional needs. The program is also used on the Fort Apache Reservation to increase the children's exposure to the English language. Expenditures for the Head Start program totaled \$817,000 over the 5-year period. Since none of the schools on the reservation provided kindergarten until 1967, the Head Start program has been used primarily as a substitute for kindergarten. It has been given to 5-year-old children the year before first grade. As various schools on the reservation acquired kindergarten programs during the study period, Head Start classes in those schools were discontinued. In 1972, 29 percent of the 5-year-olds on the reservation were enrolled in kindergarten, 64 percent were enrolled in Head Start, and 6 percent did not attend any school.
- Compensatory Learning Programs, funded by HEW's Office of Education. Funds from these programs provided additional activities to give students more personalized attention, to expose them to the latest teaching techniques, and to more closely monitor their progress. Expenditures totaled \$1,145,000 over the 5-year period. The percent of reservation students receiving compensatory benefits has decreased since 1968 because of higher level administrative decisions to direct compensatory funds to those students most in need. For instance, in the BIA schools 100 percent of the students received compensatory benefits in 1968 and only 62 percent received them in 1972.
- School Lunch Program. Under a program funded by BIA and the Food and Nutrition Service (Department of Agriculture) free lunches were served to about 65 percent of elementary students on the reservation in 1972.

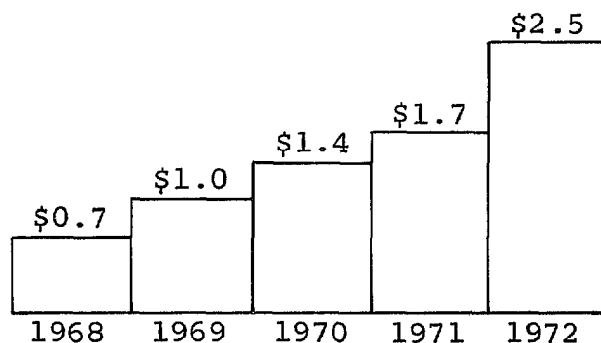
- College Scholarship Program. College scholarships are available to any Apache entering college. In 1972, 65 students received scholarships averaging \$1,310 under this program. Sixty-eight percent of the money is provided by BIA; the remaining 32 percent is provided by the tribe.

- Tribal Education Coordination Program. This program, administered by the tribe and funded by BIA, was started in 1969 to increase the tribal government's involvement in the education process. It provides funds for tribal workers to counsel students, administer college scholarship funds, maintain enrollment records on Apache students, and help to get them enrolled in schools at the appropriate time. Expenditures for this program totaled \$390,000 during our study period.

- Apache Culture Center. The tribe established a culture center in 1969 to help preserve, document, and disseminate Apache cultural and historical information. As part of its responsibility, the culture center provides information on Apache history and culture to the reservation schools. Expenditures for the culture center totaled \$86,000 from 1969 to 1972.

HEALTH

Governments expended about \$7.3 million to maintain or improve the health of Apaches over the 5-year period as shown below.



Health expenditures by governments
(millions)



Tribal ceremony

Most of the expenditures--87 percent--were made by IHS. On the reservation IHS operates a 52-bed hospital and outpatient clinic staffed in 1972 by 5 physicians, 20 nurses (12 registered and 8 practical) and 2 dentists. Of these 27 professionals, 2 registered and 8 vocational nurses were Apache.

Some of the services provided on the reservation by IHS in 1968 and 1972 are shown below.

	<u>1968</u>	<u>1972</u>
Outpatient visits	29,470	44,763
Hospital admissions	1,794	1,492
Dental examinations	Not	1,351
Teeth restored	available	5,530

In addition, IHS provided off-reservation hospitalization and treatment to Apaches with illnesses or afflictions requiring treatment, specialized skills, or equipment not available on the reservation.

Increased IHS funding during the study period permitted adding or expanding preventive health projects as discussed below.

--Project Apache. This project is a maternal and child health program started in 1971 to identify and treat the causes of high infant mortality. It brought five additional nurses, three additional physicians, and one nutrition specialist to the reservation. Project nurses and aides make visits to all prenatal and postpartum patients, giving special attention to patients being identified as high risk. Health and nutritional education are stressed. Project pediatricians are present at high risk deliveries and serve as consultants to the regular family physicians in the care of all newborns and children. Expenditures for Project Apache totaled \$109,000 in 1972.

--Field Clinic. Services at a field clinic in the most remote reservation community (50 miles from the IHS hospital) were expanded in 1972 to make a registered nurse available 5 days and a physician 2 days during the week.

--Community Health Representative Program. This tribally administered program was developed by IHS to increase tribal involvement in health programs and to develop better understanding between the Apache people and the IHS. It provided salaries for 15 Apaches to go out into the communities and assist IHS by following up on patients, disseminating information on special clinics, and providing emergency transportation to and from the IHS hospital. Expenditures for this program totaled \$290,000 from its inception through 1972.

Important health programs on the reservation not operated by IHS included the following.

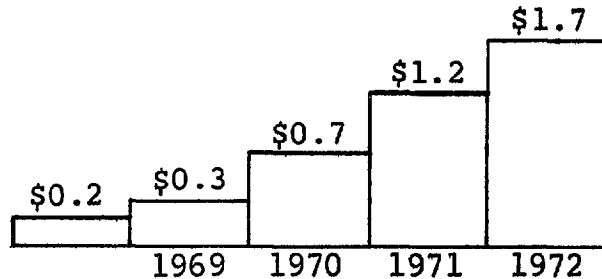
--Tribal Alcohol Program. This program, with a staff of mostly tribal members, was started by the tribal government and Office of Economic Opportunity in 1971 to counsel and rehabilitate tribal members with alcohol problems. Expenditures for the program in 1971 and 1972 totaled \$65,000. The program director estimated that only 10 percent of the people needing assistance were participating in this program.

--Tribal Guidance Center Program. This program was started in 1972 as a joint Federal-State tribal program to provide consultative and diagnostic mental health services. Expenditures for its first year of operation amounted to approximately \$59,000.

--The University of California at Los Angeles Dental Program. The program was started by the university dental school in 1971 and supplemented IHS dental services. (Because of limited staff, IHS chose to concentrate on children and emergency dental service.) The university services were directed toward adults and were provided by dentist interns during the summer months. In 1972, the program provided care to over 400 patients. Total expenditures on the project through 1972 were \$167,000.

HOUSING

Expenditures for improving Apache housing conditions over the 5-year period totaled \$4.1 million, as shown by the following graph.



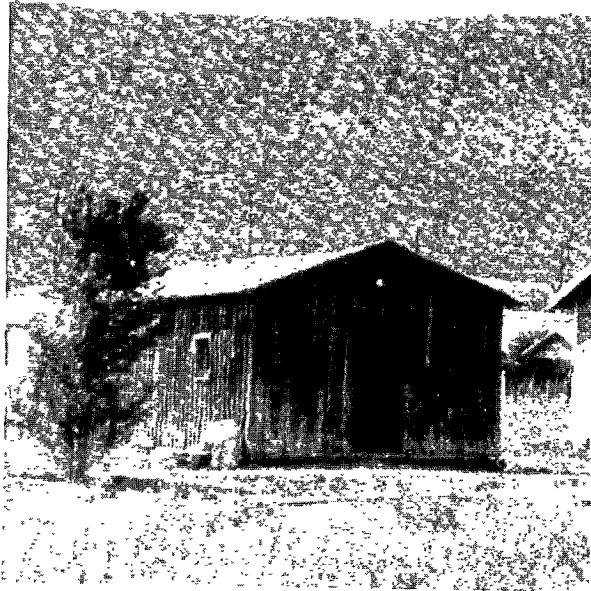
Housing expenditures by governments
(millions)

Individuals on the reservation borrowed an additional \$800,000 for housing construction and renovation from Federal Government sources.

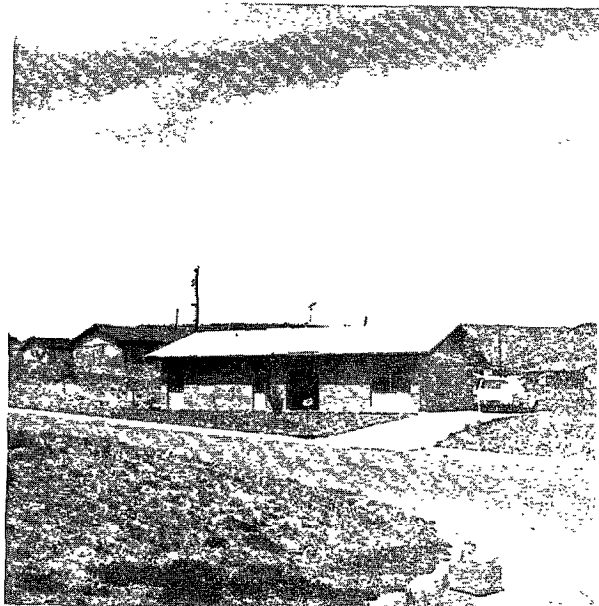
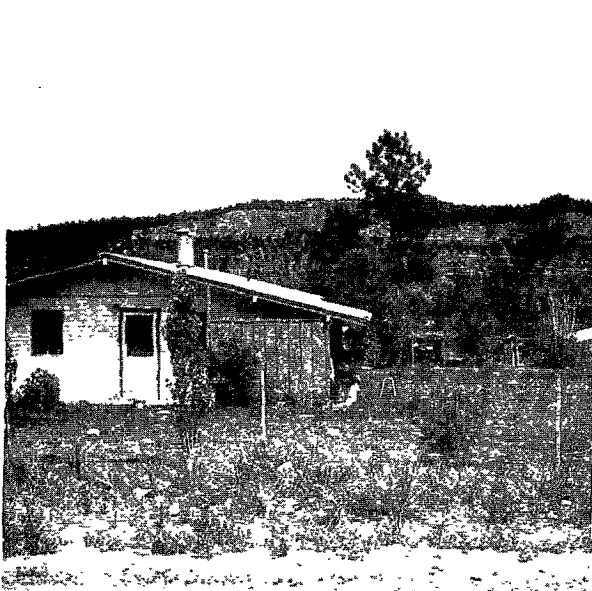
Major housing programs operating during the 5-year period included:

--HUD, which provided \$3.6 million in loans for 190 mutual help and 100 low rent houses. These loans, made to a tribally managed housing authority, were subsidized by low interest rates averaging 3.5 percent and an annual HUD contribution that reduced the principal by 6 percent each year. The housing authority, in turn, extended low interest loans to individual Apaches to enable them to purchase the mutual help houses with no down payment and monthly payments averaging \$60. The low rent houses were rented at rates from \$20 to \$100 monthly, depending on family income.

--BIA revolving credit loan, which provided \$600,000 in loans to individuals for 64 houses at interest rates averaging 6 percent. A typical house built under



OLD HOUSE, STILL OCCUPIED, IN WHITERIVER



MUTUAL HELP HOUSES, DIAMOND CREEK(left), WHITERIVER(right)

Housing

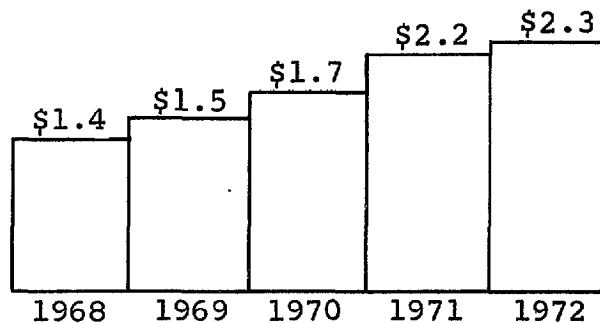
this program cost \$10,000 and had monthly payments of about \$70 after a \$500 down payment. An additional \$102,000 for 16 houses was loaned to individuals by the Farmers Home and Veterans Administrations.

--BIA grant programs, which provided \$98,000 for renovating 60 existing houses and \$170,000 for a housing program office to assist in coordinating the various reservation housing programs.

