

DEPARTMENT OF THE INTERIOR

MEMORANDUM FOR THE PRESS

IMMEDIATE RELEASE

March 10, 1932.

Statement prepared by the Department of the Interior in answer to charges made in Memorandum of February 26, 1932, presented by Senator King on the floor of the Senate, March 9, 1932.

It has almost become an American habit to find fault with the Indian Office in its efforts to handle its many difficult and intricate problems. These attacks have come from those who are interested in the Indian's welfare and those who have a selfish interest in his property. The statement of February 26, 1932, presented to the Senate by Senator King, March 9, 1932, although apparently coming from Indians, bears the clear earmarks of many similar assaults. Throughout, it is a series of distorted misrepresentations almost approaching blackmail.

Everyone familiar with Indian affairs knows that they offer some of the most intricate and difficult administrative problems in the Government. It is easy to complain and to blame either Congress or the Indian Office, as the case may be, for every hardship or difficulty, real or imaginary, confronting two or three hundred thousand people. Specifically, even though the charges and statements made are vague, unfair and misleading, the Department of the Interior has brought together answers showing an entirely different state of affairs than that indicated by the statement to Congress.

1. THE SO-CALLED "BROKEN PROMISES."

Under "the promises they are breaking" it is charged that the Secretary of the Interior and the Commissioner of Indian Affairs have failed to reorganize the Indian Bureau and to secure the passage of legislation which they sponsored. The implication that some "promise" to reorganize the Indian Bureau has not been kept fails to recognize the plain fact that the service has been thoroughly overhauled.

The basic reorganization of the Indian Bureau was promulgated in an order issued March 9, 1931. A reorganization does not take place by the stroke of a pen; the revamping began before that date and is still in process. Three of the five major field divisions have been put in the hands of new directors, men who are nationally recognized in their fields. The plan of organization gives them scope and responsibility in their respective fields. District superintendents have been eliminated to insure a more direct relation between the superintendents and the Washington office. New appointments have been made throughout the field service. Greater responsibility and local initiative is gradually being impressed on field officers.

The fate of legislation recommended by the Department is not the responsibility of the Secretary of the Interior or the Commissioner of Indian Affairs. The letters of December 11 and 17, 1929, are references to communications presented to the Senate and House Committees on Indian Affairs by the Secretary of the Interior on December 18, 1929. They deal with the need for a revision of laws relating to property, the handling of claims of Indians, the general allotment act, and the necessity of relieving tribes of reimbursable charges for irrigation and other purposes. An examination of these letters will not indicate that there was any pledge made in them. They set forth the views of the Department with reference to the perplexing problems mentioned, and ask consideration of the Senate and House Committees on Indian Affairs toward a solution. Several bills were introduced in the House as a basis for consideration of these questions, none of which has been enacted.

With reference to the alleged broken pledges, the following statement by paragraph reference is made:

TRIBAL BUSINESS

(a) The charge is made that the Secretary and the Commissioners are breaking a "specific pledge to work for legislation giving to Indian tribes the largest possible voice under new statutes in the management of their tribal business."

No pledge was made, however, to secure legislation to give greater authority to tribal councils. Tribal councils can not suddenly be vitalized by any law that is general and mechanical. These numerous organizations are in various stages of development or decline. The very term "tribal council" is ambiguous, referring in some instances to the entire tribe and in others to a smaller group of elected representatives.

The present administration has tried to emphasize the importance of consulting Indians in handling their affairs. An entirely new staff of field representatives has been recruited with this policy in mind. One of these is himself an outstanding leader of the Indian race.

Examples of cooperative planning with Indian tribes are:

1. School planning with the Choctaws of Oklahoma.
2. Work with the Menominees in the management of their timber operations.
3. Annual sessions of the Navajo Council attended by Commissioner Rhoads for the discussion of important issues.

The Indian Commissioners seek consistently to bring the Indians into a closer participation in their affairs. Progress along this line will come only through persistent effort in individual situations. Where there has been little experience in self-government, a sudden change to complete self-direction is disastrous.

The major obstacle has been and continues to be the interference with tribal affairs by self-appointed groups making a profession of exploiting Indian grievances.

INDIAN CORPORATIONS

(b) The criticism of the Secretary of the Interior and Commissioners Rhoads and Scattergood for not pressing legislation permitting the incorporation of Indian tribes may be leveled at the Department at this time to secure support on the bill S. 3588 introduced February 9, 1932, to establish the Klamath Indian Corporation. The criticism is not warranted.

