

ANNUAL REPORT OF THE COMMISSIONER OF INDIAN AFFAIRS.

OFFICE OF INDIAN AFFAIRS,
Washington, D. C., September 30, 1908.

SIR: I have the honor to submit herewith the seventy-seventh annual report of the Office of Indian Affairs.

A SESSION'S LEGISLATION.

The first session of the Sixtieth Congress was not so prolific of Indian legislation as the two sessions of the Fifty-ninth Congress. Two or three very important bills are in a state of suspension, and have varying chances of passage during the coming winter.

The special accomplishment of the recent session was the enactment of a law releasing or relieving the restrictions on alienation of certain Indian lands in that part of Oklahoma occupied by the Five Civilized Tribes. Popularly summarized, it sets absolutely free all the lands of all intermarried whites, all freedmen, and all mixed bloods having less than half Indian blood; and all except homesteads of all mixed bloods having as much as half but less than three quarters Indian blood. The homesteads of full-bloods, and of mixed bloods having as much as half Indian blood, are to remain inalienable till April 26, 1931, except as the Secretary of the Interior may, under rules and regulations prescribed by himself, see fit to remove the restrictions. This subject will be treated more at length elsewhere in this report. In the annual Indian appropriation act, among the other provisions affecting the Five Civilized Tribes, the Secretary of the Interior was directed to take possession of and sell all buildings on lands belonging to these tribes, now or heretofore used for governmental, school or other tribal purposes, together with the appurtenant land and the furniture in them, giving preference as purchasers to the state, county and municipal authorities, and depositing the proceeds in the United States Treasury to the credit of the tribes interested.

Another important act, because of its opening the way to further legislation in the same general line if it prove successful in operation, is that "to authorize the cutting of timber, the manufacture and sale of lumber, and the preservation of the forests on the Menominee Indian Reservation in the State of Wisconsin." Its provisions are

Support of schools from special funds.

Name of fund.	Number of day schools.	Enrollment.			Cost.
		Indian.	White.	Negro.	
Indian schools, Five Civilized Tribes	865	5,736	34,800	9,259	\$272,576.83
Indian schools, Five Civilized Tribes, surplus court fees.....	199	538	9,126	225	47,023.91

FINANCIAL.

The financial transactions of the Indian agent for the Union Agency have increased from year to year ever since the agreements with the Five Civilized Tribes became law, and the moneys handled during last year greatly exceeded the high-water mark of preceding years. The number of vouchers paid by the agent in the year ended on June 30, 1908, was 16,083 as against 7,879 for the previous year. The receipts and disbursements were:

Receipts.

Choctaw and Chickasaw nations:

Coal royalty.....	\$270,351.62	
Asphalt royalty.....	2,845.20	
Condemnation of lands for railway purposes....	10,573.50	
Sale of seized timber.....	275.44	
Proceeds of timber illegally cut.....	199.44	
Final quarterly payment right of way St. Louis and San Francisco Railway Company.....	750.00	
Rent of jail at Tishomingo.....	125.00	
Rent of court-house at Atoka.....	20.00	
Rent of court-house at Tishomingo.....	600.00	
Grazing fee.....	16,804.35	
Rental segregated coal and asphalt lands.....	54,119.25	
Pipe-line damages.....	2,640.50	
Pipe-line taxes.....	32.70	
Refund of court costs.....	4.45	
Tribal treasurer's (Chickasaw Nation) unexpended balance.....	33.90	
Town lots.....	249,134.19	\$608,509.54

Cherokee Nation:

School revenue (board of teachers and pupils)...	8,704.17	
Taxes on pipe lines.....	136.55	
Damages by pipe lines.....	644.50	
Sale of stray stock.....	449.15	
Sale of seized timber.....	56.32	
Royalty, stone and ballast.....	1,019.36	
Ferry charters.....	60.00	
Grazing fees.....	22.50	
Condemned lands for railway purposes.....	1,383.65	
Tribal treasurer's unexpended balance.....	18,673.11	
Town lots.....	93,687.94	124,837.25

Creek Nation:

