

IN THE SENATE OF THE UNITED STATES.

MARCH 26, 1872.—Ordered to be printed.

Mr. CORBETT made the following

R E P O R T :

[To accompany bill S. 868.]

The Committee on Indian Affairs, to whom was referred the claim of J. and C. M. Dailey for goods and provisions furnished the Sioux Indians in Minnesota, in the year 1862, would report :

That Benjamin F. Pratt was a licensed Indian trader; that in the year 1861 he formed a copartnership with Messrs. J. and C. M. Dailey, merchants doing business at St. Paul, in the State of Minnesota, under the firm of B. F. Pratt, for the purpose of trading with the annuity Sioux Indians; that in prosecuting their business they built a store at Big Stone Lake, Dakota Territory, in the latter part of the year 1861, and furnished it with goods, and in the year 1862 they built another store at Yellow Medicine, and furnished that with goods.

There were no crops at Big Stone Lake in the year 1861, and in the winter about 2,500 Indians were gathered there and supplied with food by Thomas J. Galbraith, the Government agent.

On the 1st of July, 1862, the Indians began to assemble to receive their annuities at Yellow Medicine, and by the 10th of the month there were about 5,000 there; where they remained until about the 19th day of August, when they began a war against the people of the United States, and destroyed the property of traders.

In consequence of the outbreak, the Government confiscated the annuities due the Indians, and used them to pay for property which they destroyed. Upon the report of commissioners appointed by the Government to ascertain the amount of Sioux depredations, the Messrs. Dailey were paid \$14,000 for property destroyed.

As no authority was given for payment of losses sustained by merchandise charged the Indians, the Messrs. Dailey, for themselves and as assignees of B. F. Pratt, now present a claim amounting to \$5,000 for goods, wares, and merchandise sold to the Indians at Big Stone Lake.

As all the books and accounts at both trading-posts were destroyed by the Indians at the time of the outbreak, it is difficult to obtain a correct account of the merchandise which had been charged to them, but Duncan R. Kennedy, a clerk of the firm, who had charge of the business at Big Stone Lake, makes affidavit that about the 10th of June, 1862, he looked over the books to ascertain the amount of credit given the Indians there, and, while he did not figure closely, his impression is that the amount was about \$5,000.

They base their claim for this amount upon the ground that the Government confiscated annuities due the Indians; that their sales were

made with the consent and approval of Thomas J. Galbraith, the Indian agent, and with an understanding, both with him and the Indians, that they should be paid from the annuities which the Indians were to receive from the Government, and that the Government did not forward money to pay the annuities in time to prevent the outbreak, by reason of which they were unable to collect from the Indians the amount due them. Nothing appears in the affidavit of Galbraith which shows that he requested the traders to furnish any provisions or merchandise at Big Stone Lake.

While the Indians were waiting at Yellow Medicine for their annuities, they were restless and dissatisfied. They commenced digging up and destroying gardens and killing cattle, so that the agent says that it was absolutely necessary for those who had provisions to give them some; that the Government supplies were insufficient to feed them, and that he told the traders to let the Indians have all they could, and they did let them have flour, but how much he does not know. This claim is for two hundred and fifty sacks of flour, at \$5 per sack, amounting to \$1,250.

The books of Messrs. J. & C. M. Dailey, kept at St. Paul, show that there were at least two hundred and fifty sacks of flour sent from them, about the 2d of July, to Yellow Medicine, and Duncan R. Kennedy, who did the business of the firm, makes affidavit that they were received at that post.

The committee are of the opinion that traders take all the risk of selling and delivering supplies to the Indians; that the Government is not amenable to traders for the non-payment of Indian annuities; and that the forfeiture of annuities must, of necessity, be for the benefit of the Government, and not for the payment of claims against the Indians. They therefore report against paying the claim of \$5,000 for merchandise sold the Indians at Big Stone Lake.

But as the flour was delivered to the Indians while they were in a starving condition, at Yellow Medicine, and upon the earnest solicitation and request of the Indian agent, the committee report in favor of paying the claim for flour so delivered, amounting to \$1,250, and recommend the passage of the accompanying bill.