On October 30, 1929, Senate bill 2142, having for its purpose the incorporation of the Klamath Tribe of Indians in Oregon, was introduced. While this bill was being considered at the request of the committee representing the Klamath Tribe an attorney in the Department was designated by Secretary Wilbur to assist the Indians in drafting Articles of Incorporation that would represent their ideas. After several weeks of study and consultation with them articles of incorporation were drafted and introduced on April 14, 1930, as Senate bill 4165. Hearings were held on this bill before the Senate Committee on Indian Affairs, but the Clerk of the Committee advised the Commissioner of

Indian Affairs that "if enacted into law no doubt other Indian tribes would work for similar legislation. This, perhaps, is the beginning of a decided change in the handling of the affairs of the Indians."

No further action has been taken by this Senate Committee. The entire matter, therefore, rests with the Senate Committee on Indian Affairs.

HEIRSHIP LANDS

No pledge was made "to work for legislation bringing to an end the disinheritance of Indians through the sale of their heirship lands by the Government when the allotted Indian dies." Congress was requested to cooperate in framing legislation to prevent the loss of allotted land in settling estates through sale to whites on the death of an allotted Indian with more than one heir. The Indian Office has carefully considered the problem and has suggested a revolving fund be appropriated to purchase heirship lands for resale to Indians willing and able to live on such lands; these sales to be made to Indians on easy terms of repayment. This plan involves a very large initial appropriation. An unsuccessful attempt was made to secure an appropriation for this purpose on the Southern Ute Reservation in Colorado. Other reservations offer equal opportunities.

In the absence of any specific legislation and as a step toward providing some landless Indians with land without asking the Government to finance the proposal, an attempt has been made to secure for landless Fort Berthold Indians these heirship lands. This group of Indians received a payment of approximately \$1,200 each from the proceeds of a Court of Claims judgment. Following a campaign of education, the funds of heads of families are being used largely to build homes, barns, and

other permanent improvements and to purchase implements, livestock and other agricultural equipment. There are a large number of Fort. Berthold children born after allotments were made and the per capita payments of these children are being used, whenever the circumstances are such as to make it advisable, in the purchase of land with the understanding that the funds derived by the parents are to be used in improving their homes and otherwise placing them in a position to better care for their children during their minority.

INDIAN CLAIMS

(d) It is charged that the Secretary and Commissioners are breaking a promise to "work for legislation doing justice to the Indian tribes in their claims against the Government." This is a complete misstatement.

To the contrary, on May 26, 1930, the Secretary forwarded to the Chairman of the House Committee on the Judiciary an Indian Service memorandum of May 20 recommending the establishment of a board or commission wholly independent of the Interior Department to examine Indian claims, weed out the fallacious ones and speed the meritorious ones to trial before the Court of Claims. It was pointed out that neither the Bureau nor the Department wants to be under the necessity, as at present, "to prejudge these claims for or against the Indians" in making reports on separate claims bills. It was said that "standing as we do as the next friend of the Indian and the first intermediary to whom he naturally turns in his dealings with the Government, we would like very much to be relieved of the necessity of passing in any manner upon the merits or demerits of these claims by the Indians, which claims in a great many cases turn on the alleged action or inaction of the administrative officers of the Indian Service or other branches of the Federal Government."

Congress has taken no action on this suggestion.

The reported quoted was made on H. R. 7693, an Indian Court of Claims bill which would have involved a tremendous increase in the cost of handling the claims, would not have expedited action, and was disapproved by the Department of Justice. The Bureau of the Budget reported that the expenditures contemplated by the bill would be in conflict with the financial program.

AMENDMENTS TO THE ALLOTMENT LAW

(e) It is charged that the Secretary and Commissioner are breaking a promise "to work for comprehensive amendments to the allotment law."

Again, no pledge was made. The Department, as a matter of fact, has stopped making further allotments except where statutes require it. In the case of the Eastern Cherokees, on the recommendation of the Department, Congress repealed the mandatory allotment on that reservation.

In an effort to secure general modernization of existing laws, the Department recommended H. R. 15498 at the last Congress. This bill authorized the necessary appropriations for the employment of technically trained personnel qualified to make an unbiased study of all laws relating to Indian matters. This was a prerequisite to a revision and codification of statutes affecting American Indians, including their property laws. The bill passed the House on February 4, 1931. It was the subject of hearings before the Senate Committee on Indian Affairs and the Department appeared in support of it. Furthermore, on March 5, 1931, the Chairman of that Committee was addressed by the Secretary of the Interior, as follows:

"We want to make available what might be called a 'blueprint' for each reservation. Out of all these blue-prints would come an orderly pattern for the Indian administration as a whole.