--The Federal Housing Administration, which made a \$250,000 loan to the tribal government to build a 20-unit rental housing project. The tribe rents these units to tribal families for \$100 a month.

INCOME MAINTENANCE AND SOCIAL SERVICES

About \$9.1 million was spent by governments to provide income maintenance and social services to Apaches during the 5-year period as shown below.



Income maintenance and social services:
expenditures by governments
(millions)

These expenditures increased from \$1.4 million in 1968 to \$2.3 million in 1972. During the 5-year period, Apaches also received \$1.8 million in pensions from the Social Security and Veterans Administrations and \$0.2 million from unemployment insurance.

Programs administered by the State and funded in varying proportions by the Federal Government provided an additional \$3.8 million. These programs included food stamps and grants to the State for services to the aged, blind, or disabled and for aid to families with dependent children.

BIA assisted Apaches who were not eligible for the above programs. BIA welfare aid over the 5-year period amounted to \$2.2 million, including administrative costs. About 40 percent of the BIA assistance went for categories of child welfare not covered under the State program for aid to families with dependent children. The remaining amount went to families waiting to qualify for State aid or having emergency needs and to adults receiving institutional care.

BIA acts as the focal point for most of the welfare services. BIA social workers counsel Apaches on the available welfare programs and refer them to other social services, such as the alcohol and mental health programs.

Other governmental agencies providing welfare or social services and the dollar amount of their aid for the 5-year period were:

Federal	
Community Action Agency	\$ 402,000
IHS (note a)	88,000
ACTION	<u>4,000</u>
	494,000
Tribal	<u>526,000</u>
Total	<u><u>\$1,020,000</u></u>

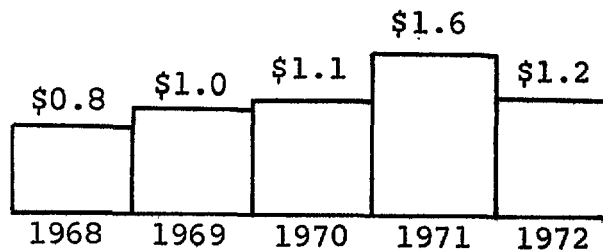
^aIHS provided social worker services to the reservation thus accounting for IHS participation in providing welfare and social services.

In addition to governmental welfare and social service programs, private organizations provided services over the 5-year period at the costs shown below:

Save-The-Children Foundation	\$470,000
Lutheran Church	175,000
Christian Children's Fund	64,000
Salvation Army	13,000
Total	<u>\$722,000</u>

COMMUNITY SERVICES AND OTHER EXPENDITURES

About \$5.7 million was spent for community services and other expenditures over the 5-year review period, as shown below.

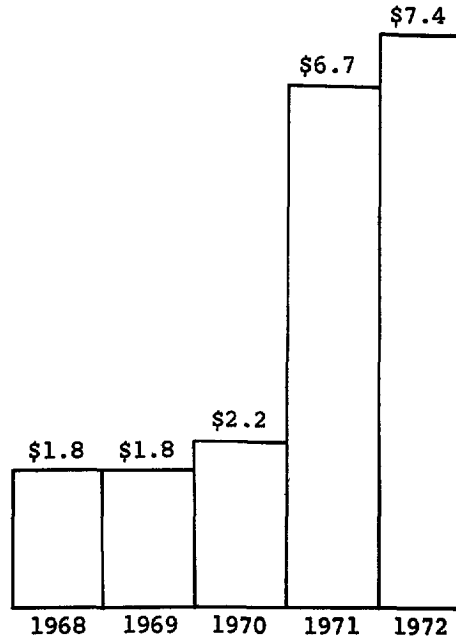


Community services and other expenditures
by governments
(millions)

Federal expenditures of \$2.2 million consisted principally of administrative and service costs. Tribal government expenditures of \$3.5 million also funded administrative and service operations of the tribal council, including constructing a community building, hauling garbage, maintaining a tribal court and a tribal police force, repairing and maintaining tribal properties, publishing a tribal newspaper, operating a tribal business office, and financing tribal council and committee meetings, travel, and wages.

BUSINESS DEVELOPMENT AND MAINTENANCE

Government expenditures for business development and maintenance totaled about \$19.9 million over the 5-year period, as shown below.



Business development and maintenance expenditures by governments (millions)

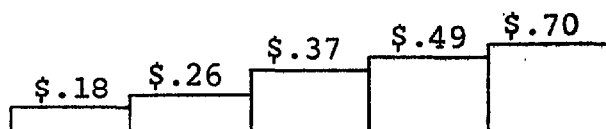
Federal expenditures of \$14.5 million were made principally by BIA, EDA, and the Bureau of Sport Fisheries and Wildlife for

- construction and maintenance of 43 miles of roadways;
- preserving forests; soil and water conservation; construction and maintenance of irrigation projects; range and grazing management; and other items;
- grants to individual Apaches for establishing small businesses on the reservation; and
- grants to the tribe for developing a ski resort.
(See ch. 7.)

Arizona government expenditures of \$4.1 million over the 5 years were made for construction and maintenance involving 126 miles of roadways on the reservation, and tribal government expenditures of \$1.4 million were made principally in support of BIA land and road operations. Sales by 30 private and 7 tribally owned enterprises of about \$114.6 million represented the economic activity over the 5-year period in the private sector.

EMPLOYMENT PLACEMENT AND TRAINING

About \$2 million was spent from 1968 through 1972 for manpower programs, as shown below.



Employment placement and training expenditures by governments (millions)

Federal expenditures of \$1.9 million provided academic and vocational education funded by BIA, and on-the-job training programs, which included:

- Emergency Employment Act Program; JOBS-Optional; Operation Mainstream, and Department of Labor programs, which fund salaries for temporary positions in various private firms and Government agencies until the program participants are able to find permanent positions.

--Neighborhood Youth Corps. The Labor program, which provides (1) meaningful work experience and counseling to students in high school and to high school dropouts to return them to school, or, if counseling is unsuccessful, refers them to full-time employment; and (2) summer jobs for youth.

--Area Beautification Program. An EDA "make work" program designed to help participants learn good working habits while making repairs, painting, removing litter, and otherwise beautifying the environment.

BIA also provided employment placement and training opportunities on and off the reservation, aided tribal members in completing applications and other necessary forms, and provided transportation and room and board for interviews. The program was coordinated with BIA's vocational training program.

Arizona government expenditures of \$93,000 over the 5-year period were made principally by the Department of Economic Security for a program which referred applicants to potential employment or to training programs. Tribal expenditures of \$22,000 were made primarily to meet matching funds requirements for Federal programs.

In this chapter we have shown that Federal expenditures on the Fort Apache Reservation tripled during the 5-year study period, reaching an annual level of \$15.8 million during 1972. Federal expenditures financed an increasing share of numerous and varied activities operated by a host of Federal, State, and local agencies.

CHAPTER 4

IMPROVEMENT IN LIVING STANDARDS AT

THE FORT APACHE RESERVATION

This chapter shows there have been some instances of progress in improving reservation living standards, though the progress made was minimal. Chapter 2 shows that White Mountain Apaches aspire to better education, greater voice in reservation decisions, more jobs and higher incomes, more and better stores and businesses on the reservation, and so forth. These aspirations have been achieved only in some instances.

MEASUREMENTS OF ECONOMIC ACTIVITY

Various measurements of economic activity such as employment, earnings, income, and business profits may lead to contradictory conclusions as to economic progress, or lack of it, on the reservation. We compiled data on a number of these measurements as well as an overall measurement of the value of products and services for the reservation in a given year which we called gross reservation product (GRP) and modeled after the gross national product (GNP).¹

¹The Department of Commerce's National Income and Product Accounts provide the most generally accepted measure of national economic status--GNP. The GNP is defined as the total market value of all final goods and services produced in the economy in 1 year. The significance of the GNP and the accounts used to produce it are that they reduce the voluminous detail of economic activity to comprehensible proportions, thus providing the basic data for studying long-term economic trends and for formulating business and Government economic policies.

In studying the economy of the Fort Apache Indian Reservation, we used GNP as a model to construct a measure of the reservation's total output of goods and services, called gross reservation product (GRP). GRP was developed by using to the extent possible the same accounts and techniques that are used to produce GNP. Thus, GRP is a measure that reflects the economic health of the reservation and can be compared to GNP.

GRP

While GRP increased by 89 percent from \$20.3 million in 1968 to \$38.5 million in 1972, it must be noted that the largest component of GRP was Government expenditures, which increased from 34 percent of GRP in 1968 to 50 percent in 1972, showing an increased dependency on Government. (The Federal Government's share of GRP increased from 25 percent to 41 percent.)

Employment

From 1968 to 1972 the number of equivalent full-time jobs on the reservation filled by Apaches remained at about 800, and the number looking for work stayed around 350; thus, the rate of unemployment fluctuated around 30 percent. However, the number of adult Apaches available for work and not actively seeking employment more than tripled during the review period.

Per capita income

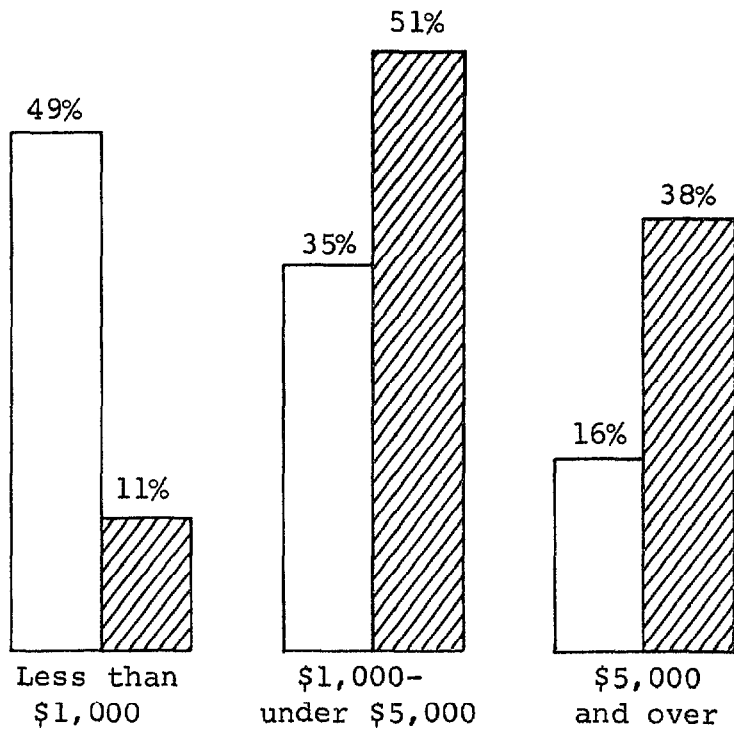
Per capita money income to Apaches increased by 65 percent from \$835 in 1968 to \$1,380 in 1972. This represents an important percentage increase, but it is attained from a minimal income base in 1968. Nonmonetary benefits to Apaches are also important, as will be shown in chapter 6. Such nonmonetary income, including free education, free health services, and State and local tax immunity, was estimated to be about as large as money income in 1972.

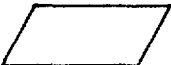
The elements of Apache per capita money income are presented in the table below.


	<u>1968</u>		<u>1972</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Income from wages and salaries	\$610	73	\$1,063	77
Education scholarships and vocational training	17	2	23	2
Veterans and Social Security benefits	48	6	69	5
Welfare and unemployment payments	<u>160</u>	<u>19</u>	<u>225</u>	<u>16</u>
Total	<u>\$835</u>	<u>100</u>	<u>\$1,380</u>	<u>100</u>

Income distribution

The income distribution of the Fort Apache Reservation changed considerably over the review period as shown in the chart below. For example, in the 12 months ending in May 1973, approximately 38 percent¹ of the reservation households had incomes of \$5,000 per year and over, compared to 16 percent in 1967.



