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**Letter from the Secretary of the Interior, transmitting a draught of a bill providing for the manner of paying annuities to Indian tribes under treaty stipulations.**

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MANNER OF PAYING ANNUITIES.

L E T T E R

FROM

THE SECRETARY OF THE INTERIOR,

TRANSMITTING

*A draught of a bill providing for the manner of paying annuities to Indian tribes under treaty stipulations.*

JANUARY 12, 1874.—Referred to the Committee on Indian Affairs and ordered to be printed.

DEPARTMENT OF THE INTERIOR,  
Washington, D. C., January 9, 1874.

SIR: I have the honor to enclose herewith draught of a bill providing for the manner of paying annuities to Indian tribes, under treaty stipulations or legal enactment, which I respectfully request may be referred to the proper committee, and which, I hope, may receive the early and favorable attention of Congress.

I deem it proper to state the reason for presenting this subject to the attention of Congress at this time.

By the eighth article of the treaty, concluded August 7, 1856, (Stat. at Large, vol. ii, p. 702,) between the Creek and Seminole tribe of Indians and the United States, provision is made for investing the sum of \$1,000,000, at 5 per cent. interest per annum, for the benefit of the Seminole Indians, including such Seminoles as had then emigrated to the West, and such as then remained in Florida, who should thereafter emigrate and join their brethren in the West. This sum, by the terms of the treaty, constituted a fund belonging to the united tribe of Seminoles, the interest on which, at the rate aforesaid, was to be annually paid over to them "*per capita*," as an annuity.

The Seminoles are considerably advanced in civilization, and have a national government, and as a nation are desirous of having the whole amount accruing annually upon the sum invested as above described, or at least a large portion thereof, paid into the national treasury of their nation, to be disposed of under the laws of the nation, for such purposes connected with their civilization and improvement as the national council may deem best.

I have no doubt of the propriety of complying with their wishes, at least to some extent, and I am equally clear that such portion of their annuities as is not paid into the National Treasury should be expended by the Indian Office, with the sanction of the Secretary of the Inte-

rior and the President of the United States, in promoting the general comfort, civilization, and improvement of these Seminoles. In this connection I deem it my duty to refer to a recommendation contained in my annual report, namely, that all annuities, instead of being paid to Indian tribes per capita, be expended, as here indicated, in promoting their general welfare, civilization, and improvement. The payment of cash to individual Indians has, according to all the experience furnished by the Indian Office, tended to produce debauchery and demoralization rather than to advance the civilization or improvement of Indian tribes.

By the second section of the Indian appropriation act for the year 1870, (Stats. at Large, vol. 16, p. 360,) provision is made for the expenditure of annuities, provided for in that act, in such manner as in the opinion of the Secretary of the Interior "will best promote the comfort, civilization, and improvement of the tribe entitled to the same." It may have been the intention of Congress to make the section here referred to applicable not only to annuities for which appropriations were then made, but to all annuities therein provided for, and thereafter to be authorized.

I entertain serious doubts, however, whether the legal construction of this section will authorize a diversion of the money appropriated to pay annuities in any other case than such as arises under the provisions of the act into which the second section has been incorporated. To remove such doubts I deem it expedient to advise the passage of a general law which will authorize the Commissioner of Indian Affairs, under the restrictions herein enacted, to apply all moneys appropriated for the payment of annuities created by treaty stipulation or legal enactment for the general advancement in civilization of the tribe entitled to the annuities; and which will also authorize the payment of such moneys at the discretion of the proper officers, into the national treasury of the tribe entitled to the same.

The passage of this law will remove all doubts in reference to the present authority of the Commissioner of Indian Affairs in regard to the payment of annuities. It will enable that officer to place the funds when he deems it best for the welfare of the parties entitled to them, into the Treasury of the national Government, or to expend the same for the civilization and improvement of the tribe, and will thus promote, in my opinion, the welfare of this branch of the public service, and greatly aid in the advancement, in every particular, of these wards of the Government.

I transmit herewith, in connection with this subject, copy of a letter from the Commissioner of Indian Affairs, whose opinions concur with my own, and to which I respectfully invite the attention of Congress.

I have the honor to be, sir, very respectfully, your obedient servant,

C. DELANO,

Secretary.

Hon. J. G. BLAINE,

*Speaker of the House of Representatives.*

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*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in every case, where annuities are provided to be paid to any Indian tribe, by treaty or otherwise, it shall be the duty of the Commissioner of Indian Affairs, with the sanction of the Secretary of the Interior and the President of the United States, to expend the same for such objects as will best promote the comfort, civilization, and improvement of the tribe entitled*

the same, or, in his discretion, with the sanction of the Secretary of the Interior, and the President of the United States, to pay such annuities, or any part thereof, into the national treasury of such tribe: *Provided*, That in all cases the consent of such tribe to such expenditures, or payment as aforesaid, shall be first obtained.

DEPARTMENT OF THE INTERIOR,  
OFFICE OF INDIAN AFFAIRS,  
Washington, D. C., January 9, 1874.

SIR: I have the honor to call the attention of the honorable Secretary of the Interior to the request of the Seminole Nation, through the Indian agent of that tribe, that hereafter the annuity payments to the Seminoles be paid to the authorities of the nation, to be disbursed under their direction, instead of being paid per capita, as provided for by the treaty of 1856.

By the terms of the treaty, interest upon their funds amounting to \$25,000 per annum is to be paid semi-annually per capita. The Seminoles desire to have it paid into their national treasury, in order to enable them to apply a portion of this money for educational and mechanical purposes of common benefit to the tribe, and also to defray the expenses of the national government. In the United States Statutes of 1870, vol. 16, page 360, it is provided for, as follows:

That in every case where annuities are provided to be paid to any Indian tribe, it shall be the duty of the Secretary of the Interior to expend the same for such objects as will best promote the comfort, civilization, and improvement of the tribe entitled to the same: *Provided*, That the consent of such tribe to such expenditures can be obtained, and no claims for supplies for Indians, purchased without authority of law, shall be paid out of any appropriation for expenses of the Indian Department or for Indians.

If this provision is in the nature of general legislation, it will allow of the proposed change.

I believe a substantial compliance with this request to be both expedient and beneficial. There are certain necessary governmental expenses for this nation which cannot well be otherwise provided for, and the present school-fund is not sufficient for the tribal purposes. Besides, there are serious objections to paying any money in hand to Indians.

The tendency of such payment is naturally to pauperism rather than to civilization.

There is danger, however, if these funds are placed entirely in the control of those who may for the time be in authority, that the nation will not always receive its just benefit under the terms of the treaty.

To prevent this possible evil, as well as the evil of per capita payment, I respectfully invite the attention of the Hon. Secretary to the expediency of requesting from Congress authority to expend this Seminole fund, under direction of the Secretary of the Interior, for their national and other beneficial purposes. With this discretionary power lodged in the Department, such control can be held over the expenditures by national authorities of the Seminoles as will be likely to insure an economical and beneficial use of the nation's funds.

Very respectfully, your obedient servant,

EDWD. P. SMITH,  
*Commissioner.*

The Hon. SECRETARY OF THE INTERIOR.