"An analysis of the existing statutes, recommendations for clarification and a readable codification are the first necessary steps. The objective is clarification and not investigation. Starting with this analysis of existing laws, judicial decisions, regulations, etc., a comprehensive recommendation by an informed Commission covering the whole field of Indian law could be obtained."

No response has been made to this letter, nor has the Senate Committee on Indian Affairs acted on the measure.

IRRIGATION

(f) It is charged that the Secretary of the Interior and the Indian Office has abandoned "the undertaking to transfer most of the Indian Reclamation work to the General Reclamation Service under Doctor Elwood Mead." Following the announcement of the Secretary that he would endeavor to consolidate the Indian irrigation service with the Bureau of Reclamation, the House Appropriation Committee inserted the following prohibitive provision in the Interior appropriation act for the fiscal year 1931:

"Appropriations herein for irrigation and drainage of Indian lands shall be available only for expenditure by and under the direction of the Commissioner of Indian Affairs."

This deterrent against the administrative transfer of this activity was also included in the appropriation act for 1932. On the recommendation of the Secretary, however, the appropriation committees have revised the language in the appropriation bill for 1933, as follows:

"Appropriations herein for irrigation and drainage of Indian lands shall be available only for expenditure by and under the direction of the Commissioner of Indian Affairs, except for such engineering and economic studies and construction work as the Secretary of the Interior decides may be more advantageously performed by the Bureau of Reclamation."

This authority would permit a partial consolidation of the irrigation work of the two bureaus.

The internal organization of the Indian irrigation service has nevertheless been readjusted within the past year. A new Director of Irrigation was appointed in January, 1931. He has within a short time made many advantageous changes in the administration of that branch, such as transferring the field headquarters to a more central location, abolishing one district office, and changing personnel from Los Angeles to Denver. A complete appraisal is being made of every project. Fundamental legislation is being drafted to correct some of the existing faults which will prevent costly errors in the future.

2-3. THE "SEIZURE" OF LANDS AND "VIOLATION" OF ALLOTMENT RIGHTS

(2) The claim that tribal lands were seized through grazing regulations of June 4, 1931, is a distortion of fact. These regulations do not contemplate any change whatever in the status of Indian tribal lands, nor do they provide for any increase whatever in the amount of stock owned by white men occupying tribal ranges except in those instances where the range is not being used and the Indians do not have stock to graze.

The whole purpose of the grazing regulations is to conserve the natural resources of the Indians and to encourage them to engage in stock raising. Grazing units with natural boundaries were blocked out, to insure the greatest good for the greatest number of Indians, under a cooperative arrangement not unlike the communal system prevalent among Indians. Every Indian whose allotment lay within a grazing unit was invited to join in the cooperation plan.

(3) Nothing in these grazing regulations can be construed as an attempt to coerce any Indian allottee into signing a power of attorney. Each Indian is as free to exercise his own discretion for the use of his allotment as

under a leasing system. The regulations announce that no allotment is to be covered by a grazing permit without the full and written consent of the allottee, unless he is legally incompetent. For several decades the permit system for grazing has been used on many Indian reservations; on others leases have been used. The best records available show that during the fiscal year 1929 the amount of non-Indian stock on Indian reservations comprised 850,400 sheep and goats, 84,480 cattle and 11,150 horses and mules.

Near the close of the fiscal year 1929 a detailed study of range conditions on Indian reservations was commenced. In 1930 careful study was made of more than forty reservations to ascertain the area available for use and other facts, which showed that on several reservations there was serious overgrazing and on others only partial utilization. Another serious fault was that on reservations where leases were in effect the control of stock and the protection of the range was receiving inadequate attention. Under the leasing system it was found that allotments having water or hay meadows were leased and the stock of the lessees ranged over large areas of adjacent unleased allotments from which the owners received no income. Quite frequently those owning the unleased allotments were full-blood Indians in special need of protection. Thus the leasing system accentuated the difficulties.

In practice the permit plan had proved more flexible and had enabled the authorities to protect the allottees and the members of tribes far better than was possible under the leasing plan. It also seemed impracticable to overcome certain faults under the leasing plan and the Department decided to extend the permit plan to all reservations. The regulations of June 4, 1931 were therefore adopted for the sole purpose of giving a larger measure of protection to the Indians than they had previously enjoyed.

The former superintendent of the Klamath Indian Agency was transferred to a position on the administrative side of forestry work. He has no control over affairs of the Klamath reservation. His work is subject to supervision and review; as a superintendent he had more latitude for independent action.