1967  Percentage of reservation households in each income class

1972-1973 (May to May) 

Note: Data for the two time periods are in 1967 dollars to enable an interyear comparison involving equal purchasing power.

¹Income figures used in calculating 1972-73 household incomes were obtained from personal interviews with reservation Indians and may be subject to some error. The changes over the period are so large as to overshadow such error.

MOVEMENT TOWARD ECONOMIC SELF-SUFFICIENCY

From 1968 through 1972 the reservation's economy became more dependent on Government support. Expenditures of all governments other than the tribal government on the Fort Apache Reservation accounted for 34 percent of the reservation's economic activity in 1968; by 1972 the proportion had increased to 50 percent. Federal Government expenditures alone accounted for 25 percent of the total economic activity in 1968 and for 41 percent in 1972. Governments accounted for about 23 percent of national economic activity in 1968 and 22 percent in 1972.

While work on a tribal-owned ski area and hotel was begun during the 5-year period, it had not yet become a viable business operation by the end of 1972. However, two private Apache-owned businesses, a laundromat and a firewood supply operation (which later went out of business) were started, along with a non-Apache-owned clay mine. In addition, an Apache-owned grocery and clothing store began operations in 1972.

The number of cases of Apaches receiving welfare increased from about 1,900 in 1968 to 2,600 in 1972, and the average per case welfare payments increased from \$155 per month in 1968 to \$230 in 1972. The portion of total Apache income derived from welfare and unemployment payments decreased slightly over the 5-year period, however, from 19 percent in 1968 to 16 percent in 1972, with an almost corresponding increase in the portion of income derived from salaries and wages. (See table on p. 33.) Nationwide, about 2 percent of income was received from welfare and unemployment payments in 1968 and 3.5 percent in 1972.

EDUCATION

Educational attainment in the reservation schools as measured by standardized achievement test scores did not improve over the 5-year period, nor did failure and drop-out rates change appreciably. The number of Apaches attending and graduating from college increased. More specific data on these matters follows.

- Standardized achievement test scores for grades 1 through 8 were 22 percent below national norms in 1968 and 26 percent below in 1972. Achievement test scores for high school graduates on the reservation were not available, but school officials estimated that Apaches graduating from high school were functioning, on the average, at least 3 grades below national norms.

- Although school officials did not maintain records which made computation of dropout rates practicable, they believe that dropout rates in the reservation schools were twice the 22 percent national dropout rates and that the problem had not been resolved during our 5-year study period.

- The number of tribal members attending college increased from 16 in 1968 to 65 in 1972, or 400 percent. College enrollment in the Nation increased 30 percent over the 5 years, from 7.5 million to 9.8 million.

- There were no college graduates in 1968, 1969, or 1970. However, three tribal members received 4-year college degrees in 1971, and one did in 1972.

HEALTH

Because of changes in methods of measuring and reporting on reservation disease rates, comparative data for 1968 and 1972 was not available. Moreover, data on national disease rates had been compiled by HEW only through 1971 at the time of our review. Comparison of national and reservation disease rates for 1971 reveals that reservation rates were higher for the major diseases selected, as indicated by the following table.

Selected Disease Rates (1971)

<u>Name of disease</u>	<u>Disease incidence rates per 1,000 population</u>	
	<u>Tribal</u>	<u>National</u>
Dysentery	8.4	0.1
Tuberculosis	8.2	0.2
Gonorrhea	19.8	3.2
Hepatitis	11.0	0.3

As shown in the table below, the infant mortality rate was over twice as high for White Mountain Apaches as for the Nation in 1968; but the difference had narrowed appreciably by 1972 since the tribal rates fell faster than the national rate over this period.

Infant Mortality Rates Per 1,000 Births

<u>Year</u>	<u>Tribal</u>	<u>National</u>
1968	51	22
1972	29	19

IHS officials said that alcoholism was one of the most severe health problems on the reservation and that its severity was unchanged from 1968 to 1972. Because alcohol-related diseases, such as cirrhosis of the liver, are not reported by IHS officials as being alcohol-related for statistical purposes, their records do not fully indicate the magnitude of alcohol as a disease or as a contributing factor to disease.

We found from informed opinions¹ obtained on the reservation that about 40 percent of adults 16 years of age and older on the reservation had problems because alcohol consumption was severe enough to cause them to miss work or school or to interfere with their family life. About 4 to 5 percent of adults nationwide have such problems.

¹See explanation pp. 46 to 49.

As discussed in chapter 3, some new health programs were established and some improvements to existing programs and facilities were made during our 5-year review period. Infant mortality rates dropped from 51 per 1,000 births in 1968 to 29 per 1,000 births in 1972. (See table on p. 37.) IHS attributed this dramatic improvement to special maternal and child health care projects which resulted in

- more frequent home visits and health surveillance of newborn and young infants,
- increased Apache use of available facilities and increased acceptance of prenatal care,
- improved nutrition for pregnant women and infants and
- developing and using a new technique for caring for infants suffering from diarrhea.

HOUSING

The percentage of Apache families living in housing considered substandard by BIA decreased from 76 percent in 1968 to 63 percent in 1972. New housing projects averaged 72 per year during the period 1968 through 1972, with a total of 361 houses being started during this period. At this rate, it would take 11 years to eliminate the substandard housing present on the reservation in 1972. However, because of the population growth and the rapid deterioration of some new housing, a BIA official feels that eliminating substandard housing will take considerably longer than 11 years at the present rate of housing construction.

MOVEMENT TOWARD SELF-DETERMINATION

BIA officials at the Fort Apache Reservation advised us that before 1970, BIA viewed its role primarily as that of a trustee for the Indians, making management decisions affecting the tribe which BIA believed to be in the tribe's best interests, but with little Indian participation in such decisions. For example, BIA

- operated schools on the reservation without benefit of an Indian school board or other Indian input,
- prepared BIA and tribal budgets without input from the tribal council,
- determined who should be given leases to do business on the reservation without input from the tribal council, and
- determined how land on the reservation should be used without consulting the tribal council.

According to BIA officials, the policy of self-determination is to be implemented by increasing tribal government involvement in planning and directing programs on the reservation, while BIA's role and that of other Federal agencies are to be shifted to that of adviser, helping to delineate and explain alternatives for planning and directing. However, the Federal Government will continue to provide funds for these activities.

In 1970 BIA awarded to the tribe contracts for law-and-order services, an on-the-job training program, and a community education program. Before 1970 BIA managed these functions. Also, in 1971 the tribe assumed the management of its own cattle sales, a function previously performed by BIA.

Agencies other than BIA have also made advances in fostering tribal self-determination. For instance, in 1973 IHS and the tribe developed a plan through which a tribal health director would be appointed to

- coordinate all reservation services related to health,
- plan comprehensive programs to meet reservation health needs, and
- evaluate ongoing health programs.

Also, the tribe has had responsibilities in developing and managing housing projects since a tribal housing authority was established with assistance in 1963 by HUD.

In 1972, however, certain factors contributed to retarding self-determination by White Mountain Apaches. For instance, the tribe could not turn to any single agency or group for information and aid in planning or for resources to implement objectives which tribal leaders might set forth.

SELF-DETERMINATION POLICY

In October 1972 the staff of the Senate Committee on Interior and Insular Affairs recommended that the Committee conduct hearings to

- formally review the policy of self-determination,
- determine the role of a trustee in relation to self-determination, and
- determine the role of various Federal agencies which fund Indian projects.

Hearings were held in 1973 and 1974 and the Indian Self-Determination and Education Assistance Act, Public Law 93-638, 88 Stat. 2203, became law on January 4, 1975. It directed the Secretary of the Interior or the Secretary of HEW to contract for services with the tribes when the responsible Secretary believed the tribes were capable of performing the services.

SUMMARY OF PROGRESS

Previous sections have shown changes from 1968 to 1972 using various indicators of progress, summarized as follows:

- About \$4.1 million was spent to improve housing from 1968 through 1972. The proportion of Apaches living in substandard housing dropped from 76 percent to 63 percent during that period.
- About \$19.9 million was spent for business development and maintenance from 1968 through 1972. The large increase in GRP during this period resulted

primarily from increased Federal Government expenditures. Per capita money income increased by 65 percent during this period. There was no great expansion in business enterprises. The unemployment rate remained at about 30 percent throughout the period.

--About \$7.3 million was spent to maintain or improve the health of White Mountain Apaches from 1968 through 1972. Infant mortality declined during that period from 51 per 1,000 births to 29 per 1,000 births.

--About \$14 million was spent for education from 1968 through 1972, and achievement test scores and other indicators show no perceptible change.

Thus, improvements on the reservation have been made. The gains that have been made over the period of study, however, have resulted in greatly increased dependency on Federal Government support.

CHAPTER 5

FACTORS INFLUENCING THE STANDARD OF LIVING

This chapter describes and explains some of the complex factors which influence standard of living on the reservation. This kind of analysis can help policy makers to know which factors must be dealt with when making planning and operating decisions on the reservation. Examples of what the analysis shows are:

- Health problems cannot be substantially reduced by efforts to improve health services alone; housing and sanitation also affect health and need to be improved to result in health improvements.
- Employment and incomes are likely to be improved by bringing in new business and industry; but improvements in education, transportation and relations with non-Apaches as well as reduction in alcohol consumption are also important contributors to jobs and incomes.
- Educational attainment in the schools is likely to be improved by improvement in the school system; but better housing and home environment also influence educational attainment.
- All aspects of community life are likely to be improved by better management of reservation programs and by a thorough assessment of the cultural environment concerning its consistency with present-day Apache values and aspirations.

CULTURAL FACTORS INFLUENCE STANDARD OF LIVING

Evidence from our review of individual program data, from discussions with reservation officials, and from statistical analysis of household survey results and other data indicates that cultural factors influence several aspects of the reservation's standard of living.

Language

Because about half of the households use the Apache language predominately or exclusively, many Apache children begin school with only limited exposure to English. Since all classes on the reservation were taught in English and consisted primarily of standard curriculums developed for the non-Apache American majority, these Apache children are confronted not only with the problems associated with learning academic subject matter but also with learning a new language and a new culture. The language problem is further complicated because a written form of the Apache language was not fully developed until 1971, and many of the children have to be taught that there is a relationship between spoken and written words. Also, the Apache vocabulary often does not contain words which are equivalent to English words describing phenomena peculiar to the non-Apache American culture.

Analysis of household survey data showed an important relationship of household earned income to language spoken in the home, as follows.

<u>Language spoken</u>	<u>Household earned income for 1972</u>			
	<u>Under \$2,000</u>	<u>\$2,000- 4,500</u>	<u>\$4,501- 7,000</u>	<u>Over \$7,000</u>
	——(Percent of households)——			
All or mostly Apache	20.9	11.1	8.8	7.6
English at least half of the time	11.5	9.3	10.8	20.0

Limited English skills cause other difficulties for adults on the reservation. Our household survey indicated that only 37 percent of Apaches had frequent verbal contact with non-Indians. An IHS official told us that language problems also make the IHS job more difficult. Apaches who are not fluent in English may have difficulty in explaining their health problems to physicians or nurses who do not speak Apache, and IHS personnel may experience similar communication problems in teaching improved health practices to the Apaches.

Work ethic and habits

It has often been believed that Indians lack a work ethic and consequently, do not desire to actively compete for jobs. Our findings from the household survey serve to refute this image for the White Mountain Apache tribe. Most respondents (74 percent) believed it is good to work hard, and 87 percent believed that most Apaches who have jobs like their work.

However, the conclusion which these facts suggest is modified by the finding from our survey that 61 percent of the respondents believe it better to work for a boss than to be a boss. This is apparently related to the difficulties encountered by Apache supervisors who are influenced by their families expecting personal favors. On the other hand, Apache people approve of non-Apache participation in business to provide jobs for Apaches. Our survey found that 86 percent of the respondents believed Apaches and non-Apaches can live together peacefully on the reservation and also that 88 percent believe that both Apaches and non-Apaches should own businesses together if that is the only way to provide employment for Apaches.

