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WASHINGTON, IS.—The following is an analysis of the report just made by the commission, composed of Messrs. Fletcher, Harris, Faulkner and Atherton, appointed to investigate and report on the charges of mismanagement and fraud at the Red Cloud Agency, made by Prof. Marsh:

"The joint commission for the investigation of affairs at the Red Cloud Agency have closed their labors, and submitted their report to the President and board of Indian Commissioners, by whom they were appointed. Adopting Prof. Marsh's letter to the President, setting forth charges of fraud and mismanagement of Indian affairs, as their starting point, the commission take up his allegations serially, examining all available sources of evidence, and scrutinizing all records and documents, proof of which might, in their judgment, throw any light upon the subject. The printed testimony so taken comprises more than eight hundred octavo pages. The commission sustain the charges of official incompetency preferred against J. J. Saville, Indian agent at the Red Cloud Agency, and recommend his removal, but exonerate him from imputations of dishonesty, and point to him as one Indian Agent who goes out of office a poorer man than when he entered.

"With reference to the charge that the number of Indians at the Red Cloud Agency had been greatly over-estimated, for purposes of fraud, the commissioners notice that the army officers concur with Professor Marsh in his belief, that there were not so many there as had been represented, but in support of the charge opinion merely has been offered. The enumeration of the Indians was attended with great difficulties and delays, such was their determined opposition to be counted, and the fact that the northern or wild Indians were liable to visit the agency and demand goods and rations. The census of last year shows that there were 13,423 at the Red Cloud Agency.

"The commission find that the system of keeping accounts at the agency was exceptionally loose and defective, and for this reason the Indian office is justly censurable. They also observed that the provision of the treaty of 1868, requiring the presence of an army officer at all the issues of goods, has been utterly disregarded, but they could not conclude from that, in the absence of other proof, that fraud had been practised.

"The question of beef forms the principal part of the report. The annual expenditure for its supply is large, and the frauds charged in connection with the contracts are commensurate with the magnitude of the sums involved. That, in consequence of fraud and mismanagement, the Indians suffered greatly during the past winter for food; that Agent Saville withheld from them provisions which he charged against the government as having been issued to them; that frauds in weights are consummated by direct collusion between the agent and the contractor, and that equal rascality is practised in regard to the number of cattle. Another fruitful source of fraud is the system of stampeding, and that these frauds have been gigantic and long and systematically continued. Prof. Marsh's pamphlet partakes rather of the nature of an argument than a pure presentation of facts, and in reviewing these several charges the commission find that he has based his conclusions more upon hearsay evidence than on personal knowledge and well established facts.

"The charge that agent J. J. Saville and J. W. Bosler, with his assistants, combined to defraud the government is found to be entirely unsupported by facts. In support of his charges Prof. Marsh alludes to the contract for the last fiscal year, and argues that it was tainted with fraud from its inception. The contract, it appears, was awarded to J. K. Foreman, who was the lowest bidder, and who complied with all the published requirements; subsequently, for business reasons, it was assigned to W. A. Paxton, in order that a combination might be formed to carry out so large a contract. Bosler furnished the capital, and purchased the cattle in the name of Paxton. To execute each contract at so low a rate with success and

profit required capital, skill and business capacity, and in consideration of these, which Bosler contributed, he was entitled to receive the greater share of the profits. The commission failed to discover in all the facts any evidence of fraud in the matter.

"In the same connection Prof. Marsh speaks of Bosler as notorious for frauds in previous contracts, and for this reason says that he was excluded from further participation in government contracts. In examining the facts bearing on this allegation, it was found that Bosler has himself, at various times, had contracts with the War and Indian Departments, and never was refused a contract when his bid entitled him to it, but has always been awarded the contract for which he was the lowest bidder. It has not been shown, or attempted to be shown, that he has violated any previous contract, or been a party to any frauds upon the government. Moreover, he has been awarded a contract with the Indian office the present year. The commission say that they find this charge wholly unsupported, nor has anything occurred to warrant them in regarding Bosler as other than an honest man in all his business transactions. His participation in the contract of Seth Mabry for the supply of beef to the Sioux agencies this year is shown to be a similar arrangement to that previously mentioned, and under which he purchased over thirty-three thousand head of beef cattle, which are now being delivered to the agencies by Bosler in Mabry's name, and as his agent.