4. TRIBAL MONEYS DIVERTED TO BUREAU SALARIES?

The Indian Office has always opposed the use of Tribal Funds for expenditures not directly benefiting the Indians. Tribal funds are of many kinds. Some are derived from oil and gas bonuses and royalties, sales of timber, and farming and grazing leases; other funds have come through treaty provisions, from sale of surplus land, and Court of Claims judgments. The latter type of funds usually by Act of Congress specify the method of expenditure.

The use of tribal funds for administrative purposes has had the approval and direction of Congress for many years. Formerly, tribal funds were used for administrative purposes without specific annual authorization. This was changed by the act of May 18, 1916. (39 Stat. pp. 153-159), which required that a statement showing estimated receipts and expenditures of Indian tribal funds should be submitted to Congress and expenditures therefrom made by specific appropriation, except for equalization of allotments, education of Indian children in accordance with existing law, and per capita and other payments.

Reports were submitted annually thereafter in accordance with this provision of law until its repeal through the act of May 29, 1928. The funds so appropriated have been used for salaries of employees engaged in general administrative work, physicians, nurses, farmers, stockmen, and other employees assigned to activities designed to assist the Indians toward

advancement and self-support. Large expenditures from such funds have been for direct benefit to the Indians in the way of subsistence supplies for the old and indigent, hospitalization, water development, loans to Indians, road and trail work on reservations. Frequently, Congress has charged to a tribal fund expenditures for which the Indian Office has requested Federal money. The viewpoint in the past has been that as the taxpayers of the United States were contributing large sums for the Indians' benefit, the Indians should contribute out of their own funds at least part of the costs, especially as the Indian property is usually exempt from all taxation.

Except in isolated cases expenditures from Federal funds have far surpassed expenditures from tribal moneys. This ratio of expenditure varies, depending upon the activities carried on and the amount of direct benefit to the Indian through reservation improvement, care of tribal property, or support of the sick and indigent. Until such time as Congress reverses the policy and goes on record as favoring outright gratuity appropriations for all purposes, it is not within the power of the Department to make the change. In the 1933 appropriation bill more than \$300,000 has been added from gratuity money to replace tribal funds heretofore used.

The criticism of the administration of the Mescalero-Apache Reservation are based on the amount of expenditure per capita. This reservation has a population of 690 Indians and the approximate total value of all property is \$2,982,800. Over a four-year period, 1928 to 1931, a total of \$280,907.43 was expended from tribal funds, an average annual expenditure of \$70,226.85. The gross amount expended can be divided into four groups, as follows:

General administrative expenses, including pay of certain agency personnel, telegraph and telephone expense, purchase of materials and supplies, and employment of irregular labor\$95,896.95

Industrial purposes, including development of water for Indian stock, fencing of pastures, and building corrals, purchase of additional livestock for the Indians or the tribal herd, and personnel to care for tribal herd.....162,927.85

Purchase of supplies for issue to old and indigent Indians....., 7,970.50

Educational purposes..... 14,112.13

During 1928, 1929, and 1930 a total of \$307,700 was distributed in the form of per capita payments to the Indians.

During the period 1923 to 1931 inclusive, a total expenditure of \$431,756.56 was made from Federal money for general administrative purposes, industrial activities, health and education. The theory of calculating the expenditures at Mescalero on a per capita basis is wholly unsound. The expense of maintaining the boarding school runs well over \$300 per pupil and includes food, clothing, lodging, medical and dental care, text books, and other necessary expenses in connection with an educational institution. The expenditures from tribal funds for general administrative purposes is small compared to the value of property of the Indians.

5. BUDGETING AND ACCOUNTING

Neither the Secretary of the Interior nor the Commissioner of Indian Affairs is responsible for the present system of accounting for the Indian Service. It was installed in 1917 by the U. S. Bureau of Efficiency under the act of May 18, 1916 (39 Stat., p. 159), and is in compliance with the provisions of section 26, act of June 30, 1913 (38 Stat., p. 103). Since the establishment of the National Budget System, July 1, 1922, Indian Office accounting has followed the standardized classification of expenditures

prescribed by General Accounting Office Bulletin of May 11, 1922, and the revision of August 26, 1927.

By the Act of May 29, 1928 (45 Stat., p. 887), the General Accounting Office received an appropriation of \$20,000 to enable it to report to Congress the amount of funds of the several Indian tribes, the investment thereof, and the rate of interest thereon, and such additional information as might be pertinent and essential. This report, dated February 28, 1929, covers the subject completely and was printed as Senate Document 263, 70th Congress, 2d Session. It states that the conditions under which the accounting system in the field must function would seem to be the principal cause of the difficulties encountered rather than the system itself, due principally to the large number of separate appropriations and funds available to the field units requiring separate accounts to be kept with each fund from which allotments are made.