Family favoritism

BIA officials explained that Apaches believe that a family member should share his wealth and privileges with other family members. (Family in this sense includes clan members--several families with communal ancestry.) This family obligation is sometimes a factor in discouraging individual Apaches from achievement. A BIA official illustrated this point by citing the case of an Apache woman who obtained a Federal grant to start a grocery store on the reservation. The woman returned the money to the Government because her relatives expected favors and special privileges to a degree that prevented her from operating the business profitably. Of those in our household survey who would not like to be a boss, two-thirds believed it was difficult for an Apache supervisor to satisfy relatives and friends.

A BIA official informed us that the strong family obligation among Apaches also led to favoritism in filling

jobs in the tribal business organization and in administration of tribal assistance programs. Fifty-one percent of the respondents to our household survey questionnaire indicated that "who you know is more important than what you know" in obtaining a job on the reservation.

Peer group pressures

Apaches may also discourage individual achievement, as measured against non-Apache American values, through peer group pressure. We were told by reservation school officials that students are extremely reluctant to volunteer answers and that others may ridicule a student if he is praised by the teacher for good work. One official cited as an example the case of an Apache student who was reared outside the reservation but later enrolled in a reservation school. Initially, the student spoke English exceptionally well. The peers ridiculed her for this accomplishment; however, after several weeks in the reservation school, her English regressed to the level of the other students.

Traditional beliefs

Sometimes cultural explanations or beliefs are in conflict with scientific theory taught in the schools. Standard textbooks, for example, explain natural events--such as rainfall--in scientific terms. Some Apache children, however, often are taught at home a mystical explanation for natural events and have trouble reconciling the two explanations.

IHS reported in 1972 that at least 20 medicine men were practicing on the reservation. The IHS report indicated that the typical behavior pattern of older people is to first visit their medicine man and then, if not relieved, to visit the IHS outpatient clinic.

However, cultural factors are not isolated in their influence on employment and earnings and other measures of standard of living, as the rest of this chapter shows.

ALCOHOL RELATED TO EMPLOYMENT

According to a report of the IHS Task Force on Alcoholism, alcohol consumption is one of the most serious health problems facing the Indian people today. It states:

"The adverse effects of alcoholism in the Indian population today are generally felt to be considerable, but valid information is scarce * * * Probably a majority of suicides, murders, accidental deaths, and injuries are associated with excessive drinking, as are many cases of infection, cirrhosis, and malnutrition * * *.

"Alcoholism in Indians has in general many underlying causes. It is a means of coping with feelings of anger, frustration or boredom, all of which are related to the position in which many Indians find themselves today. Inferiority feelings about their lack of education, meaningful employment, status and economic autonomy which are characteristic of many Indian groups are expressed in excessive drinking * * *."

Responses to our household survey indicated that about 40 percent of Apache tribal members 16 years of age and over were subject to frequent absence from work, family problems, and other problems because of alcohol consumption. Officials of the IHS unit on the Fort Apache Reservation estimate that at least 50 percent of the unit's workload is due to alcohol-related diseases.

The measure of alcohol problems used in this analysis was developed by using an approach similar to that used in an IHS study on the San Carlos Reservation (an Apache reservation located adjacent to the Fort Apache Reservation). The approach we used is described below:

--Informants were used to provide an evaluation of the drinking behavior of other members in the community--specifically those adults included in the household survey. Informants were assured that neither they nor those included in the survey would be identified.

--Informants were chosen on the basis of long-term residence in the community and first-hand knowledge of community residents. Both Apaches and non-Apaches were chosen as informants.

--Informants were asked to evaluate the drinking problems of those adults in the household survey that the informants knew personally. (They were specifically asked not to evaluate problems on the basis of what other people had told them.)

--Informants were provided with a list of persons (for example, adults in the household survey) and were asked to check one of the following five categories of problems for each person they knew:

DOES NOT DRINK. Check this category for people that do not drink at all.

DRINKING NO PROBLEM. Check this category if the person drinks, but drinking does not interfere or hurt this person's job, schooling, or family life.

DRINKING SMALL PROBLEM. Check this category if a person's drinking causes one or more of the following:

--Sometimes causes him (her) to miss work.

--Sometimes causes him (her) to miss school.

--Sometimes interferes with or hurts his (her) family life.

DRINKING BIG PROBLEM. Check this category if a person's drinking causes one or more of the following:

--Causes him (her) to miss a lot of work.

--Causes him (her) to miss a lot of school or drop out of school.

--Causes a lot of problems for his (her) family.

--Causes him (her) to spend a lot of money on liquor whenever he (she) gets paid.

--Sometimes causes problems for the police.

DRINKING VERY BIG PROBLEM. Check this category if a person's drinking causes one or more of the following:

--Prevents him (her) from keeping a job or going to school.

--Causes him (her) to spend most of his (her) money on liquor.

--Causes him (her) to neglect his (her) family.

--Causes a lot of problems for the police.

--Has severely affected his (her) health.

--In the analysis of these results, the first three categories of problems were combined and called "No Problem or Small Problem," and the last two problem categories were combined and called "A Lot of Problems."

--Informants were asked whether they had known the adult for less than 5 years or 5 years and more. In an overwhelming majority of the cases, informants reported they had known the adult for 5 years and more.

--Four or more informants were able to evaluate the drinking problems of the majority of the adults in the household survey. In only a few cases did as few as one or two informants know the alcohol problem of an adult.

--For a majority of the adults there was reasonable agreement among informants concerning whether the individual fell into the category "No Problem or

Small Problem" or into the category "A Lot of Problems." For some of the remaining adults, there was a lack of consensus of agreement among the informants.

A statistical analysis was conducted to determine whether alcohol consumption affected employment. Although there were limitations on the quality of the alcohol data as described above, the results shown in the second of the tables below is so pronounced that one can clearly conclude that there is a strong relationship between employment and alcohol problems.

Relationship Between Alcohol and Employment Status

<u>Indication from informed opinion</u>	<u>Unemployed</u> (percent)	<u>Employed</u>
No problem or small problem	60	40
A lot of problems	69	31

If the analysis stopped here, we might conclude that alcohol consumption does not influence employment as strongly as might be expected.

The following table shows that there is a strong relationship between alcohol problems and the chances of staying on the job, as measured by time in present job.

Relationship Between Alcohol and Job Tenure

<u>Indication from informed opinion</u>	<u>Time in present job</u>	
	<u>Less than 1 year</u>	<u>1 or more years</u>
	(percent)	
No problem or small problem	36	64
A lot of problems	65	35

The alcohol rehabilitation effort on the reservation consists primarily of a 1971 program sponsored by the National Institute of Alcoholism and Alcohol Abuse. This

HEW program is staffed by seven tribal members who have received only limited training for the work; moreover, the program is too small to serve more than about 10 percent of the population with an alcohol problem.

Reservation officials generally agreed that upgraded facilities and staff were needed for this program together with systematic research and experimentation within the Apache culture to learn more about specific causes of the problem.

OTHER FACTORS RELATED TO EMPLOYMENT

Educational attainment is generally believed to improve employment prospects, and alcohol problems were shown to be related to employment. In order to assess the relative importance of these factors, we examined them concurrently in relation to employment. Because sex and age were expected to be related to employment, they were also included in the analysis.

As expected, education was positively related to employment; employment increased with age; males were more often employed than females; and problems caused by alcohol consumption had a negative relationship with employment. However, the relative importance of these factors depends on which employment measure is used.

- If the measure is whether the individual was employed, then the order of importance was sex, education, age, and alcohol problems.
- If job tenure is the measure, the most important factor is age followed by degree of alcohol problem, education, and sex in that order.

HOME ENVIRONMENT INFLUENCES
EDUCATIONAL ATTAINMENT OF CHILDREN

Since level of education has been shown by studies, including ours, to be an important factor in employment and income, we attempted to learn whether certain factors in the home environment on the reservation might influence the level of education achieved. Various studies on

American Indians have identified the following out-of-school factors as being potentially related to the educational achievement of Indian students:

--Cultural.

--Educational status of parents.

--Presence and use of televisions, radios, news periodicals, and books.

--Income level of household as well as employment status of parents, condition of housing, presence of luxury items, availability of transportation.

An Apache reservation school official believed that all of the above factors were related to the educational achievement of their students but did not know the extent of their influence. The official said she and other reservation educators believed such information could be useful in evaluating the effectiveness of school programs. We combined information from our household survey and other data with the standardized achievement test scores of children living in these households to analyze statistically the effect of the home environment on educational achievement. The measure of educational achievement used in this analysis was developed as follows:

--For Apache children included in our household survey, Fort Apache schools provided us with test scores from the standard California Achievement test.

--Results were obtained from reading, math, and language tests and the combination of these tests (total battery tests). The total battery test scores were used as the measure of educational achievement in this analysis.

Several measures of housing conditions were combined into a housing index so that a single variable could serve in the analysis for several factors. The measures used to develop this index were

--electricity,

--household water sources,

- flush toilet,
- heating, and
- space per person in a house.

The overall condition of a house is determined by

- screens,
- exterior walls,
- roof,
- doors,
- windows,
- trash, and
- open pits.

We obtained several factors from our household survey which are measures of the home environment and which were expected to have an important effect on educational achievement. Examples of these are as follows:

- Highest grade completed by either parent.
- Both parents present.
- Either parent in any kind of training last 12 months.
- Car ownership by family member.
- Television in the home.
- Earned income.
- Welfare assistance.

We also measured the importance of the cultural factors described in the preceding section of this chapter by

combining the results of three types of questions in the household survey into a single measure of cultural factors. The three types of questions were:

1. Is Apache language spoken exclusively or predominantly in the home?
2. Do you have verbal contact with non-Indians frequently, sometimes, or never?
3. Do you agree that Apaches and whites can live together peacefully on the reservation?

The analysis shows that the importance of these home environment factors on educational achievement depended upon the grade level of the child as follows:

--The condition of housing is the factor that relates most importantly to the achievement of children in grades 1 through 3. The highest grade completed by either parent is next most important, with the cultural measure being only slightly less important.

--The factors with the strongest relationship to achievement of grades 4-through-12-students in the following order of importance are:

--Whether an automobile was available at the home.

--Whether either parent was in training in the last 12 months.

--Whether both parents were present in the home.

--Whether a television set was in the home.

--Measure of cultural factors.

While our analysis did not attempt to exhaust all the relationships between out-of-school factors and the academic achievement of Apache students, we were able to conclude that:

--It is feasible and meaningful to study the relationships between out-of-school environment

factors and academic achievement. Additional factors could be considered in such studies, including child abuse, motivation, health, and nutrition.

--There is an important relationship between the out-of-school environment of Apache students and their achievement.

In interviewing school officials, we found a desire to place increased emphasis on pre-first grade preparation. They strongly agreed with the need for improved English language skills but also a need to consider the Apache culture in developing curricula and teaching techniques which introduce English as if it were a foreign language. School officials also recognize the importance of cultural factors and the need for curriculum and teaching techniques which are more relevant for the rural environment. Our analysis of factors affecting education tends to confirm the views of the school officials but also shows that reservation officials must consider the effect of housing and other factors beyond the school's control.

HOUSING AND SANITATION INFLUENCE HEALTH

Housing and associated sanitation conditions presumably affect the health status of Apaches. Satisfactory data was not available on the health status of reservation adults, but data on the health of reservation infants was available from Project Apache. (See p. 22.)

Project Apache included physical measures of the health status of Apache infants and some data on the infants' environment. Project Apache researchers, using statistical analysis, revealed that the most important factors relating to high infant morbidity were as follows:

- Number in house.
- Program 121 Aid.
- Water source.
- Electric lights.

- Screens.
- Heating.
- Refrigerator.
- Area per person.
- Number of rooms.
- Hazardous conditions.
- Number of dogs.
- Toilet waste facility.
- Waste facility maintenance.