"The circumstances which led Prof. Marsh to the supposition that agent Saville was in collusion with Bosler to defraud the government and Indians by false deliveries of cattle are fully analyzed in the report, and illustrated by many facts and figures. It appears that on the last day of Sept., 1874, the delivery of several hundred head of cattle was made to the agency, and during the night, in the midst of a violent storm, they stampeded, and 228 were lost; in consequence of this loss the regular issue was interrupted, and a clerical error in the agent's book at about the same time represented subsequent issues to have been made to the Indians on other days from which they actually occurred. Bosler claims that of 278 head that were lost only 150 went back to his herd on the river Platte, and that an equal number of substantially the same size and value were afterwards returned to the agent by him. These facts were fully reported by Saville to the department in December, 1874, at a time when no frauds had been imputed to him or the contractor; and as those voluntary statements made then are the same as these now given in testimony, the commission feel compelled to accept them as true, and are of opinion that the imputation of dishonesty put upon Saville is without foundation.

"The next allegation of Professor Marsh is that in pursuance of this design, to defraud the Indians and the government, Bosler delivered to Saville cattle so small and lean as to be unfit for beef, which the agent accepted and receipted for; but the investigation reveals the fact that this charge rests solely on a statement of Red Cloud and two other Indians; and though sought to be strengthened by the certificate of General Bradley, Captain Mix and Lieutenant Hay, the testimony shows that on the 9th of November, 1874, there remained in the Agency herd seven head of cattle, which were said by all who saw them, and admitted by Saville himself, to have been poor, small and altogether unfit for beef, but that they had ever been receipted for to the contractor or issued to the Indians, as stated by Red Cloud, is by no means established. Owing to a confusion of ideas Prof. Marsh represented the agent as having receipted for them; his mistake was in confounding the words receipted and received.

"Another charge of Prof. Marsh is that Dr. Saville intentionally receipted for greater numbers of cattle than were delivered, and that their weights were largely over-estimated in the receipts. One instance is adduced as proof of this, that on the 14th of November Saville receipted for several hundred head of Texas cattle at an average weight of 1,043 pounds, while the true weight did not exceed, in Prof. Marsh's judgment, 750 pounds, which he considered a liberal estimate; that all the cattle of that herd were wretchedly gaunt and thin; that the majority were small,

many being yearlings, and not a few weak and decrepid. The testimony on this subject was voluminous.

"The report next reviews the Foreman contract for the year 1874, for the supply of beef to the six Sioux Agencies. At the request of the commissioners, Mr. Bosler presented, for their private use, an abstract from his books for that year, showing the number of cattle purchased, delivered and lost, the cost of herding, incidental expenses, the amount of capital employed and the net profits realized. The total cost to the government, of beef for one year, was \$700,854, and the net profits to the contractor \$117,510. The commission were satisfied from the evidence that the profit was perfectly fair and legitimate. They say that if great frauds in weight have been perpetrated at Red Cloud, similar frauds must have been practised at all the other agencies, and to assume this requires that they should find that all those six agents, their clerks and assistants, the contractor and his associates, assistants and herders had combined to cheat both the Indians and government, and that all shared, directly or indirectly, in the benefits of the fraud; they say that the facts do not support it. They came to the same conclusion with reference to the contractor for the present year, and are convinced that during the years in question, all the cattle were received and receipted for at their actual weights and numbers. Of the issue of May 4th, 1875, while it appears that the cattle were not equal to the average, there is no evidence to show that any fraud was practised upon the Indians or upon the government.

"Prof. Marsh's charges of fraud, growing out of the system of stampeding, entailing great loss on the Indians and the government, are found to be based also upon information only, and not on personal knowledge, which information is found to be incorrect. The statement in Reshaw's certificate, that the cattle which had been stampeded and returned to the contractor's herd were delivered to the agency and receipted for a second time has not a shadow of foundation. In concluding this branch of the subject the commission say that notwithstanding their careful and exhaustive investigation, they found no sufficient evidence to justify the conclusion that frauds had been committed. The commission recommend, as an additional check, that the delivery of beef be supervised by an officer detailed for the purpose under the direction of the Commissary General of the Army.