The Department reported adversely on Senate bill 3417 on March 1, 1930. This bill provided for a separate method of accounting for the Indian Service to be devised by the Comptroller General, and an additional segregation of items of expenditure, which would make it impossible to comply with the standard accounting system of the Government. The special features of the proposed system could all be met at the present time if personnel were available.

In these proposals for change, which are all based on new segregations of expenditures, the integrity of the accounts themselves is not in question.

The Department has announced repeatedly that the present method of appropriation for the Indian Service should be simplified, and in reporting on S. 3417 the need for this change was again emphasized. The Department itself can not reform the appropriation system. This action requires the cooperative assistance of the General Accounting Office, the Bureau of the Budget, and the Congressional appropriation committees. The budget and accounting law provides that budget estimates shall be prepared and submitted each year according to the order and arrangement of the appropriation acts for the preceding year. The Congressional appropriation committees likewise are required to follow the general order and arrangement of preceding appropriation acts as far as practicable. While it has not been possible to secure the coordinated action required to secure a general revision of the budget and appropriation systems, numerous changes by way of improvement have been made each year in individual items.

6. THE SO-CALLED "UNLAWFUL DEBTS"

The charge that "the unlawful debts which are crushing us are being increased", is vague and general. Obviously no items are cited to support the charge.

The fact is that the Secretary reported on H. R. 150 (71st Congress) by specifically recommending that this bill authorize "an investigation of reimbursable charges against Indian tribes and the lands on Indian reclamation projects and report to Congress on or before the first Monday in December, 1931, those tribes and project lands which should in his opinion be relieved either in whole or in part of such charges." He asked an appropriation of \$50,000 for carrying out such a mandate.

The bill was not enacted.

The problem is one of infinite detail. Congress has directed expenditure of large sums for improvements on Indian projects, totaling possibly \$25,000,000, which it has directed shall be repaid by the Indians. The Department has repeatedly pointed out such so-called "reimbursables" might be in conflict with the allotment laws and with Indian trust patents.

Congress has, however, authorized increased personnel to the Indian Service for studying property problems and progress has been made. Thus roads and bridges, one of the many items, have been covered by a statement given the Senate Committee on Indian Affairs on April 30, 1930, totaling over \$800,000. Congress has not yet acted on this report.

Furthermore, legislation has been secured granting actual remission of large debts. The Indian Office recommended the bill which became the act of March 4, 1931, which cancelled charges aggregating over \$1,370,000 against Gila River Indian lands in Arizona. A full study had been completed of lands on the Gila River project and the facts were presented to Congress for action. (See Senate Report No. 1510, 71st Congress.)

Again, studies and segregations of the items which should be charged off are under way on the Fort Peck Project, Montana; the Klamath Reservation, Oregon; and the Crow Reservation, Montana.

The statement that the preceding administration remitted "six times" as much as the present one is based upon distortion of figures. In round figures the old sum was \$3,000,000; whereas the single act of March 4, 1931, remitted nearly half that during this administration.

Congress must have full facts before it, before it writes off accumulated charges. The large task of assembling these facts is proceeding as fast as available funds allow.

7. BOARDING SCHOOLS

The charge that "the boarding school system" is being "strengthened and continued", deliberately ignores the facts.

In the last year alone 341 local school districts were added to the list of those in which the Indian children attend public white schools, and additional facilities were thus made available for 10,055 more Indian children in white schools. In reservation boarding schools the school year 1929-1930 saw 5300 children in elementary grades, whereas there are now 4179, a decrease of over 20 per cent. These younger children are being kept at home and are attending public schools where possible.

Three boarding schools were closed in 1930-1931 and three or four more will be closed this year. In those remaining, facilities are being devoted to high school work. Whereas there were 6258 in high school in these schools in 1929-1930, there are now 7778. As in white communities, we are endeavoring to see that children who have to go out of their communities for school facilities are at least of preparatory school age.

It must be realized that the program of community education can be carried out only as rapidly as other facilities can be provided. Congress must provide the authority. Where local communities resent losing a Federal institution, their Congressmen have a difficult problem. Our existing system of specific appropriations makes it almost impossible to apply funds now spent for boarding schools to any other purposes. If funds were available more children could be put into local public schools rather than Government boarding schools.

To say under these circumstances that Dr. Ryan's hands are being tied

displays sheer ignorance. He has been given every support in making effective the Department's announced policy as rapidly as appropriations and statutory changes will allow.