Timber royalty	\$298.41
Proceeds from sale of timber illegally cut.....	40.00
Taxes on pipe lines.....	91.01
Damages account construction pipe lines.....	7,002.90
Grazing fees.....	3,176.40
Condemned lands for railway purposes.....	2,883.27
Sale live stock Wetumka and Wealaka boarding schools.....	282.50
Refund account marshal's fees in town-lot suits.....	179.32
Tribal treasurer's unexpended balance.....	138.26
Town lots.....	21,636.57

\$35,728.64

Seminole Nation:

Sale live stock Emahaka and Mekusukey boarding schools.....	1,407.50
Tribal treasurer's unexpended balance.....	1,128.88

2,536.38

Individual Indian moneys received to reimburse congressional appropriation:

Leasing of mineral and other lands.....	30,000.00
Sale of inherited and other lands.....	1,891.89
Exchange.....	24.00

31,915.89

Individual Indian moneys—royalties:

Oil and gas leases.....	1,665,837.35
Coal and asphalt leases.....	10,464.42
Limestone and shale leases.....	554.15
Miscellaneous leases.....	184.54
Oil lease bonus (individual).....	12,919.55
Damages to crops account waste oil.....	25.00
Refund by Treasurer United States tribal money deposit.....	2,642.54

1,692,627.55

Individual Indian moneys—Land sales:

Balances taken up under Circular 187, as of April 1, 1908.....	40,684.06
Various bids, sales and interest.....	68,433.54

109,117.60

Miscellaneous:

Sale of town site maps.....	157.90
Sale of lease blanks.....	6,260.00
Overpayments advance royalty, Creek and Cherokee.....	8,628.92

15,046.82

Total moneys actually collected by Indian agent.....	2,620,319.67
Amount received by agent to cover disallowances.....	.69
Received by treasury warrants on requisition.....	707,258.30
	<u>3,327,578.66</u>
Balance "Individual Indian moneys—Royalties" carried over from previous fiscal year.....	144,044.06
Balance "Overpayments advance royalty, Creek and Cherokee," carried over from previous fiscal year.....	2,257.90
Total receipts.....	<u>3,473,880.62</u>

DISBURSEMENTS.

Per capita and other Indian payments:		
Choctaw-Chickasaw town lots, 1904.....	\$4,600.00	
Choctaw-Chickasaw town lots, 1906.....	9,660.00	
Payment to loyal Creeks.....	5.95	
Payment to the Delawares.....	2,358.65	
		\$16,624.60
Tribal warrant payments:		
Choctaw.....	80,734.28	
Chickasaw.....	19,891.03	
Cherokee.....	16,282.82	
Creek.....	45,624.59	
Seminole.....	53,210.90	
		215,743.62
Payment for improvements on segregated coal and asphalt lands, Choctaw-Chickasaw nations.....		198,458.70
Miscellaneous:		
Incidentals, office of Indian inspector for Indian Territory.....	17,443.13	
Removal of intruders.....	16,992.98	
Sale and leasing of Creek and Cherokee lands.....	59,681.40	
Salary and expenses revenue inspection and col- lection service.....	19,364.15	
Roads.....	6,162.58	
Investigation alleged fraudulent leases.....	10,210.51	
Removal of restrictions.....	20,839.40	
Clerical and other expenses town lots.....	5,863.05	
Salary of agent, employees, office incidentals and miscellaneous.....	64,622.74	
Telephone inspection service.....	773.49	
Overpayments advance royalty.....	7,960.79	
Paid royalties due individual Indians.....	1,685,675.26	
Proceeds from land sales paid to individual Indians.....	16,206.52	
Return of rejected bids on land sales.....	12,803.35	
Town lot refund, Five Civilized Tribes.....	769.86	
Exchange.....	273.85	
		1,945,698.06
Total actual disbursements.....		2,376,524.98
Deposited in Subtreasury:		
Indian moneys to credit of various tribes.....	773,244.04	
Sale of town site maps.....	157.90	
Sale of lease blanks.....	6,113.00	
Reimbursement appropriation "Leasing of mineral and other lands".....	30,000.00	
Reimbursement appropriation "Sale of inherited and other lands".....	1,891.89	
Unexpended balances.....	53,797.09	
Account of disallowances.....	.69	
Balances in banks:		
Overpayment advance royalty.....	2,926.03	
"Individual Indian moneys—Royalties".....	149,123.27	
"Individual Indian moneys—Land sales".....	80,102.73	
Grand total.....		3,473,880.62

TOWN LOTS.