"A flagrant fraud was found in the matter of the pork contract. D. Slavens, pork contractor, was found guilty of fraud in furnishing six hundred bbls. of pork of a grade vastly inferior to what he contracted to deliver. They recommend the removal of Inspector R. Thorikeld, who passed the pork. They cannot acquit Commissioner Smith from neglect of responsibility in allowing a clerical error in the contract to pass the Indian office, which rendered the fraud possible. The matter was compromised by the delivery of bacon to make up the difference of value in the pork received and that contracted for, with little loss to the government. The original contract called for mess pork, but by a clerical error the word mess was omitted, and the contractor took advantage of this fact to furnish the lowest grade of pork, which the inspector passed.

"The commission also find that flour of inferior quality, which Major Long was directed to inspect, slipped through without inspection, and got to the agency in a manner which has not been explained; but they conclude that the department erred in awarding the contract for flour to J. Y. Martin, who was a mere speculative bidder, without business responsibility. An attempt at fraud was discovered on the part of D. J. McCann, by putting only 55 pounds of flour in each sack, which was reported to contain one hundred pounds. The sugar, coffee and tobacco furnished to the Indians by the government were of low grade, but designedly so, and no abuse was ever discovered in the matter of their supply. Red Cloud evidently adulterated the flour and picked out bad grains in making up the samples he gave to Prof. Marsh. The commission recommended that hereafter, instead of letting the contracts for flour in New York, they be let at some point in the West, somewhere in the valley of the Mississippi, among extensive flour

mills. It is believed that an active competition may be created and that flour will be obtained of a better quality and at cheaper rates than now furnished by the middle men.

"Whatever suffering there may have been among the Indians was traceable to their own improvidence and the severity of the weather, instead of any delinquency on the part of the government.

"Extensive frauds were discovered, which had grown out of transportation. D. J. McCann, a heavy freight contractor, had over-estimated the distance from Cheyenne to Red Cloud, as well as mis-stated the number of teams and days employed in removing the property of the Red Cloud agency from the old to the new location. They recommend that legal proceedings be instituted against him for the money thus fraudulently obtained. They suggest that the time is passed when the government should purchase peace from the Indians, and that Marsh's charges against the Secretary of the Interior and the Commissioner of Indian Affairs, if proven, ought to subject both officials to impeachment. They found, however, that the Secretary of the Interior, personally, had but little connection with any contracts made for the Indian service, or with the adjustment and payment of the accounts returnable to that office. The commission were unable to learn whether the late Secretary was consulted or had any direct official connection with the contracts relating to the Red Cloud Agency, or that he had any official connection with any accounts presented for payment at that bureau, except those which, if allowed there and rejected by the board of Indian commissioners, necessarily came before him for final adjudication. The original vouchers and papers, upon which claims amounting to near half a million dollars were ordered by the Secretary to be paid, were carefully examined by Messrs. Fletcher and Harris of the commission, who reported that had been rejected by the boards of Indian commissioners on the ground of frauds, but mainly because of some technical difficulty, or an honest diversity of opinion between their body and the Indian bureau upon some question of law arising in these cases. They further reported that in no instance were any such payments made without having been submitted to the law officer of that department, and having met with his approval. Recurring to the payment, by order of the late Secretary of the Interior, of an account of \$14,375, claimed by C. D. J. McCann, for the removal of government stores and property from the old to the new Red Cloud Agency, the commission say that they can regard the account in no other light than as iniquitous and fraudulent, but it might be unjust to condemn the Secretary for this payment, as there is no assurance that the certificate of the former agent, J. W. Daniels, accompanied the vouchers of McCann.