3. FLATHEAD POWER

The charge that the Secretary and Commissioner have joined in "turning over" the Flathead power site "under conditions which have violated the rights of the Flathead tribe", "blocked Federal regulations through a dummy arrangement" and so on, is pure fabrication. Actually an exceptionally good business deal for the Indians, securing for them \$2,845,000 over a 20-year period, has been made in spite of stubborn propaganda.

Two parties competed for the Flathead No. 1 site. The Rocky Mountain Power Company already had a permit to explore the site. It applied for a license. Walter H. Wheeler asked for a preliminary permit to investigate this and four other sites. His application for a permit and the Power Company's application for license were heard together in November, 1929.

The Power Company originally offered a rental of \$1.00 per horsepower per year for an average use of 68,000 horsepower. It had an existing power system ready for distribution. Wheeler had no market but hoped to develop one by inducing new industries to locate there. He estimated Site No. 1 would develop 105,000 horsepower and offered \$1.125 per horsepower as rental. License ultimately issued on May 23, 1930, to the Rocky Mountain Power Company, but on terms far more advantageous to the Indians than Wheeler's offer or the Power Company's original offer. This license and an exhaustive summary of the case were printed as Senate Document No. 163, 71st Congress, 2nd Session.

Under this license the Power Company pays \$60,000 per year the first year for an estimated 50,000 horsepower, works up to \$125,000 for the 5th year; pays during each of the next 5 years \$150,000; during the next 5 years \$160,000 each year; and during the final 5-year period \$175,000 each year.

The total rentals for 20 years are thus \$2,845,000. After this 20-year period the rate will be readjusted. In addition the Power Company has agreed to supply up to 15,000 horsepower for pumping on the Flathead irrigation project for 1 mill per kilowatt hour for 10,000 horsepower and $2\frac{1}{2}$ mills for the next 5,000 horsepower. They have also agreed to reimburse the Government for a partially constructed tunnel.

Furthermore, development costs are to be strictly supervised by the Federal Power Commission. A separate corporation, the Rocky Mountain Power Company, will build and operate the power plant. The Power Commission can thus strictly regulate the rates for which it sells power to the Montana Power Company and thus give the State Railroad Commission accurate figures of the costs of this power which the Montana Power Company sells to its consumers.

These tangible results of the Indians can be contrasted with the purely theoretical advantages offered by Wheeler. The feasibility of his plan admittedly depended upon his being able to undersell the existing Montana Power Company by selling at \$15 per horsepower to nonexistent industries which he hoped would locate around his power plant. He thought they would be principally fertilizer companies. In view of the fact that fertilizer is produced as a by-product at the Anaconda Smelters nearby and in view of the uncertainties of the synthetic fertilizer business in any event, this was obviously a hopeful forecast by Wheeler.

The Rocky Mountain Power Company has to date expended on construction \$1,500,000 toward an ultimate total of \$8,000,000. It has pending before the Power Commission an application to delay construction work by one year, because the power market of the Montana power system has fallen from 230,000

kilowatts in October, 1928, to 116,300 kilowatts in February, 1932. This does not necessarily mean that the Indian rental will be decreased during the postponement, if granted.

9. LOUIS C. CRAMTON

The statement that Louis C. Cramton "exercises a dominating influence in Indian matters" is a misrepresentation of fact. The nature of his employment was announced publicly in departmental press release of March 23, 1931.

Mr. Cramton was appointed Special Attorney to the Secretary of the Interior on March 21, 1931. As his official title signifies, he is employed exclusively on special assignments. He does not participate in the administration of the Department, nor does he act in an advisory capacity to the Commissioner of Indian Affairs. Only two of his assignments have touched on Indian matters.

From the date of his appointment until October 1, 1931, Mr. Cramton was engaged wholly on preliminary work connected with the planning of Boulder City, the Government town established by the Bureau of Reclamation on the Hoover Dam project. His work related principally to the appraisal of lands and the making of leases for residential and business property. Since October 1, 1931, he has acted as intermediate on behalf of the Secretary between the Bureau of Reclamation and the Office of Indian Affairs in the adjustment of conflicting water rights on the Upper Owyhee River. (See Hearings, Interior Department Appropriation Bill, 1933.) This work affected the Indians on the Western Shoshone Reservation in Nevada and Idaho, and

the white settlers on the Owyhee Federal reclamation project in Oregon. The Secretary of the Interior was confronted with opposing claims from the two bureaus and required a disinterested fact-finding report. The controversy is one of long standing and has not yet been settled, although Mr. Cramton has completed his study. His report is an exhaustive discussion of the problem, and his recommendations are considered to be so favorable to the Indians that the Bureau of Reclamation has not yet agreed to them.