Other factors were examined but found to be less important.

Construction starts for 361 new homes and for water and sewer projects serving about 500 homes were accomplished through Federal expenditure on the reservation over the 5-year period. On the basis of Project Apache evidence, new housing and improved sanitation on the reservation can be expected to result in improvements in health status.

SEVERAL FACTORS RELATED TO EARNED INCOME

The foregoing analysis has shown that the interaction of several factors influences the employment potential for Apaches. The number of working adults in the home, the availability of transportation, the ability to communicate with non-Apaches, and cultural factors (in that order) are important in determining earned income.

In this analysis, transportation was measured by the number of working vehicles available to the household. Ability to communicate with the outside world was measured

by combining the results of three questions in the household survey:

1. Does the family possess a television or radio?
2. Does the family have a telephone?
3. Are newspapers and magazines read in the home?

The method of measuring cultural factors was described earlier in this chapter.

As shown previously, both the existence of problems caused by alcohol consumption and educational achievement were important in their effect on employment of adults. Thus, we have learned quite a lot about the factors which are related to Apache income and standard of living. The important question for policymakers is: "Do these factors represent something the Apache people and the government can do something about?"

GOVERNMENT PROGRAMS ADDRESS ISOLATED FACTORS ONLY

Because many of the Federal programs are operated by separate departments and agencies and are often administered through State and/or local governmental units, they generally operate independently from each other and from other programs on the reservation. Program managers are usually concerned primarily with satisfying the legal requirements of the enabling legislation for their programs without an overview of the total needs of the reservation. For example, BIA, the Department of Labor, and the Arizona Department of Economic Security all have independent programs to train Apaches or to help them find jobs. None of these organizations has established overall plans or goals concerning total manpower needs on the reservation either current or projected and none of them has attempted to relate present or future manpower needs to manpower training. Consequently, jobs on the reservation have been filled by non-Apaches because trained Apaches were not available. Our review showed, for example, that even though the Sunrise Resort Complex (see ch. 7) had been planned at least since 1967, no Apache has been trained in hotel or ski management or in providing related services.

BIA officials said that ideally, under the concept of self-determination, the tribal government would perform comprehensive planning functions for the reservation and would coordinate resources and programs to achieve desired results. Within the tribal government, oversight responsibility was diffused among as many as 30 committees and enterprise boards of directors, staffed primarily with tribal leaders. Tribal and BIA officials told us that most tribal leaders were not trained in management and that as a result they did not understand the need for establishing and implementing comprehensive long-range goals and priorities.

Most of the tribal committee and board members had full-time positions in other capacities, and many had more than one committee or board assignment, which allowed them only minimal time to attend to their committee or board duties. This arrangement makes it difficult to provide good management, as committee and board members may have insufficient time to become fully knowledgeable in all their various duties and to provide proper planning and direction.

A complicating factor is that the relationship between the tribal council, committees and boards, and program and enterprise managers is often unclear, and members of the policymaking bodies may spend time making judgments on specific actions of managers rather than on overall planning and coordination.¹

The analysis of interrelated factors on the Fort Apache Reservation leads to the general conclusion that the standard of living is clearly influenced by a complex interaction of a variety of factors. Proper planning by governmental and tribal leaders must consider and address the interrelationships among these factors in order to improve the standard of living on the reservation.

¹BIA officials said that the development and management of the Sunrise Park Resort Complex is an excellent illustration of the problem, which is discussed in chapter 7.

CHAPTER 6

WHAT ARE THE OPPORTUNITIES FOR IMPROVING EMPLOYMENT AND INCOME?

The unemployment rate on the Fort Apache Reservation was about 30 percent in 1972 which was about six times the national rate. Per capita income on the reservation in 1972 was well below the national average in that year. It appears that if Government and private activities can be developed to improve employment and income in the reservation, some other aspects of standard of living on the reservation can be expected to improve also.

MAGNITUDE OF INCOME PROBLEM

Fort Apache residents receive nonmonetary Government benefits which are not available to the rest of the U.S. population--including free health and education services as well as "immunity" from State and local taxes. When an estimate of these nonmonetary benefits is added to the 1972 per capita income of \$1,380, the total income of Apaches is increased to approximately \$2,500.

The reservation did not have a specific goal for increasing income, but if it is assumed that the goal was to increase per capita income (both monetary and nonmonetary) to Apaches by some percentage, e.g., 10 percent, the following approach could be used. An increase in income to Apaches of about \$1.6 million was needed to provide a 10-percent increase in 1972 per capita income. However, unless the percent of GRP going to Apaches as income can be increased, it would be necessary for GRP to increase by \$4 million to bring about this income increase.

A principal means of expanding GRP is to increase governmental expenditures. An increase in governmental expenditures would be expected to result in an increase in GRP that is greater than the amount of initial Government expenditure

because of the multiplier¹ effect. We calculated a multiplier of 1.3 for the Fort Apache Reservation; thus, an increased governmental expenditure of about \$3.1 million annually would be expected to generate a GRP increase of about \$4 million needed to increase Apache per capita income by 10 percent.

¹Although GRP provides a measure of the total value of goods and services produced by the reservation's economy, it does not show what determines change in GRP. To understand the reason for changes in GRP, we need to use the economist's multiplier, which is a factor that shows how much GRP increases when Government expenditure increases from sources outside the reservation economy. For example, if the Government spends an additional \$1,000 in the local economy and the multiplier is 1.3, as computed for the Fort Apache Reservation, one can expect that GRP will, over time, increase to \$1,300 ($\$1,000 \times 1.3$) as a result.

This increase in GRP is a multiple of the original expenditure because of the following events. Increased governmental expenditures provide increased incomes for both governmental employees and the producers of governmental goods and services. Most of this increased income is likely to be spent on the reservation for additional goods and services. However, part of the increased income is likely either to be saved or to be spent off the reservation--thus, no longer remaining as part of GRP. For that part of increased income spent on the reservation, those who receive it will spend it again, and again part will "leak-out" through savings or external spending. This process continues until the initial expenditure reduces to zero. The cumulative effect is a multiple increase in GRP as the result of new governmental expenditure.

The formula used by economists to compute the multiplier includes the following factors that are applicable to this reservation--willingness to increase consumption spending when Government expenditure on the reservation increases; willingness to increase investment spending when Government expenditure increases; willingness to increase taxes when such expenditure increases; and, willingness to consume additional imports when expenditure increases. The multiplier formula indicates that (Cont'd. on next page.)

With respect to the above analysis, it is not possible to say with precision how much additional Government expenditure would be required to obtain a given increase in per capita incomes to Apaches, for the following reasons:

--It is not known whether the percentage of GRP going to Apaches would remain the same because it cannot be assumed that additional governmental expenditures will be provided for the same purposes and to the same recipients as in 1972.

--It is not known whether the multiplier would remain the same as calculated if large increases in expenditure were incurred because the 1972 economic situation on which the multiplier is calculated is not likely to be directly applicable when GRP is appreciably expanded.

Expenditures on investments that serve to improve the ability of the reservation to become economically self-sufficient can help to increase the size of the multiplier. A principal reason that the Fort Apache multiplier is so small is that an important part of increased income leaves the reservation for purchase of goods and services imported to the reservation. Programs to effectively encourage and support high quality, competitive consumer businesses such as Apache stores, gas stations, restaurants, etc., may enable the reservation to be more economically self-sufficient and thus increase the size of the multiplier. Likewise, the

governmental expenditure will have a greater effect in increasing GRP when the willingness to consume and invest are large, and the willingness to tax and to consume imports are small. In other words, if consumers spend (or producers invest) a high percentage of each additional dollar they receive, the multiplier will be high. (Of course, the converse is true; if consumers and producers consume and invest respectively a low percentage of each additional dollar received, the multiplier will be low.) Also if a high proportion of additional income is spent by the reservation for imports and for taxes, the multiplier will be low. (Conversely, the multiplier will be high if a low proportion is spent on import consumption and on taxes.)

multiplier will be increased by the production of goods and services on the reservation utilizing the natural resources of the reservation (land, labor, and minerals) or the goods and services produced on the reservation (lumber, cattle, etc.).

The multiplier and the process it represents is an integral part of economic development. In addition to the multiplier effect, however, economic development requires investment in both human and physical capital. For example, Government expenditures to provide jobs can be expected to have a three-fold impact on economic development.

--Result in the production of goods and services.

--Result in the development of work habits and work experience.

--Result in a multiplier effect when increased incomes are spent for goods and services.

Government expenditures to support incomes (such as welfare payments) would not likely have the first two types of effects above. However, expenditures to support incomes would have a multiplier effect when increased incomes are spent. Thus, governmental expenditures to provide jobs can be expected to generate goods and services and work experience which, eventually, will reduce the need for such expenditures to maintain incomes; Government expenditures to support incomes, on the other hand, would likely need to be continued indefinitely to maintain income levels.

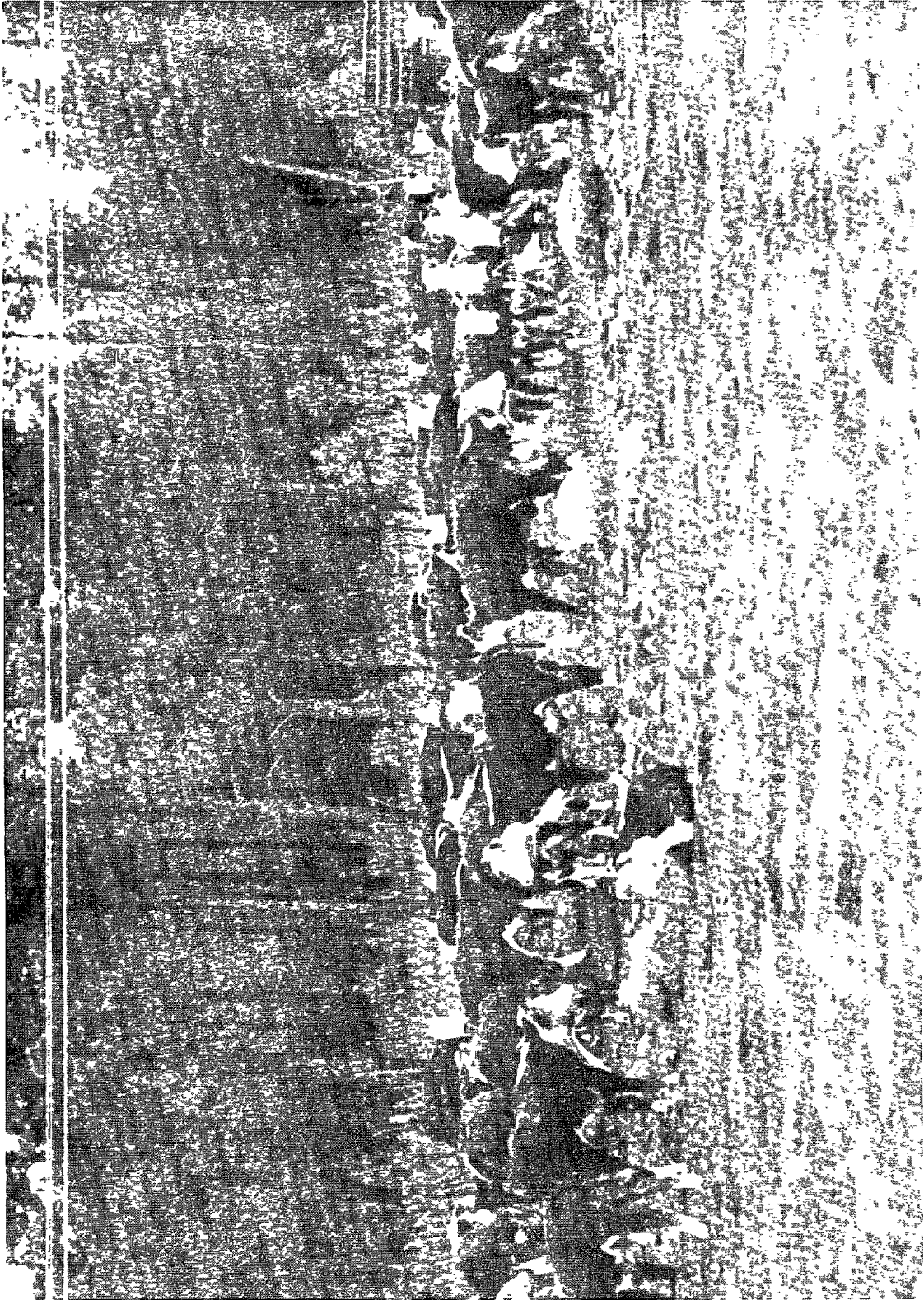
POTENTIAL FOR OBTAINING REQUIRED INVESTMENT

We discussed with BIA and tribal officials the general prospects of, and constraints on, obtaining the investment financing needed to achieve an important increase in the per capita income level. BIA officials told us that in the absence of additional Government investment, growth in the reservation's economy would need to come through investment of private capital and the retained earnings of the tribally owned business enterprises.