"With reference to the charge of official delinquency and concealment of fraud, the commission learned of but three occasions when the attention of the head of the department was called to the existence of any abuses and frauds at the Red Cloud and Spotted Tail agencies. In his account the Secretary says that he earnestly requested the Professor to furnish him with such information as he had, and with all the proofs he could call up against the agent at Red Cloud, which, however, Professor Marsh declined to do. An interview took place in the Secretary's office at his request. Marsh, on his part, says that he told the Secretary distinctly, that if an investigating commission was appointed he would give the commission specific information in his possession, but on thinking it over he concluded that he would keep the information to himself until after the commission was appointed.

"The commission report that they have seen nothing in the course of their investigation that would lead to any other conclusion than that the present commissioner earnestly and sincerely desires to perform his duty faithfully to the country. They have encountered no transaction which casts the least shadow upon his personal or official integrity, but have met with many marked with that want of vigilance, astuteness and decision of character which belongs to the head of an important bureau. They think it was inexcusable to permit so long a period to elapse

without ascertaining the precise distance between the railroad and the agencies, as the contracts for freighting were based on an agreed compensation per mile. It was an error to let, at New York, those contracts for wagon transportation, also to pay McCann the full amount of his transportation claims while the distance was in dispute, also to authorize the same to appoint an inspector of flour at Cheyenne, and to supply pork to Indians instead of bacon, as the furnishing of pork involves needless cost of transporting brine and barrels. The commission find, however, that there has been an improvement in the Indian service under Commissioner Smith's administration: contracts are now more faithfully executed, and recent supplies have been of an unexceptional character. The temper of the Indians has undergone a very favorable change toward our people; the iron band of tribal sovereignty is rapidly weakening, and the day has gone by when a formidable Indian war can ever again occur in this country.

"The commission offer some general observations on the result of their reflections on Indian affairs. They believe the time has come when the policy foreshadowed in the recent act of Congress against further treaties with the Indians should be vigorously enforced, and that the Indians should be treated as individual inhabitants of the republic, and that the absurd fiction of tribal sovereignty be abolished. They express great satisfaction at the successful operation of schools and missions among the Indians. They recommend the establishment of courts for the administration of justice among the Indians, in places where their number warrants it. They criticize the existing oath, a stipulation of which excludes white people from the reservations, thus preventing such contact of the Indians with the influences of civilization as would tend to impress them favorably with it. They recommend that made clothing take the place of blankets in the government supplies to them, and a bolder policy in the treatment of Indians is specially recommended, because the Indians believe that the present conduct of the government towards them is dictated by cowardice, and with all our munificence in their behalf, extending to an annual expenditure of eight millions of dollars, no sentiment of gratitude touches their hearts. The commission look with disfavor upon the proposition that the management of Indian affairs be transferred to the War Department, though the presence of military officers at the inspection and delivery of supplies would be desirable.

"In conclusion, the commission recapitulate their resolutions, namely—that Agent Saville be removed; that J. W. L. Slavens, J. H. Martin, and D. J. McCann be excluded from further contracts with the government; that E. R. Kirikeld be excluded from all future employment; that McCann's accounts be referred to the Department of Justice; that the distances from the Red Cloud and Spotted Tail agencies to Cheyenne and Sidney be measured without further delay; that a new census be taken of Sioux City, and both these agencies; that bids for flour, clothing and wagon transportation be received at some suitable point in the West; that the office of superintendent of Indian agencies be abolished, and that the duties connected therewith be transferred to inspectors; that the feasibility of dispensing with railroad freight contractors from New York to the west be considered; that army officers be detailed to inspect the Indian supplies; that the system of keeping accounts be improved; that the Indian agencies be graded with reference to the salaries of the agent; that the Red Cloud and Spotted Tail agencies be removed nearer the Missouri river; that a commission of army officers be appointed to consider the propriety of organizing an Indian soldiery, for police and similar duties; that a territorial government be established over the Indian Territory; that suitable persons be appointed to prosecute for all wrongs against the Indians, and to defend their rights as far as they may become the subject of adjudication before the courts; and that future legislation be shaped with a view to bringing the Indians under the same laws which govern all the other inhabitants of the republic." The report is signed by Thomas C. Fletcher, Benjamin W. Harris,