open for further discussion is the universe of second mortgages to which disclosure requirements and term restrictions should apply. It may make sense to focus on this area, and I look forward to discussing this issue further with all interested parties as work on this bill continues.

But it is important to move the process forward. Time is short, and we must move quickly if we’re to gain enactment of this bill before the year is out. For these reasons, I am pleased to cosponsor this bill, and I urge my colleagues to join with us in the effort to provide protections against second-mortgage scams.

By Mr. INOUYE (for himself, Mr. McCAIN, Mr. SIMON, Mr. CAMPBELL, Mr. WELLSTONE, and Mr. DASCHLE):

S. 925. A bill to require the Secretary of the Interior to pay interest on Indian funds invested, to authorize demonstrations of new approaches for the management of Indian trust funds, to clarify the responsibilities of the United States with respect to Indians, to establish a program for the training and recruitment of Indians in the management of trust funds, to account for daily and annual balances on and to require periodic statements for Indian trust funds, and for other purposes; to the Committee on Indian Affairs.

NATIVE AMERICAN TRUST FUND ACCOUNTING AND MANAGEMENT REFORM ACT OF 1993

Mr. INOUYE. Mr. President, I introduce the Native American Trust Fund and Management Reform Act of 1993, legislation that would: First, require the Secretary of the Interior to invest and pay interest on individual Indian money (IIM) funds held in trust by the Federal Government; second, authorize demonstrations of new and innovative approaches for the management of Indian funds currently managed by the Bureau of Indian Affairs; third, clarify the trust responsibility of the United States with respect to Indians; fourth, establish a program for the training and recruitment of Indians in the management of trust funds, and fifth, require a periodic accounting to Indian trust funds account holders. Its enactment is necessary to reform longstanding mismanagement of the Indian trust fund and to give the 300,000 Native Americans for whom the Bureau of Indian Affairs (BIA) holds money in trust a greater role in the management of the funds which are held in trust for their benefit.

Trust funds currently managed by the United States include the tribal trust fund and the individual money IIM trust fund. As of September 30, 1991, approximately 330 tribes have an interest in the tribal trust fund, however, some tribes have multiple accounts. As a result, approximately 2,965 separate accounts comprise the tribal trust fund. The tribes do not participate equally in the fund. In fact, according to the Office of Trust Fund Management, 77 percent of the fund assets are held by 8 percent of the tribes. The IIM trust fund is a deposit fund, usually not voluntary, for individual participants and tribes. It was originally intended to provide funds for legal and illegal adult incompetent Indian adults and Indian minors without legal guardians. In addition to these fiduciary accounts, the BIA also maintains deposit accounts for certain tribal operations and some tribal enterprises. Approximately 300,000 accounts are held in the IIM trust fund. These Indian trust funds include judgment awards, oil and gas royalty income, income derived from land leases and timber stumpage, and investment income. As trustee for lands and money held in trust by the United States, the Federal Government is responsible for managing and investing almost $2 billion in tribal and individual Indian funds.

The system of trusteeship and Federal management of Indian funds is deeply rooted in the Federal-Indian relationship. Treaties are the first and probable most important means by which trust funds were held by the United States for the benefit of individuals or tribes. While the earliest treaties did not provide that the United States retain funds in trust for the tribes, in 1820 the Federal Government adopted the policy of holding tribal funds in trust.

Later, the role of trustee was delegated to the Secretary of the Interior. Since 1918, the BIA has had the legal authority to invest Indian trust funds. In 1938, the BIA decided that all individual Indian money (IIM) funds would be invested and managed by its agency offices. Since 1966, the BIA’s Branch of Investment has pooled all IIM accounts for investment purposes. The Bureau allocates interest earned on the investment pool to individual accounts.

Mr. President, in April 1992, the House Committee on Government Operations unanimously approved a report based on a 3-year investigation by the Subcommittee on Environment, Energy and Natural Resources of the House Committee on Government Operations. The deficiencies identified to date.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 925

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. SECTION 1. SHORT TITLE. This Act may be cited as the “Native American Trust Fund Accounting and Management Reform Act of 1993.”

SEC. 1. DEFINITIONS. For purposes of this Act—

(1) the term “Secretary” means the Secretary of the Interior; and

(2) the term “Bureau” means the Bureau of Indian Affairs of the Department of the Interior.

TITLE I—TRUST FUND INTEREST PAYMENTS

SEC. 101. PAYMENT OF INTEREST ON FUNDS IN- VESTED.

(a) PAYMENT OF INTEREST.—(1) The fourth paragraph of subsection (a) of the first section of the Act of June 24, 1938 (25 U.S.C. 286), is amended by striking “may invest” and inserting “shall invest.”