In the past, private entrepreneurs have not found the reservation sufficiently advantageous to invest in economic activities that would provide employment for all Apaches. When the Fort Apache Reservation was established as a permanent home of the White Mountain Apaches, recognizable economic advantages did not exist. The land was not considered particularly desirable for farming and ranching, and the reservation was isolated from transportation lines and population centers. At the time of our review, limited railroad service was available for only a small portion of the reservation, which is about 200 miles from the nearest population centers. This relative isolation and the absence of any apparent economic advantages have limited private industrial and commercial development and associated job opportunities on the reservation. In addition:

- The tribe has been reluctant to let private business operate on the reservation unless under tribal control. Private business has been discouraged by instances of tribal political influences and tribal council interference in day-to-day operations.
- As discussed in chapter 5, the reservation work force is largely unskilled and is perceived by some entrepreneurs to be unstable and unreliable because of such problems as poor work habits and alcohol consumption.
- The absence of tribal goals and priorities has made it difficult to resolve economic conflicts. For instance, we found that the cattle association was reluctant to give up any reservation grazing land for expanding recreational activities, even though potential return for the recreational activities was greater than potential return for the livestock activities.

A BIA official and an official of a tribal enterprise said that it is unlikely that private investment will be attracted to the reservation unless these factors are dealt with.



Cattle grazing on reservation

POTENTIAL FOR EXPANDING BUSINESS
AND INDUSTRIAL ACTIVITIES

Although all Government agencies and the tribal council have not concurred on a comprehensive economic development plan for the reservation, plans funded by EDA were developed as early as 1961 and have been updated several times. These planning activities have looked into the potential of several areas, including

- tribal forest industries,
- recreation and related activities,
- mineral resources,
- range improvement, and
- agriculture.

BIA and tribal officials told us the general feeling within the tribal government is that although there are opportunities in a number of areas, natural resources and tourism are the key areas to develop. The tribal officials also expressed a general feeling that activities to create new employment should be given highest priority. The feeling concerning need for employment-generating activities seems to be shared by tribal people. For example, 84 percent of our household survey respondents believe that it is more important for tribal enterprises and businesses to provide jobs for Apaches than to produce revenues.

NEED FOR PLANNING INDUSTRIAL AND BUSINESS
EXPANSION ON THE RESERVATION

Although some opportunity exists for developing additional business and industrial activity on the reservation it appears that a concerted effort will be required to achieve any major progress. We believe that the tribe, with BIA guidance and assistance, needs to develop and adopt an overall plan for the reservation, which is broader than previous economic development plans, and which takes into consideration the economic potential and the interrelationships between economic factors and social, cultural, and management factors.

CHAPTER 7

SUNRISE PARK RESORT COMPLEX--

A CASE STUDY OF PROBLEMS IN ECONOMIC DEVELOPMENT

The problems associated with the fragmented planning structure on the reservation may be illustrated in the planning and development of the Sunrise Park Resort Complex (Sunrise), a tribally owned enterprise consisting of (1) a ski run with an equipment rental service and a snack bar and (2) a 106-room hotel (including a dining room, coffee shop, and bar) about 3 miles from the ski area. Construction and operation of the enterprise have involved at least four different Federal agencies, a State agency, a tribal committee, and eight private firms. Our analysis of the Sunrise operations showed numerous problems which have led to large operating losses and cash deficits and which have slowed development.

BACKGROUND OF PROJECT

The idea for a resort on Mount Ord, where Sunrise is located, was present as early as 1963. In 1965, a feasibility study concluded that a ski resort on the reservation would be viable, and in 1967 the tribe made a funding proposal to EDA. The original proposal, developed by BIA for the tribe, called for the complex to consist of a hotel and ski area, a lakeside marina complex, a museum, and a handicrafts shop. Because of rising costs and funding limitations, such things as the lakeside marina complex and museum and some of the equipment for the ski facilities and hotel were not funded in the initial construction termed "Phase I," which was approved by EDA in May 1969. Also, the size of the hotel was reduced during Phase I from 75 to 52 rooms. EDA officials made these reductions in agreement with the tribal council. In 1971 EDA made more funds available and an additional 54 rooms were added to the hotel in what was termed "Phase II." In late 1973 the tribe submitted to EDA a \$1.6 million "Phase III" proposal for establishing certain recreational facilities; EDA approved the proposal in mid-1974.

By December 31, 1973, EDA and the tribe had agreed to jointly finance construction as shown in the following chart.

<u>Construction phase</u>	<u>EDA</u>	<u>Tribe (note a)</u>	<u>Total</u>
	————(000 omitted)————		
I (actual costs)	\$1,662	\$335	\$1,997
II (estimated costs)	1,246	—	1,246
III (estimated costs)	1,616	300	1,916
Total	<u>\$4,524</u>	<u>\$635</u>	<u>\$5,159</u>

^aDoes not include the value of land donated by the tribe.

In addition to these investments, the tribe had absorbed \$399,207 in cash overdrafts through December 31, 1973.

Although Sunrise ski area operations began in December 1970, a fire destroyed the hotel in November 1970, and it had to be rebuilt. The financial results for the first 45 months of operation resulted in accumulated losses shown in the following schedule.

<u>Period</u>	<u>Hotel</u>	<u>Ski area</u>	<u>Total</u>
Aug. 4, 1970 to Apr. 30, 1971	\$ -	\$(76,626)	\$(76,626)
May 1, 1971 to Apr. 30, 1972	(28,556)	(98,741)	(127,297)
May 1, 1972 to Apr. 30, 1973	(307,663)	36,258	(271,405)
May 1, 1973 to Apr. 30, 1974	(254,235)	10,585	(243,650)
Total	<u>\$(590,454)</u>	<u>\$(128,524)</u>	<u>\$(718,978)</u>

Since the enterprise began operations, at least four studies have been made--a fifth was in progress at the time of our review--to determine what could be done to reverse these losses. A management consultant, who operated the hotel from February through June 1973 after the previous manager resigned, made one study, and various firms under the auspices of EDA¹ made three others. A fifth study funded by EDA began in July 1974.

PROBLEMS IN PLANNING

An investigative report prepared by Ramada Inns, Inc., noted that the initial feasibility study for the Sunrise

¹One was a study of tourism on the reservation but included facts regarding Sunrise, and one was discontinued before completion because necessary data was allegedly refused the investigator. The third study concentrated solely on Sunrise.

Complex recommended establishing the enterprise on the basis of

- forecasting percentages of U.S. population expected to of experienced ski areas (the Sunrise Complex has not netted a positive return on investment since opening);
- forecasting a percent of U.S. population expected to ski in Arizona (traditionally advertised as a "sun state") over twice the national average (the report concludes that Arizona residents accounted for most of the skiing revenues); and
- forecasting the growth rate of skiing in Arizona at about twice the national average (the report does not offer a different figure but implies that the rate used was unreasonable).

An EDA official commented that these criticisms were based on hindsight and that there was no reason to believe at the time the study was performed that its assumptions were invalid.

In order to obtain the level of revenues foreseen in the feasibility study, BIA and EDA officials believe that an aggressive advertising program is necessary. The Ramada study commented that there was "no visible continuing promotion * * *." Financial statements indicate that less than 2 percent of revenues was budgeted for Sunrise advertising during the year ended April 30, 1974, and we noted that most of the advertising was directed toward Phoenix and Tucson. Sunrise officials explained that this was because (1) no money was available for extensive advertising due to continuing losses, (2) Phoenix and Tucson are the closest markets, and (3) nationwide advertising was prohibitively costly. In June 1974 some advertising for the enterprise was being made nationwide through travel agencies.

Tribal, BIA, and other officials of organizations involved with Sunrise noted that project planners had not anticipated that some facilities would be incomplete when the complex opened and that this contributed to operating losses. For instance:

- The hotel originally consisted of only 52 rooms (54 more have since been built). A BIA and a hotel official indicated that 52 rooms were not capable of generating sufficient revenue to absorb attendant overhead costs. A special feasibility study for

the 52-room hotel was not made, we were told, because EDA did not require it. An EDA official explained that the funding application submitted for Phase I construction included advance projections of profit for the 52-room hotel. We noted, however, that the proposal called for a museum, handicrafts shop, and lakeside marina complex to complement the hotel, which were not funded in the Phase I grant. EDA officials could not locate evidences of any assurances obtained that the hotel would be operating profitably without the complementing facilities. The problem was compounded by the fact that live-in employees occupied as many as 10 rooms.

--Recreation facilities mentioned above were omitted from the initial construction. An EDA and a tribal official indicated that without such facilities there is little to attract families of skiers to stay at the hotel in the winter or to attract summer business. Moreover, estimates of necessary facilities have ranged from a parking lot and additional ski equipment costing \$1.6 million (EDA) to a marina, a shopping complex, and various other items costing \$7.6 million (Sunrise Board of Directors). The enterprise managers believe that equipment and facilities costing \$5.3 million are needed.

--Roads leading to the complex were of poor quality and at times impassable (the State Highway Department completed a gravel surfacing of the road to the hotel in mid-1974, but the remaining 3 miles to the ski area is the responsibility of BIA, which will attempt to maintain the road but will not surface it until fiscal year 1975, in accordance with priorities set forth by the Tribal Roads Committee). A Highway Department official explained that funds to construct the road within the State's jurisdiction were not available before 1970 and that inclement weather hindered the construction. Officials of the Sunrise Board of Directors said that they did not contact the Tribal Roads Committee because they were unaware that it had jurisdiction over the roads leading to Sunrise.

--Adequate facilities to house employees were not constructed because of lack of funds and because 10 of the hotel rooms were already serving as employees' quarters. Though 10 trailers were purchased for employee housing in October 1972, there was no attempt to have utilities and other necessary amenities installed until November 1973.

--Artificial snow-making and packing equipment was not funded in Phases I and II because of a lack of funds, although it was included in plans for Phase III. Some revenue, lost because of light snowfalls in two of the four winters of operating, might have been earned had such equipment been available.

PROBLEMS CAUSED BY POOR
PLANNING AND OTHER FACTORS

Numerous problems in daily management of the Sunrise Complex may have contributed to the continued losses suffered by Sunrise. These problems arose within the Tribal Business Office, and with the ski area and hotel manager, the general manager for Sunrise, and the Sunrise Board of Directors. Some of these problems might have been avoided by more comprehensive planning, considering the Apache cultural factors, training, and other factors discussed elsewhere in this report.