No new town sites were created during last year.

Payments.—The following payments for lots have been received by the Indian agent:

Creek Nation	\$21, 636. 57
Cherokee Nation	93, 687. 94
Choctaw and Chickasaw nations.....	249, 134. 19
	364, 458. 70

Final payment on 56 of the 300 government town sites in the Five Civilized Tribes have been made and the patents covering the land prepared and delivered. Many lot holders who were delinquent on installments due, were notified of the intention of the department to declare forfeitures of such lots, and those on which the payments were not made have been declared forfeited.

Creek lots.—The Creek agreement, ratified by the act of March 1, 1901 (31 Stat. L., 861), provides for the scheduling of lots to persons owning improvements or having the right of possession at 50 per cent of the appraised value, as follows:

(a) Any person in rightful possession of lots having improvements thereon other than temporary buildings, fencing and tillage;

(b) Any person having the right of occupancy of a residence or business lot or both, whether improved or not and owning no other lot or lots in the town; and

(c) Any person holding lands occupied by him as a home within a town, also any person who, at the time of signing the agreement, had purchased any lot, tract, or parcel of land from any person in legal possession at the time.

No person was entitled to purchase at less than the appraisal lots exceeding 4 acres in area, and all the other lots were to be sold at public auction.

Reports came to the department that frauds had been perpetrated in the scheduling of lots in some of the towns in the Creek Nation. The services of Hon. William Dudley Foulke were enlisted to make an investigation, and on the strength of his report it was decided, where tribal patents had been issued and delivered, to bring suits to restore the title to the nation, and, where the lots had not been patented, to cancel the schedules.

The execution, approval and recording of deeds in the towns covered by his report were suspended. M. L. Mott, national attorney of the Creek Nation, was directed to bring suit where fraud was apparent in the original scheduling and W. L. Sturdevant, of St. Louis, was appointed a special counsel to assist him. The chief method pursued had been for some one to take in his own name all the lots that the law permitted one person to buy and then to have additional lots scheduled in the names of relatives and friends, the expectation being to procure large areas at 50 per cent of the value of the

lots. Many suits had been brought in the United States courts for the Indian Territory, but before they could be brought to issue, the United States courts for the Indian Territory went out of existence and the cases were transferred to the Oklahoma state courts, whence they passed later to the United States court for the eastern district of Oklahoma. The delays incident to these transfers have prevented the final hearing and determination of any of the cases.

Lots on coal lands.—Section 13 of the act of April 26, 1906 (34 Stat. L., 137), provides:

That all coal and asphalt lands whether leased or unleased shall be reserved from sale under this act until the existing leases for coal and asphalt lands have expired, or until such time as may be otherwise provided by law.

A good many towns had been established on the segregated coal lands and the department held that under that act no further payments could be accepted from the town-lot holders and nothing could be done in the way of conveying title to the lots until further legislation could be had from the Congress. Section 14 of the "restrictions act" reads:

That the provisions of section thirteen of the act of Congress approved April twenty-sixth, nineteen hundred and six, * * * shall not apply to town lots in town sites heretofore established, surveyed, platted, and appraised under the direction of the Secretary of the Interior, but nothing herein contained shall be construed to authorize the conveyance of any interest in the coal or asphalt underlying said lots.

This law renders it possible for the department to accept final payments on town lots in the segregated coal lands and to issue tribal patents covering the ownership of the surface, which will afford a great relief. Since the creation of the original towns, others have sprung into existence in the neighborhood of the mines, and the towns already established have spread beyond their original boundaries. Valuable improvements have been erected and it was felt that some consideration should be shown to occupants of the new lots. In the act of May 29, 1908 (35 Stat. L., 444), generally known as the "omnibus Indian act," section 7 authorizes the Secretary of the Interior to segregate, survey, and schedule such other towns, parts of towns or town lots as are now in existence, or which he may deem it desirable to establish within the coal and asphalt lands of the Choctaw and Chickasaw nations. The Commissioner to the Five Civilized Tribes has been directed to carry out this provision of law.

Hartshorne.—The people of the town of Hartshorne, Choctaw Nation, complained that the lots within their town site had been appraised at much more than their real value. The "restrictions act" authorized a reappraisal, which has been made and approved by the department.