

IN THE SENATE OF THE UNITED STATES.

DECEMBER 21, 1881.—Ordered to be printed.

Mr. CAMERON, of Wisconsin, from the Committee on Claims, submitted the following

REPORT:

[To accompany bill S. 36.]

*The Committee on Claims, to whom was referred the bill (S. 36) to authorize the Secretary of the Interior to ascertain the amounts due to citizens of the United States for supplies furnished to the Sioux or Dakota Indians of Minnesota subsequent to August, 1860, and prior to the massacre of August, 1862, and providing for the payment thereof, report:*

Prior to 1863, the Sisseton, Wahpaton, Medawakanton, and Wahpaukoota bands of the Dakota or Sioux Indians occupied extensive reservations in the State of Minnesota.

In August, 1862, said bands of Indians massacred a large number of men, women, and children in the State of Minnesota, and destroyed and damaged a large amount of property.

At the time of this outbreak by the Sioux there was, under various treaties theretofore made and entered into between the United States and these bands of Sioux Indians, a large amount of money owing by the United States to said bands of Indians.

Congress, by act of February 16, 1863, entitled "An act for the relief of persons for damages sustained by reason of depredations and injuries by certain bands of Sioux Indians" (Stat., vol. 12, pp. 652, &c.), abrogated and annulled all treaties then existing with said bands of Sioux, so far as the same imposed any future obligation on the United States, and all lands and rights of occupancy within the State of Minnesota, and all annuities and claims, or any of them, due the Indians were forfeited.

At the time of the passage of this act the sum of \$5,631,900 was owing by the United States to said bands of Sioux Indians; all the treaties pursuant to which this large sum of money was due and owing to said Indians were abrogated and annulled absolutely by said act of Congress passed February 16, 1863, and said sum was forfeited to the United States. All lands and rights of occupancy belonging to said Indians in Minnesota were, by the same act of Congress, also forfeited to the United States. Said act authorized the President, by and with the advice and consent of the Senate, to appoint three commissioners, who

should ascertain and determine the value of all property destroyed or damaged by said Indians during such outbreak, or by the troops of the United States in suppressing the same.

There has been appropriated by Congress, in payment of claims determined pursuant to said act, the sum of \$1,170,374. All claims for damages, under said act, had to be presented within two years from its passage.

The sum of \$671,000 has also been appropriated by Congress for the removal of said Indians, and for subsisting them in their new homes.

By act of Congress, entitled "An act to authorize the Secretary of the Interior to discharge certain obligations of the United States to the creditors of the Upper and Lower bands of Sioux Indians," approved May 16, 1874 (Stat., 18, p. 47), the sum of \$70,000 was appropriated for payment to the creditors of said Indians arising under the treaty of June 19, 1858.

Congress also, by an act for the relief of Hans C. Peterson, approved March 3, 1877 (Stat., 19, p. 549), appropriated the sum of \$2,283.92. This was for damages and injuries to Peterson's property done by the Indians during the said Sioux outbreak.

It appears by a letter from Hon. E. M. Marble, Acting Commissioner of Indian Affairs, addressed to Hon. Angus Cameron, a member of the Senate Committee on Claims, under date of February 5, 1881, that no other or further sums have been appropriated for the benefit of said Sioux Indians which are properly chargeable to the said confiscated funds and annuities.

As already stated, the aggregate amount of the said confiscated funds and annuities was \$5,631,900.

The aggregate amount of the sums appropriated by the United States for the benefit of said Indians, as hereinbefore shown, is \$1,913,657.92. The difference between these two sums, viz, \$3,718,242.08, is the balance of said confiscated funds and annuities now remaining in the Treasury of the United States.

At the time of the said Sioux outbreak, the persons for whom this bill proposes to make provision were in business as Indian traders on the reservation occupied by said Indians. These traders were all duly licensed by the Commissioner of Indian Affairs to trade with the Indians. The most of the traders had been engaged in trading with the said Indians for quite a number of years.

The ordinary course of business was this, that is to say: the traders sold and delivered to the Indians upon credit such goods and commodities as they desired to purchase, with the agreement that the aggregate amount of the indebtedness thereby created would be paid by the Indians to the traders out of the first annuities thereafter paid to them by the United States. This course of business was known to the resident Indian agents and to the Commissioner of Indian Affairs, and approved by them respectively.

At the time of the outbreak the Indians were indebted to the traders in the sum of about \$120,000, no part of which sum has been paid. No claim can be paid under this bill until the amount thereof is ascertained and settled by the Secretary of the Interior.

Some of the traders presented their claims for settlement to the commission appointed under the act of February 16, 1863; but the commission held that it had jurisdiction only of claims arising on account of "depredations and injuries" by said Indians, and that the claims of traders were not technically for "depredations or injuries" done by the

Indians; and pursuant to this decision, all the traders' claims were thrown out and not considered at all by the commission.

These Indians for a number of years prior to 1863 had been paid their annual annuities about the last of June or the first of July of each year, at the Yellow Medicine and Red Wood Agencies.

About the last of June, 1863, the Upper or Northern bands of Sioux, to the number of about 3,500, assembled at Yellow Medicine Agency, and the Southern or Lower bands, to the number of about 3,000, at Red Wood Agency, for the purpose of receiving their annual payments, but the money to make such payments was not received by the agent until after the outbreak, and the payments were never made.

The Indians remained at these agencies until the outbreak occurred. They had no means of subsistence, and the provisions and supplies belonging to the government were soon exhausted.

The Indians, while thus waiting for the payment of their annuities, were very ugly. The traders hesitated to furnish them with any more supplies on credit, but the Indians threatened to break into the warehouses and to help themselves. They did break into one warehouse and appropriated its contents. The Indian agents at the Yellow Medicine and Red Wood Agencies were, from day to day, expecting to receive money to pay the annuities, and they assured the traders that their claims against the Indians would then be paid.

The traders subsisted the Indians for about six weeks prior to the outbreak. The Indians had no means of paying for such subsistence, and, consequently, it was furnished on credit, and hence the large sum due the traders at the time of the outbreak.

This credit was given with the knowledge and by direction of the Indian agent, and in many instances at his request.

Thomas J. Galbraith was the United States Indian agent for the Sioux Indians in 1862, and was stationed at the Upper or Yellow Medicine Sioux Agency, prior to and at the time of the outbreak.

Mr. Galbraith, in his affidavit filed with your committee, states as follows, viz :

That to alleviate the sufferings of the Indians, and preserve order and prevent an outbreak and general disturbance on the frontier, and in the belief that the money to pay the annuities would arrive in time to enable him and the Indians to meet all obligations incurred thereby, he did recommend and advise all the traders having food and supplies in that country to furnish the said Indians all they could spare, without reference to the accounts of individual Indians, or of particular bands. And that pursuant to such recommendation and request from him, as United States Indian agent, many of said traders, if not all, did furnish said Indians flour, meat, sugar, coffee, clothing, and other supplies, the amount and value of which are not accurately known to this deponent, but in large quantities.

William H. Shelley, of Saint Paul, Minn., who was a clerk for Indian Agent Galbraith, at the Yellow Medicine Agency, at the time of the outbreak, in his affidavit, states that, to his knowledge, the traders furnished supplies to the Indians by the direction of Galbraith, with the understanding that payment therefor would be made as soon as the annuities were paid.

The outbreak would probably have taken place sooner than it did if the Indians had not been supplied by the traders.

Under the state of facts herein set forth, the committee are of the opinion that said traders ought to be paid out of said confiscated annuities now in the Treasury of the United States, amounting, as already stated, to \$3,718,242.08. And the committee recommend that the bill do pass.