Problems in employing
a general manager

In funding Phases I and II, EDA required a general manager over the Sunrise Complex. This position was not filled until July 1973 because, according to a Sunrise Board official, the enterprise did not have sufficient funds to pay a competitive salary. EDA refused to fund Phase III until a general manager was hired, however, and in July 1973 the tribal council passed a resolution hiring the manager of Apache Enterprises, which operates tribally owned retail outlets on the reservation, as general manager over Sunrise and Apache Enterprises, though with no increase in salary. The Apache Enterprises manager had not sought the position and had not been consulted in advance of the resolution, but he nevertheless agreed to attempt the assignment. (An EDA official said that he had never been presented to EDA for confirmation.) As one of his first projects he attempted to complete installation of 10 trailers to house employees which were purchased in October of 1972 but had not been installed. While he was involved in negotiations with power companies and contractors to accomplish the task, however, the Chairman of the Sunrise Board of Directors, who believed that there was insufficient progress, ordered--without consulting the general manager--the ski area maintenance crew to install the trailers. The maintenance crew was not fully qualified to do this work and damaged some wiring in the attempt, after which the contractor refused to perform any further installation work and the general manager resigned and returned to his previous position as manager of Apache Enterprises.

Subsequently, the tribal council hired the services of an employment firm to employ a new general manager. The firm located a prospective manager who had managed a hotel division for 30 years; but after touring the Sunrise facilities and learning of some of the problems, he declined to submit an application to the tribe, allegedly because he believed that interference from the Board of Directors might unduly hamper efforts to operate the enterprise successfully. In January 1974 the tribal council hired an "executive assistant to the Board" to function partly as a general manager for the complex, but did not submit his application to EDA for confirmation, pending completion of a further management study which began in July 1974.

Conflicts between operating management groups

The absence of a general manager may have contributed to various conflicts between the hotel and ski area managers, between the hotel manager and the Sunrise Board of Directors, and between those managers and the Tribal Business Office, as indicated by the following:

- Personality conflicts between the hotel and ski area managers in the 1972-73 skiing season prompted the ski area manager to sell ski lift tickets to surrounding hotels for \$4.50 (enabling them to offer a "ski package" comprised of room fees and ski lift tickets) but to the Sunrise Hotel for \$6.00, the full price, causing a competitive disadvantage for the hotel. The next year the ski area manager canceled the discounts to surrounding area hotels and offered them to Sunrise for \$5.00 (the full price at the ski area was \$7.50). However, instead of creating a ski package, the hotel manager advertised the tickets at \$5.00, without requiring that purchasers be registered as hotel guests, in effect undercutting the ski area's prices; the ski area manager then withdrew his offer to sell tickets to the hotel at a discount.
- The hotel and ski area managers have been unable to agree on an advertising firm which they could use for joint advertising, and they have each had separate firms throughout the history of Sunrise, incurring duplicate costs for services.
- The ski area snack bar has had to hire a cook and to purchase its own food because the hotel manager refused to prepare or to purchase food through the hotel's kitchen.

--The first of four hotel managers had initially established a series of prices (\$20 minimum, not including a ski lift ticket), which the board believed too high to be competitive. The board ordered the prices lowered, after which the manager, allegedly in anger, lowered the prices to \$6.50 per night (\$12.50, which included a \$6.00 ski lift ticket), and threatened to resign unless the board gave him a "full vote of confidence." The board then voted to dismiss him, but he appealed to the tribal council for a vote of confidence, which was denied; then he resigned, and with him, eight key hotel employees.

--The Tribal Business Office prepares financial statements for the Sunrise Complex. The hotel and ski area did not provide the Tribal Business Office with enough accounting information to prepare financial statements. For instance, the Tribal Business Office was not aware of the hotel's bank account for credit cards, and ski area and hotel deposits were not clearly marked to indicate the nature of the revenue. The ski area manager stated that the Tribal Business Office was charging hotel expenses to the ski area and hired a bookkeeper to record transactions and prepare financial statements for the ski area.

--We noted that for 1 month of skiing operations, the ski area and the Tribal Business Office prepared income statements which showed net losses differing by more than \$22,500--on income less than \$9,700. While communication between the ski area and business office has improved, the ski area still maintains its own bookkeeper.

We noted another problem which directly affected Sunrise employees. Although it is customary to allow employees certain meals as fringe benefits, some board officials charged that excessive meal benefits were allowed 12 to 15 live-in hotel employees, who were being provided--free of charge--three meals per day and snacks between meals for an 8-to 10-hour working shift, at a cost of about \$45,000 over a 2-year period. At a meeting in mid-1973, the board directed the hotel manager to adjust the situation to reflect current industry practice of allowing only one meal. The manager subsequently disallowed all free meals for the employees. In July 1974 employees were receiving one free meal per shift, however, under the policy of a new hotel manager. This manager was hired by the executive assistant to the board without board approval, however, and a board member told us that the board has directed the assistant to discharge the manager.

Problems in directing policy
by the Board of Directors

The ski area and hotel managers have not been given profit objectives by the Board of Directors and have been operating simply to make a profit in the absence of more specific guidelines. The Chairman of the Sunrise Board of Directors explained that this lack of specific profit goals was due to the board's concentrating almost solely on obtaining funding for the three construction phases. (However, a July 1973 board meeting to take action in defining Phase III and in moving to select a general manager for Sunrise was canceled when a quorum of members did not attend.)

One tribal official believes that there may be a conflict of interest or possible lack of qualifications by some board members. For instance, one member owns a hotel in Show Low, about 40 miles from Sunrise (though it is also argued that his experience may be invaluable), and one member is a housewife without previous business experience. In April 1974 a new tribal council was elected, and the new tribal chairman dissolved the Board of Directors and appointed a new one effective July 1, 1974. The new board is composed of the tribal lumber mill manager and four tribal members of varying experience. None of the members has had experience in operating ski resorts or hotels, however.

CULTURAL FACTORS

The ski area and hotel manager have experienced Apache-employee problems related to punctuality and regularity of work, and the Ramada study indicated that lack of courtesy was also a problem. The ski area manager highlighted the attendance problem in indicating that he had to hire almost twice as many Apaches as needed to make certain that there were enough present to operate the ski lift on any given day. Various tribal and government officials explained that this problem might be due to

- the long distances that employees who do not live in Sunrise must travel to work (Sunrise is about 40 miles from Whiteriver, the area from which most of the Apache workers come);
- a lack of good working habits on the part of Apaches, who need more exposure to working situations; and
- problems related to alcohol consumption.

Another employee-related problem is lack of courtesy. The Ramada study pointed out that without improvement in the

employees' attitude, additional capital improvements, as well as current investments, are likely to fail in alleviating the profitability problems. The study presents four examples, listed below:

"Upon asking for directions to Sunrise Park at / a service station on the Reservation/ the attendant reluctantly responded and simply pointed down the road."

"Warm, friendly smiles were missing."

"Waitresses gave the impression that they were doing / customers/ a favor, rather than /doing/ their jobs."

"/Hotel restaurant/ waitresses /fought/ with the chef * * * within view and ear-shot of dining room customers, insisting that the chef pay for a dish of ice cream he was eating."

A Sunrise official explained that these situations do not represent intentional affronts by the Apaches involved but rather a normal "cultural trait" which would not have been offensive to other Apaches. He believed that more exposure to the public would improve the attitude problem.

CHAPTER 8

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

The goals and aspirations of White Mountain Apaches for themselves, their children, and for developing the reservation have not been extensively studied by the Federal Government. The limited studies which have been made, our conversations with tribal officials, and the results of questionnaires we administered to 250 Apache households indicate that, in general, the Apaches have aspirations, such as

- better training and education, especially for their children,
- more and better jobs, and
- a larger voice in the decisions on how reservation moneys are spent.

These Apache aspirations appear generally consistent with statements of national policies and programs.

National goals which have been expressed by congressional resolutions and by the executive branch generally require that the social and economic conditions of Indians be improved through Government programs to a level comparable to that of the national average. A variety of federally funded programs administered through various Federal, State, and local agencies have more specific goals such as improving health, education, and housing. A national policy was proposed as early as 1970 under which the Federal Government would promote economic self-sufficiency and would provide for increasing self-determination for Indian tribes. The Indian Self-Determination and Education Assistance Act of 1975 includes provisions in line with that policy.

Our study shows some progress toward self-sufficiency over the 5-year study period. But despite the increasing expenditures, Apache-perceived goals and aspirations had been attained only to a limited degree by 1972.

Since 1970 some progress has been made toward self-determination on the reservation. For example, BIA awarded contracts to the tribe for law-and-order services, an on-the-job training program, and a community education program. Also, IHS and the tribe developed a plan to appoint a tribal health director having coordination, planning, and evaluation responsibilities for the reservation.

Nevertheless, the White Mountain Apache standard of living remains considerably below that of the general public. The problems preventing Apaches from achieving a standard of living comparable to the national average are multiple, interrelated, and often mutually reinforcing. Our analysis showed that problems which appeared to prevent the standard of living from improving are influenced by interrelated factors affecting more than one program.

- Health problems cannot be completely reduced by improved health services alone; housing and sanitation also affect health and these need to be improved.
- New business and industry are needed to increase employment and incomes; but improvements in education, transportation, and relations with non-Apaches as well as reduction in alcohol consumption are also important.
- An improved school system can promote greater educational attainment; but better housing and home environment are also important.
- Cultural factors which influence all aspects of Apache life need to be considered.

Comprehensive goals and programs for the White Mountain Apache Reservation have not been established at the national or tribal levels. For example, since many Federal programs on the reservation continue to be operated by separate departments and agencies and are often planned and administered through State or local governmental units, they generally operate independently from each other and from other programs on the reservation.

Improvements in tribal planning and management capabilities are needed to enable the tribe to set such goals and to establish programs and activities for their implementation and coordination at the reservation level. The Federal Government's role under the Indian Self-Determination and Education Assistance Act of 1975 requires Federal agencies to build tribal capacity to enable a tribe to perform such planning and coordination functions.

We may not have identified all of the reasons for Apache problems or opportunities for correcting them. However, we believe that present knowledge could be more efficiently used and progress towards increased knowledge appreciably accelerated if the Federal and other resources applied to the

reservation were planned and managed by this tribe in a more systematic manner. Such an approach requires:

- Clearly defined tribal and reservation goals and priorities.
- Research and experimentation, such as the Project Apache study of infant mortality and morbidity.
- Measurements of progress, based on defined goals.
- Appropriate data collection systems and program evaluations.
- Flexible organizational structures and procedures which allow redirecting efforts when indicated.

BIA is the logical agency to take the lead on this approach to planning and implementing an overall program, and we submitted a proposed recommendation to the Department of the Interior to that effect. The Department of the Interior concurred and indicated that BIA had been working with tribal leaders and cooperating with other Federal agencies. The Department of the Interior stressed that, under the Self-Determination Act, BIA's role was one of technical assistance to the tribal council, and this has been recognized in our recommendation.

RECOMMENDATIONS

We recommend that the Secretary of the Interior direct BIA to accentuate its cooperative efforts with other Federal agencies and the tribal council in formulating and implementing an overall plan which recognizes the interrelationships among the various programs and factors involved. The plan should take into account the natural assets of the reservation and its people and should establish goals and priorities in accordance with Apache values and aspirations. Under the Indian Self-Determination and Education Assistance Act of 1975, BIA's planning efforts should be offered as technical assistance to the tribal council on an interim basis until tribal capacity to perform this planning and coordination is fully developed.

We recommend that the Secretary of the Interior also direct BIA to work with other Federal agencies and with the tribal council to improve the economic self-sufficiency of the reservation so that increase in Apache income is less dependent upon increased Federal expenditures for the reservation.

Even recognizing the Self-Determination Act and the emphasis it places on giving Indians more responsibilities for managing their own affairs, we believe that the executive branch still has a large responsibility for seeing that Federal funds are used effectively and efficiently to improve the standard of living of Indians on reservations.

We believe that coordination of Federal efforts at the reservation level is needed for all Indian tribes and that evaluations of the type covered in this report should be made for all tribes.

We therefore recommend that the Office of Management and Budget take the necessary action to insure that:

- an approach is developed which will coordinate Federal efforts at the reservation level,¹
- continuous evaluations are conducted of the effect that Federal programs have on the standard of living at Indian reservations including developing information systems to support such evaluations, and
- annual reports are submitted to the Congress on progress made in improving the standard of living of reservation Indians and on any needed changes in legislation to improve the effectiveness of Federal programs.