Mr. Cramton's only other Indian assignment has been as liaison officer between the Department and a Senate committee considering the subject of taxation of Indian property by local communities. At present his time is devoted largely to special studies pertaining to national park problems.

10. H. J. HAGERMAN

The attack on H. J. Hagerman is one of a series of misrepresentations and is entirely unjustified. He has not been "restored" to office, but has been continued in service by Secretaries Work, West and Wilbur as their representative on the Pueblo Lands Board and as Special Commissioner to Negotiate with Indians, particularly assigned to the Navajo Indians in New Mexico, Arizona, Colorado and Utah. In this latter connection he coordinates programs affecting other Indian tribes in these States.

As the result of numerous hearings, no evidence has been produced justifying his removal, but it has been proved that Hagerman has zealously protected the rights of the Indians against aggression.

He has not been forced on the Navajo Indians. On the contrary, at the General Tribal Council meeting in 1929, a resolution was passed that

Hagerman be continued as Special Commissioner to the Navajo Tribe as long as he remained in the service, and in July 1931 the Council delegates again requested his presence at the meeting.

Since the sale at public auction of the Navajo oil leases, all transactions have been handled by the Indian superintendents and the Washington office direct; with Hagerman acting as a consultant to see that the contracts are carried out.

The story of the auction sale of the Rattlesnake lease has been so often reviewed it seems absurd to revive it. Briefly the facts are as follows:

In October, 1923, oil and gas leases on 13 tracts on the Navajo Reservation were sold at public auction, after 30 days' wide advertisement, by an expert oil-lease auctioneer from Oklahoma. The sale was well attended. On most of the tracts offered there was good competitive bidding; on the Rattlesnake at first there were no bids; later in the day, upon being re-offered, it was knocked down at \$1,000 bonus, the minimum sum fixed in the advertisement. The auctioneer sold the oil leases. Hagerman did not sell any of the leases; he merely signed the leases as an attorney for the Navajo Tribe, as authorized so to do by resolution of the Tribal Council; all leases were approved by signature of the Secretary of the Interior.

Of the 13 leases sold, only two are producing. On the lease which brought the largest bonus -- the Tocito, amounting to \$46,000 -- no oil was found, and the lease was surrendered. The first well drilled on the Table Mesa structure was also nonproductive, but later drilling discovered oil. On the Rattlesnake tract, oil was found, although at the time the

other tracts were believed to be better prospects by the oil experts who bid. The other eleven leases sold brought a total of \$24,100 bonus. All leases called for 1/8 royalty to the Navajos on oil produced. The Indian Office records show a total of \$1,030,795.34 received from oil and gas leases on Navajo Reservation up to January 31, 1932. On January 27, 1932, the Superintendent of the Northern Navajo Reservation reported total oil royalties on the Rattlesnake lease amounting to \$439,813.00.

As each lessee was required to drill at his own expense, there is no significance in the report that after oil was discovered in paying quantities the owner of the lease disposed of part of his interests to others. It is not known whether the lessees have yet recovered their capital investment.

11. PUEBLOS

The charge that the Secretary and Commissioner are lobbying to "defeat the efforts of Congress to meet its legal and moral obligation to the long-suffering Pueblo Indian tribes" is a deliberate distortion. To the contrary, they have endeavored to secure adequate compensation for the Indians without yielding their water priorities in return for it.

The Pueblo lands controversy is simply this: Is the seven years exhaustive work of the Pueblo Lands Board, which resulted in the quieting of title to 98,000 acres of disputed land, the reservation of an all-important water priority to the Indians, and awards for losses to both the Indians and non-Indians (which have been before the courts repeatedly), now to be rejected; and instead is a larger award to be made on the theory that the Indians have lost their invaluable water rights and should further be paid present day land values instead of values at the time they lost

possession; and in addition, should Congress authorize a ten per cent fee to the lobbyists who secure the legislation and take this fee out of the control of the Secretary of the Interior and out of the pockets of the Indians?

Briefly, the Indian Service's position has been that in any event the specific water priority reserved for the Indians, but which the lobbyists say has been lost, should be protected against a repetition of such irresponsible admissions, by a specific amendment; that if more money is to go to the Indians, the Indian Service will welcome it, but wants an orderly review made by the Board under a new standard of damages to be fixed by Congress instead of using figures which admittedly contain a duplication of at least \$33,566.47, contain sums for lands lost before American sovereignty and hence before any possible claim against the United States could have arisen, and are entirely unsatisfactory; that both the Indians and non-Indians should be promptly paid at least what the Board has awarded; and that the lobbyists' fee should be stricken out of the bill. A recent suit, purportedly on behalf of the Indians by these lobbyists, but without the Department's approval, has been characterized by the United States District Court for New Mexico as "frivolous and vexatious and an abuse of the process of this court." The salutary requirements of present statutes, requiring acknowledgment of the attorneys' contract by the Indians before a court of record, and approval by the Secretary of the Interior, were designed for just this sort of situation and should not be cast aside.

