1-14-1822

[Communication from Thomas L. M'Kenney]

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S. Doc. No. 10, 17th Cong., 1st Sess. (1822)

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Office Indian Trade,  
December 27, 1821.

SIR: I have had the honor of receiving your communication of the 24th instant, in which you convey the request of the Committee on Indian Affairs, to be informed, first, of the number of trading posts now in operation amongst the Indian tribes, and where located; second, of the amount of the several appropriations for carrying on trade and intercourse with the Indian tribes; third, the present value, according to the last returns from each trading post, of the property on hand, estimated at the original cost prices of the articles; to which I am requested to add my opinion of the advantages of the United States commercial intercourse with the Indians, over such other kinds as could be organized to take the place of it; and such amendments, in the present system of the two kinds of intercourse which now obtain, (viz. that carried on by the government, and that conducted under the license system by individuals,) as I may suppose best adapted to preserve the Indians from the speculations of the unprincipled, and secure justice to them; and such other views as I may think proper to add illustrative of the present state of our Indian relations, and the best methods to preserve the peace with them, tribe with tribe; and between the Indians and our civilized border population.

The abstract which I have the honor to enclose herewith, contains the information requested under the three enumerated heads of the call; which shews a gain of fifty-nine thousand and one dollars and ninety-nine cents.

There are four kinds of commerce which could be established among and with our Indians; from a review of which some tolerable conception may be formed of the advantages of the United States in-
tercourse over the rest. These are: first, to leave the Indians to their
own resources; second, to abandon them to the necessity of carrying
on their traffic with individuals; third, to subject them to the regula-
tions of a chartered or privileged company; or, fourth, for the govern-
ment to assume the intercourse with them direct.

Before the quiet of the aboriginal solitude was disturbed, and the
habits with which nature had invested its natives were torn off by
the hands of a more enlightened, but, perhaps, less humane race of
men, there were no demands to satisfy other than the forests furnish-
ed; and no necessity existed, therefore, for commerce, save only that
which was implied in the exchanges of bows and arrows, and stone
axes; and these again for skins or meat, which might have been taken
in extra quantities by some more fortunate hunter. But the advance
of civilization upon this simple state has changed these easily ad-
justed relations; and its blessings, however highly to be appreciated,
have, in reference to our Indians, been less numerous than its curses.
New wants have been originated by it, but the corresponding sup-
plies have not been furnished. Disease, physical and moral, has
been communicated without being accompanied by the appropriate
remedies. New relations have been created in which the civilized
man has been more than a match for his less enlightened brother. The
consequences to the Indians are notorious:—and these involve be-
reavement, and suffering, and death! Considerations arising very
naturally out of this view, may not be considered as forming part of
the request of the committee. I shall waive them, therefore, with the
single remark, that, however consistent the extinction of the aborigi-
nal race may be with the designs of Providence, in peopling this new
world with a more enlightened and polished society, it is not so clear
that some additional efforts were not required of the first settlers,
and the generations which have succeeded them, to meliorate the con-
dition, and recover from barbarism, those, whose domain they invad-
ed; and in the occupancy of which we have so completely succeeded.

Reduced as arc our Indians, to a state of such absolute dependence,
keenly assailed by wants, artificial as well as real, and between
which they find it no less difficult to decide than do their white broth-
ers, it would be to perish them en masse, to decree their exclusion
from the commerce which has grown out of their new relations with
the civilized world. Their wants, must therefore be met, and for
nothing do they clamor more, than for commercial privileges; hence
so many stipulations with the government for trading houses, and
the means to sharpen and keep in order their spears, and traps, and
rifles, and of late, among several tribes, their ploughs and axes; and
these facilities are held by most of the tribes with which we have
intercourse, at all; in the highest possible estimation.

It should seem to a people thus circumstanced, the government,
which is their only protector, and which holds their destiny in its
hands, would be solicitous to provide the most ample system for their
improvement and preservation; a system embracing, not only a bare
supply of the ordinary demands of nature, but the more ennobling
gifts of intellectual and moral improvement. It is gratifying to believe, that such is the feeling of the natural guardians of this unfortunate people; and, additionally so, when to this good will in the government is perceived to be superadded the sympathies and exertions of so many thousands of our citizens.