(b) The first paragraph of the Act of June 24, 1938 (25 U.S.C. 286a), is amended by adding at the end the following new subsection: —

(3) No funds deposited or invested under subsection (a) shall bear interest at the same rates, taking into consideration the nature of the deposit or investment. The Secretary shall periodically pay such interest to the appropriate Indian tribe or individual In-
SEC. 203. DEMONSTRATION PLANE.

for the management of tribal or individual
indian tribe" and "tribe" mean—
the purposes of section 208, the terms "Indian
funds held in trust by the United
States for the benefit of such Indian tribe, and as of the date of the enactment of this Act, managed by the Secretary through
the Bureau. Such plan may provide for the following:

(1) Management of such funds directly by the Indian tribe in financial institutions selected by the tribe, subject to supervision and oversight by the Secretary. For the purposes of such plan, "managing institution" may include one or more of the functions carried out, as of the date of the enactment of this Act, by the Secretary through the Bureau in managing such funds, such as collection, disbursement, and investment functions.

(2) Management of such funds by the Secretary in a manner that—
(A) the capability and experience of the individual Indian or, at the election of the Indian tribe or individual Indian, add such earnings to the principal of such funds so invested.
(B) the Secretary periodically pay such earnings to the individual Indian or, at the election of the Indian tribe or individual Indian, add such earnings to the principal of such funds so invested.

(c) REPEAL OF LIMITATION ON UNITED STATES LIABILITY.—Paragraph (2) of sub-
section (c) of the first section of the Act of June 24, 1938, as amended by subsection (b), is amended to read as follows:

"(2) Amounts deposited or invested under this subsection shall generate earnings at the appropriate rates, taking into consideration the type of investment concerned. The Secretary shall periodically pay such earnings to the individual Indian or, at the election of the Indian tribe or individual Indian, add such earnings to the principal of such funds so invested.".

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to interest earned on amounts deposited or invested on or after the date of the enactment of this Act.

SEC. 100. AUTHORITY FOR PAYMENT OF CLAIMS FOR INTEREST.
The Secretary is authorized to make payments to an Indian tribe or an individual Indian—
(A) in full satisfaction of any claim of such Indian tribe or individual Indian for interest on amounts deposited or invested on behalf of such tribe or individual Indian before the date of enactment of this Act under the Act of June 24, 1938 (25 U.S.C. 162a), and who was not paid the appropriate amount of interest on such funds and
(B) in an amount equal to the interest which would have been earned if such funds of such Indian tribe or individual Indian were subject to the Act of June 24, 1938 (25 U.S.C. 162a), had been deposited or invested in accordance with such Act.

TITLE II—INDIAN TRUST FUND MANAGEMENT DEMONSTRATION PROGRAM

SEC. 204. APPROVAL OF PLANS BY THE SECRETARY.
(a) IN GENERAL.—The Secretary shall approve, implement, and provide, for the implementation by an Indian tribe of, a plan that meets the following conditions:

(A) Such plan has been approved by the appropriate Indian tribe.
(B) For a plan involving tribal trust funds, such plan is accompanied by a resolution from the tribal governing body approving the plan.
(C) For a plan submitted by an Indian tribe as defined in paragraph (3) of section 200, it is accompanied by a resolution from the tribal governing body approving the plan, along with a certification that the tribe held no fewer than 2 public meetings to provide an opportunity for account holders to comment on the plan.

(b) DECREASE IN INTEREST AND LOSS OF PRINCIPAL.—If a plan for a demonstration under this section is submitted under this title and approved by the Secretary, the United States shall not be liable, during the period of such demonstration, for any decrease in the interest rate, or any loss of principal that is proximately caused by the Secretary's prudent implementation of such demonstration.

(c) AGREEMENT.—Prior to the implementation of any demonstration under this title, the Indian tribe involved shall sign a written statement indicating that it understands and accepts the limitations on the trust responsibility of the United States as provided in this section.

SEC. 205. TECHNICAL AND FINANCIAL ASSISTANCE.
The Secretary shall, directly or by contract, provide Indian tribes with technical and financial assistance in developing, implementing, and managing plans for demonstrations under this title.

SEC. 206. VOLUNTARY WITHDRAWAL FROM TRUST FUND PROGRAM.
(a) IN GENERAL.—An Indian tribe may, in accordance with this section, submit a plan to withdraw some or all funds held in trust for such tribe by the United States and managed by the Secretary through the Bureau.