12. NAVAJOS

Since the beginning of the storm troubles in the Navajo country last November, the following amounts have been authorized for expenditure for relief among the Indians in that section, and additional amounts will be required for the continuation of the relief program, including seed and other necessities for spring farming and gardening operations:

Northern Navajo.....	\$3,340
Southern Navajo.....	58,000
Eastern Navajo.....	48,000
Western Navajo.....	17,380
Hopi.....	8,000
Leupp.....	5,150
Zuni.....	<u>7,000</u>
Total to 1932.....	146,870

The Director of Indian agricultural and extension work was sent to the storm area to study conditions there, particularly the loss of Indian sheep, and to assist in determining what the relief policy for the Indians and their flocks should be for the balance of this year. In the meantime the Indian Office will continue relief along the lines heretofore followed.

Participation by the Navajos in the distribution of seed and feed loan money has been presented to the Department of Agriculture although no final decision has been made by that Department on the extent of assistance available from that source.

13. "STARVATION."

The files of the Indian Office are open for inspection of its program for meeting distress among Indians this winter. The statement that

conditions as revealed by the superintendents were "largely ignored" by "top officials" is fantastic. Since the Indian Office in July, 1931, first received reports of the effect of the drought and grasshoppers, it has been pressing a relief program based upon studies of actual conditions rather than sensational reports. From some sections has come the statement that the Indians were better provided for than the whites in the same area.

As far as possible the Indian Office has attempted to dispense help according to the best standards of large-scale relief programs. The officers have felt that it was a solemn duty to preserve the self-respect of the Indians, remembering the disastrous effect of the ration policy upon many Indian tribes. Publicity on the relief program has been purposely avoided. The attempt to secure a popular hearing by resorting to unsubstantiated assertions on the relief situation is a distinct disservice to the American Indian. It is the quickest way to make the Indian Office a "breadline" rather than a constructive social service.

The following statistics show the scope of the relief activities:

\$500,000 for road construction, carried as an immediately available item in the 1932 appropriation act.

Approximately \$535,000 for direct relief for humans and care of stock.

\$132,600 spent by the Red Cross in Nebraska, North and South Dakota and Montana, November 1, 1931, to February 1, 1932.

\$60,000 from American Red Cross for non-ward Indians, February 1, 1932, to June 30, 1932.

More than 50 carloads of Army clothing were distributed throughout the Indian country. (There were enough overcoats in this supply to furnish one for every other male adult of all Indians under the jurisdiction of the Service.)

School warehouses have been emptied of surplus clothing to be supplied to the needy.

Boarding schools have taken in older unemployed Indian young people, admittedly overcrowding them in the emergency.

\$135,000 has been added to the 1933 appropriation bill for immediate use with the understanding that more would probably be needed before July 1, 1932.

A small amount of reimbursable money is available for seed and other needs this spring, and negotiations are under way to secure additional money through the Department of Agriculture for feed and seed loans.

Negotiations are under way to secure for the Indians a share of the 40,000,000 bushels of Federal Farm Board wheat both for humans and stock.

Many day schools have been serving two instead of one meal a day for Indian pupils.

Missions and other private groups have extended relief to Indians.

On at least four reservations the employees have themselves contributed special funds for Indian relief.

In addition to this record of activity, the following approximate per capita payments have been made or are under way from Indian tribal funds:

Fort Berthold.....	\$1,718,402.41
Pawnee (Otoe).....	5,372.89
Fort Totten.....	32,970.00
Sisseton.....	92,820.00
Shawnee (Iowa).....	2,000.00
Colville.....	57,750.00
Shoshone.....	44,000.00
Shawnee (Sac and Fox).....	22,200.00
Fort Peck.....	19,500.00
Flathead.....	33,618.00
Chippewa (Minnesota).....	400,000.00
Crow.....	35,360.00
Standing Rock.....	<u>36,720.00</u>
Total.....	2,500,713.30

The Indian Office always welcomes constructive criticisms but vague and unsupported accusations made by persons without any responsibility for the spending of other peoples money or without a proper sense of the true social welfare of the Indians retards the development of the Indian race.