



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON, D.C. 20240

July 11, 1979

Memorandum

Blue Envelope

To: Bob Lipschutz

From: Leo M. Krulitz

Re: Status of Maine Negotiations

As you know Secretary Andrus met with representatives of the Maine Indians and Don Perkins last week at their request. The purpose of the meeting was to hear any ideas that they might have as to how the Tribes could acquire a total of 300,000 acres in ways which would not involve an increase in the settlement funds authorized by the President.

They did not present a comprehensive proposal to us. A number of existing program authorities were discussed, including BIA authority to acquire land for Tribes, EDA loans and grants, Indian Financing Act loans, etc. They indicated during the meeting that they were unwilling to acquire the additional land through loans and expected title to come to them "free and clear."

The President has approved \$10 million to acquire 100,000 acres. The Tribes believe they need at least \$23 million more.

Interior has agreed to give the Tribes a priority for \$10 million of capital improvements through our budgeting process over 3 years. (Schools, roads, etc.) We have statutory authority to use these budget funds for land acquisition as well as capital improvements. Consequently, we told them if they wanted to forego the capital improvements and use the \$10 million of budget funds over 3 years for land acquisition, that might be possible. There would be no change in the dollar cost of the settlement.

The Tribes did not seem to be willing to forego their priority for capital improvements. And, switching these funds only provide \$10 million of the \$23 million needed. We again suggested that they explore existing loan programs which might be available to the Tribes for land acquisition.

The meeting ended and the Tribal representatives agreed to consult with the negotiating committee and get back to us the following day. I fully expected them to terminate discussions and initiate their lawsuit.

They did not do so, but indicated the following day that they wanted to explore further the availability of other existing Federal grant programs that might be available to help solve the problem. We agreed to assist in this identification process but the ball clearly is in their court.

We have now had a drafting service request from Senator Muskie. We will honor it and prepare legislation to implement the Hathaway settlement.

cc: Secretary
Eliot Cutler

bcc: Eric Jankel
Tom Fredericks
Forrest Gerard

A handwritten signature in cursive script, appearing to read "Leo Kautz". The signature is written in dark ink and is positioned to the right of the distribution list.