(b) AGREEMENT.—Prior to the implementation of any demonstration under this title, the Indian tribe involved shall sign a written statement indicating that it understands and accepts the limitations on the trust responsibility of the United States as provided in this section.

(c) TERMINATION OF TRUST RESPONSIBILITY.—Beginning on the date funds are withdrawn pursuant to this section, any trust responsibility of the United States with respect to such funds shall terminate.

SEC. 207. TECHNICAL AND FINANCIAL ASSISTANCE.

The Secretary shall, beginning one year after the date of the enactment of this Act, submit an annual report to the Congress on the implementation of demonstration programs under this title. Such report shall in-
under the Office of Personnel Management, and (b) providing adequate systems for accounting for and reporting trust fund balances; (c) providing adequate controls over receipts and disbursements; (d) determining accurate cash balances; (e) preparing and supplying account holders with meaningful periodic statements of their account balances; (f) establishing consistent, written policies and procedures for trust fund management and accounting; and (g) providing adequate staffing, supervision, and training for trust fund management and accounting.

SEC. 401. TRAINING.

(a) TRAINING PROGRAM.—The Secretary shall conduct an annual audit on a fiscal year basis of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a). The statement, for the period concerned, shall—

(1) identify the source, type, and status of the funds;
(2) the beginning balances;
(3) the earnings and losses; and
(4) the ending balances.

(b) PERIODIC STATEMENT OF PERFORMANCE.—Not later than 10 business days after the close of a calendar month, the Secretary shall provide a statement of performance to each Indian tribe and individual with respect to whose funds are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a). The statement, for the period concerned, shall—

(1) identify the source, type, and status of the funds;
(2) the beginning balance;
(3) the earnings and losses; and
(4) the ending balance.

(c) ANNUAL AUDIT.—The Secretary shall cause to be conducted an annual audit on a fiscal year basis of all funds held in trust by the United States for the benefit of an Indian tribe or an individual Indian which are deposited or invested pursuant to the Act of June 24, 1938 (25 U.S.C. 162a). The statement, for the period concerned, shall—

(1) identify the source, type, and status of the funds;
(2) the beginning balance;
(3) the earnings and losses; and
(4) the ending balance.

(d) EFFECTIVE DATE.—This section shall take effect October 1, 1993, but shall only apply with respect to earnings and losses occurring on or after October 1, 1993, on funds held in trust by the United States for the benefit of an individual and an Indian tribe.

Mr. MCCAIN. Mr. President, I join my good friend and the distinguished chairman of the Committee on Indian Affairs, Senator INOUYE, as an original sponsor of the Native American Trust Fund Accounting and Management Act of 1993. The Trust Fund Return and Reconciliation Act of 1991 introduces several concepts regarding the accounting and management of Indian trust funds that deserve careful review and deliberation by the Senate.

As the Committee on Indian Affairs examines this bill, we would, of course, benefit from the views of the tribes that have already successfully invested their own trust funds separate from any funds that might be held for them by the Bureau of Indian Affairs (BIA). It seems to me that since eight tribes account for 77 percent of the tribal trust funds held by BIA, it is very possible that language can be developed which simply authorizes each tribe to direct its own affairs. A proposal of this nature would offer tribes the peace of mind to which they are so entitled.

Mr. ROBB (for himself, Mr. AKAKA, Mr. DECONCINI, Mr. PRESSLER, and Mr. SHELBY):

S.J. Res. 90. A joint resolution to recognize the achievements of radio amateurs as a national policy; to the Committee on Commerce, Science, and Transportation.

AMATEUR RADIO SERVICE JOINT RESOLUTION

Mr. SHELBY to introduce a joint resolution that will grant well-deserved recognition to a valuable national resource, the Amateur Radio Service. For the past 80 years, this group of dedicated volunteers has been first on the scene dealing with virtually every communications emergency. When Mother Nature or a human mishap causes the telephone lines to go down or radio circuits to be overloaded, the ham operators are there with their equipment, providing communications until the regular infrastructure is back to normal.

Radio amateurs also demonstrate their expertise in another way, as technical innovators. Eager to push back the frontiers, amateurs probe the upper limits of the useful radio spectrum, discover much about radio propagation, and develop practical, affordable alternatives to complicated expensive new equipment from the laboratories.

Our resolution expresses the Nation's gratitude for both the technical and disaster communications achievements of the Amateur Radio Service. But words without deeds, it is often said, are empty—keeping that in mind, this resolution goes beyond commendation to give the amateurs a tool of persuasion to smooth their path: It urges Congress to extend the Amateur Radio Service as a national policy; to the Committee on Commerce, Science, and Transportation.