

by the client to the minor Indians within a short time. The repayment was carried out with the consent of the client and approval of Superior Court and the bonding company which at all times protected the minor Indians from loss.

Mr. SCHLESINGER. The remainder of my testimony refers to the statement that was delivered today.

The task force report and legislation currently before the U.S. Congress was critical of the conservatorship and guardian program in Riverside County. No mention was made of the substantial developments which have occurred through the efforts of the conservators and guardians and their representatives but only criticism of the cost of the program and alleged irregularities which have occurred in its administration. My only personal comments today, you've heard from Chief Kettmann—Postmaster Kettman now—describing what has happened, and you have heard reports of others in the developments that have taken place in the Agua Caliente Indian Reservation and the resultant benefit to the Indians.

Secondly, the Bureau of Indian Affairs is unable to administer the program alone. The conservatorship and guardian program has proved that the Bureau of Indian Affairs alone, without extensive augmentation of its staff, is unable to handle and process long-term Indian leases. The conservatorship and guardian program has further demonstrated that individual guardians and conservators and competent adult Indians can be instrumental in effectively developing trust lands.

The present program has proved inadequate. To abandon the present conservatorship and guardian program without a radical change in the method of operation of the Bureau of Indian Affairs stifles development of the Agua Caliente Indian land by discouraging developers. Prospective developers prefer fee land to leaseholds. When leased land is combined with dealing with the Bureau of Indian Affairs in addition to the probate court and county tax assessor, the developer is presented with a discouraging picture. Further, the continued exemption of Indian land while held in trust, even though developed under provisions of a long-term lease, from property taxation and the rental from income taxation has not proved effective in helping the individual Indian to become master of his own destiny.

A major point I'd like to make is gradual elimination of tax exemptions, No. 4. Mrs. Ortner spoke of this, and so did others, and I'm departing from my prepared statement to reflect on this at great length because I've tried to think what I would want, if I were an Indian and the tribal chairman, Mr. Patencio, tried to examine his own conscience as did Mrs. Ortner, and naturally we'd like to get the greatest amount of benefit we could get, and on the other hand, I think the Indians are no different from the rest of us in that they want something that is fair to all, and I think what they have said indicates that they want a fair solution to this problem.

I think a gradual elimination of this tax exemption will provide that fair approach. A program of gradual elimination of property tax exemption and income tax exemption should be adopted when Indian trust land has been leased. The elimination of the exemption should be sufficiently gradual to allow the Indian to adjust. For example: Once the lease reaches the point where the full minimum rental is payable, normally within 5 to 10 years from the date of approval