If early action is not taken, we recommend that the Congress enact appropriate legislation.

AGENCY VIEWS

Departments of HEW and the Interior officials reviewed this report and expressed their view that it was a good analysis of the problems on the White Mountain Apache reservation. Their comments are shown as appendixes II and III of this report.

Interior comments on our proposed recommendations have been considered and are reflected in the recommendations above that pertain to the Department.

¹ A previous GAO report, "Improving Federally Assisted Business Development on Indian Reservations" (RED-75-371, June 27, 1975), made a similar recommendation with respect to business development programs on Indian reservations. The above recommendations expand the earlier one to apply to all Federal programs.

The recommendations regarding action to be taken by the Office of Management and Budget have been discussed with officials of that agency. They advised us that plans were being formulated to strengthen program evaluation efforts with respect to Federal programs on Indian reservations.

CHAPTER 9

SCOPE OF REVIEW

We made our review on the Fort Apache Indian Reservation and included all major programs operating on the reservation. The programs we reviewed were sponsored and administered by agencies at all levels of government--Federal, State, and local, including tribal--as well as by private foundations, individuals, and business enterprises owned privately and by the tribe. A complete listing of these organizations is presented in appendix I. In some cases where these organizations funded or administered programs from off-reservation offices, we communicated with officials of those offices as well as with program personnel on the reservation. For instance, data was gathered from the BIA Whiteriver Agency office, its Phoenix Area office, and its Washington Headquarters office.

PERIOD OF STUDY

We chose the years 1968 through 1972 as the data base for the review since, at the time the review began, 1972 data represented the most recent information available for all economic and social areas included in the study.¹ We obtained selective data for more recent periods during the latter review stages for the following reasons:

--Tribal members administered the household questionnaires in May and June of 1973. (See following section for more description of questionnaire administration.) Data from these questionnaires was needed to provide current information on tribal attitudes

¹In general, data gathered from governments had been prepared for fiscal years ending June 30, while data gathered from private organizations had been prepared on a calendar-year basis. The tribal government reported on a fiscal year ending April 30. Our analysis sometimes combined fiscal and calendar-year data, because it was not possible to separate the data into periods which exactly matched.

and aspirations concerning the standard of living on the reservation, particularly concerning the contribution of Government programs. The survey also provided current data on income, education, demographic characteristics, and other data on household living status.

--National goals, policies, and programs for Indians were in a state of flux during the period of review. Thus, in looking toward the future, it was important to examine the most recent legislative and executive actions and statements affecting Indians.

--Program and administrative activities were in a state of flux on the reservation during the review period. Thus, for key areas of economic and social activity, it was important to review the most recent activities. This was particularly important for the Sunrise Resort Case Study where important events were occurring throughout the period in which we were conducting our review.

AUDIT PROCEDURES

We reviewed financial and program records and interviewed officials of the various government and private organizations operating on the reservation. We also obtained certain financial information on the reservation from private enterprises through a mailed questionnaire and obtained background, historical, and cultural data from various books and publications available from public libraries and/or purchased from book publishers.

We developed data on the characteristics and attitudes of tribal members through a questionnaire administered to 250 randomly selected Apache households on the reservation. To further probe certain attitudes and problem areas identified in this household survey, we developed a follow-on questionnaire and administered it to representatives of 100 households selected from the original 250 households. These 100 households were selected on the basis of earned income, with about half the questionnaires administered to households reporting the lowest income and half to those reporting the highest income. The questionnaires were

developed with the guidance of a consulting social psychologist and were administered by approximately 15 bilingual tribal members.

Our consultant trained the tribal members in interviewing techniques. Tribal council members, Apache culture experts, Government officials, and the interviewers themselves aided us in wording and developing the questionnaire, which was administered in Apache when necessary.

ANALYSIS OF DATA

Our analysis of data included

- tabulating responses to our household survey questionnaires;
- statistical analysis to determine the relationships between responses to different questions in our household survey and to determine the possible influence on their responses, of attitudes and income, employment, and education characteristics of the respondents;
- delineating alternative areas of economic growth and determining approximations of required investments and their return in employment and profits; and
- developing a measure of total activity to ascertain economic growth on the reservation, and a measure for the reservation similar to the GNP for the Nation.

GOVERNMENT ORGANIZATIONS FUNDING PROGRAMS ON
THE FORT APACHE INDIAN RESERVATION
1968 to 1972

FEDERAL GOVERNMENT

DEPARTMENT OF AGRICULTURE

Food and Nutrition Service
Forest Service
Cooperative Extension Service

DEPARTMENT OF COMMERCE

Economic Development Administration

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Health Services and Mental Health
Administration
National Institute of Alcoholism
National Institute of Health
Public and Indian Health Service
Project Apache
Indian Health Service Operations
Office of Education
Office of Child Development
Social and Rehabilitative Service
Social Security Administration

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs
Bureau of Sport Fisheries and Wildlife

DEPARTMENT OF LABOR

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ACTION

OFFICE OF ECONOMIC OPPORTUNITY

Community Action Agency

POSTAL SERVICE

VETERANS ADMINISTRATION

ARIZONA STATE AND LOCAL GOVERNMENTS

ARIZONA STATE GOVERNMENT

DEPARTMENT OF ECONOMIC SECURITY
Welfare Service
Unemployment Service

DEPARTMENT OF EDUCATION

DEPARTMENTS OF HEALTH AND MENTAL HEALTH

HIGHWAY DEPARTMENT

ARIZONA COUNTY GOVERNMENT

APACHE COUNTY GOVERNMENT

NAVAHO COUNTY GOVERNMENT

OTHER ARIZONA GOVERNMENTS

UNIVERSITY OF ARIZONA

RESERVATION PUBLIC SCHOOLS



United States Department of the Interior

OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20240

JUN 10 1975

Mr. Henry Eschwege
Director
Resources & Economic Development
Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Eschwege:

Your draft report entitled "Need for Overall Planning to Improve Quality of Life for White Mountain Apaches" has been reviewed by officials of the Bureau of Indian Affairs.

They feel that the report is comprehensive, adequately depicts the social and economic conditions of the White Mountain Apache Tribe at the Fort Apache Indian Reservation, and that it accurately reports on the impact of Federal domestic assistance programs on social and economic developments.

The report's basic recommendation suggests that the Bureau of Indian Affairs assume a lead agency role in providing technical assistance and coordinate Federal agency efforts in programming Federal domestic assistance for the White Mountain Apache Tribe. This recommendation, as worded, has the inference that BIA has not worked with tribal leaders and cooperated with other Federal agencies in formulating overall tribal development plans. The Bureau does assist and cooperate in these endeavors. Apparently the intent of the recommendation is to suggest a more positive and definitive lead role by the Bureau.

The Bureau has the capability and presence to carry out this intent. Two things have to be considered, however. The Bureau cannot be presumptuous and assume that the tribal council wants the Bureau to do this on their behalf. Secondly, P. L. 93-638 tasks the Bureau to build tribal capacity to perform this planning and coordination function. Any effort on the Bureau's part would have to be offered as technical assistance to the tribal council, on an interim basis, to assist them in planning and programming Federal assistance.

We concur in the recommendation, subject to clarification of its intent and modification to recognize that the Bureau's role is subject to agreement of the tribal council and the mandates of P. L. 93-638.

Additional detailed comments on the report were informally provided to your staff.

We appreciate the opportunity to review the report in draft and to discuss it with members of your staff.

Sincerely,



Allan L. Reynolds
Director of Audit and Investigation



DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
WASHINGTON, D.C. 20201

OFFICE OF THE SECRETARY

MAY 16 1975

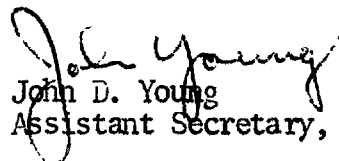
Mr. Gregory J. Ahart
Director, Manpower & Welfare Division
U.S. General Accounting Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your letter of May 7 asking for our comments on a draft of your proposed report to the Congress entitled "Need for Overall Planning to Improve Quality of Life for White Mountain Apaches." Responsible Department officials who reviewed your report have no comments to make, other than that the report appears to represent a fair and objective appraisal of conditions at the Fort Apache Indian Reservation.

We appreciate having had the opportunity to review this report in draft form.

Sincerely yours,


John D. Young
Assistant Secretary, Comptroller

PRINCIPAL OFFICIALS OF
THE DEPARTMENTS OF THE INTERIOR
AND HEALTH, EDUCATION, AND WELFARE
RESPONSIBLE FOR ADMINISTERING ACTIVITIES
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
<u>DEPARTMENT OF THE INTERIOR</u>		
SECRETARY OF THE INTERIOR:		
Kent Frizzell (acting)	July 1975	Present
Stanley K. Hathaway	June 1975	July 1975
Kent Frizzell (acting)	May 1975	June 1975
Rogers C. B. Morton	Jan. 1971	May 1975
Fred J. Russel (acting)	Nov. 1970	Dec. 1970
Walter J. Hickel	Jan. 1969	Nov. 1970
Stewart L. Udall	Jan. 1961	Jan. 1969
SPECIAL ASSISTANT TO THE SECRETARY FOR INDIAN AFFAIRS (note a):		
Marvin Franklin	Feb. 1973	July 1974
COMMISSIONER OF INDIAN AFFAIRS (note a):		
Morris Thompson	Dec. 1973	Present
Louis R. Bruce	Aug. 1969	Jan. 1973
T. W. Taylor (acting)	June 1969	Aug. 1969
Robert L. Bennett	Apr. 1966	May 1969
Philleo Nash	Sept. 1961	Mar. 1966
<u>DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE</u>		
SECRETARY OF HEALTH, EDUCATION, AND WELFARE:		
F. David Mathews	Aug. 1975	Present
Caspar W. Weinberger	Feb. 1973	Aug. 1975
Frank C. Carlucci (acting)	Jan. 1973	Feb. 1973
Elliot L. Richardson	June 1970	Jan. 1973
Robert H. Finch	Jan. 1969	June 1970
William J. Cohen	Mar. 1968	Jan. 1969
John W. Gardner	Aug. 1965	Mar. 1968

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
ASSISTANT SECRETARY FOR HEALTH		
(note b):		
Theodore Cooper (acting)	Feb. 1975	Present
Charles C. Edwards	Mar. 1973	Jan. 1975
Richard L. Seggel (acting)	Dec. 1973	Mar. 1973
Marlin K. DuVal, Jr.	July 1971	Dec. 1972
Roger O. Egberg	July 1969	June 1971
Philip R. Lee	Nov. 1965	July 1969
ADMINISTRATOR, HEALTH SERVICES		
ADMINISTRATION:		
Harold O. Buzzell	July 1973	Present
ADMINISTRATOR, HEALTH SERVICES		
AND MENTAL HEALTH ADMINISTRATION (note c):		
Harold O. Buzzell	May 1973	June 1973
David J. Sencer (acting)	Jan. 1973	May 1973
Vernon E. Wilson	July 1970	Dec. 1972
Joseph T. English	Jan. 1969	July 1970
Irving Lewis (acting)	Sept. 1968	Jan. 1969
Robert Q. Marston	Apr. 1968	Sept. 1968
DIRECTOR, INDIAN HEALTH SERVICE:		
Emery A. Johnson	Dec. 1969	Present
Erwin S. Rabeau	Feb. 1966	July 1969

a/During the period February 1973 to December 1973, the duties of the Commissioner of Indian Affairs were performed by the Special Assistant to the Secretary for Indian Affairs.

b/Title of office was changed from Assistant Secretary for Health and Scientific Affairs in November 1972.

c/Effective July 1, 1973, this administration was abolished and the Public Health Service was reorganized into six health agencies under the direction and control of the Assistant Secretary for Health. The Indian Health Service was placed in the Health Services Administration.

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