It is not doubted, that individual enterprise is competent to supply all the demands which the wants of our Indians could levy upon it; nor, that capital could be commanded, even more than adequate to the supply of all these wants. But, it is not so certain, that such an intercourse would be characterized by the traits with which justice and humanity, or policy, would feel it incumbent on them to stipulate for; or, that laws could be enacted adequate in their provisions to secure them. It is one thing to enact laws, and another to enforce their violated provisions. It is not questioned, but laws could be framed containing all the requisite severity, and embracing every variety of threatening for a breach, even in the wilderness, of their authority, but it is not so much to what the law threatens that offenders look, as to the probable chances which promise their safety from its punishment. In regions wide and wild, like those inhabited by our Indians, laws are of little more importance in regulating the conduct of the avaricious who go there for the purposes of trade, than would be the testimony of the Indian for the security of whose person and property they might be enacted.

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If in civilized society, where the means of detection are so numerous, and where the laws apply so universally to the security of rights, so many escape with impunity, and so many again elude the punishment which the laws denounce, what can we expect from the efficacy of law which is to operate in the wilderness, and where those whose practices it was made to punish, are the only legal witnesses?

Commercial intercourse ceases to reciprocate its advantages whenever either party shall yield to the other in intelligence, or power. The keen and adventurous trader, skilled in the arts of deception and speculation, and who is bent on making gains, will be found oftentimes an overmatch for his less keen, and less intelligent, though civilized brother; but, how entirely at the mercy of such must be an ignorant and powerless community of dependant savages?

Such is the theory of an intercourse between civilized and savage communities, or between our traders and our Indians; and the theory might be considered sufficiently demonstrative, were experience and facts not at hand on which to rest it. The system of a private intercourse has been tried; its provisions, though apparently so well contrived to screen the Indians from the fire of avarice, and protect them from its fangs, proved useless; and it was abandoned. I refer to the regulations of 1786. By these, the country was divided into two districts, northern and southern. To the northern district was attached a superintendent, and two assistants; to the southern, a superintendent. The whole of the Indian relations were referred to these two divisions; and the following rules governed them: No
person, citizen or other, was permitted to reside among, or trade
with, any Indian, or Indian nation, within the territories of the
United States, without a licence for that purpose, first obtained
from one of the aforesaid superintendents; but no licence was
granted to any person who did not first present, from the supreme ex-
cutive of a state, a certificate, under the seal of the state, testifying
to his good character, and to his qualifications and fitness for the em-
ployment of Indian trade. For each licence thus granted, and which
was limited to a year, the person receiving it paid fifty dollars for
the use of the United States, accompanying with this licence-money,
a bond in the penalty of 3,000 dollars, which provided for a strict
adherence to, and observance of, such rules and regulations as the
Congress might, from time to time, impose. But guarded as was
this system, and well adapted as it certainly promised to be, to the
objects contemplated by it, the cunning of the traders was an over-
match for its provisions, and the Indians, thus given into the hands
of "the unprincipled,"—for it would be an affectation of respect for
the calling, to doubt that three-fourths, at least, are of this class,—
were subjected to all the sufferings which avarice could inflict; and
their peace and welfare involved in the scheme, involved, in their
turn, the shedding of much blood, and the waste of many lives. I am
aware, that, in these times, the afflicting apprehensions which arose
on the part of the Indians, on witnessing the rapid and pressing
march upon their settlements, carried with it a portion of this spirit
of revenge; and, unyielding as yet, cherishing lordly notions of their
prowess, and convinced of their right to the soil which was made
thus to crumble from beneath their feet, they often resolved to abandon
it only with their lives. But, however many of the conflicts of those
times owed their origin to feelings of this sort, yet it has long ceased
to be doubted, that, to the shameful practices of fraud, and the bereave-
ment inflicted on them under it, are to be attributed the larger portion
of the strifes of those days, and the blood and murder which resulted
from them.

On the abandonment of the system of 1786, an intercourse was
opened, partial at first, as it yet is, and, by consequence, proportion-
ally inoperative, out of which grew the present government system
of trade and intercourse, and which I shall explain presently. The
system of a private intercourse under a licence system, has, there-
fore, been tried, and it has been abandoned. An intercourse under
the directions of a chartered company would, in the light in which
I have been considering this subject, result in the same consequences.
Gain would be the object, and the sole object, under a company regulation, as it is
under the plan of individual enterprise. The same difficulty would
exist in enforcing upon the avarice of the company, as upon the ava-
rice of individuals, those observances which involve humanity and jus-
tice in their application to the Indians. The terms would be all on one
side and the cunning and the power also; and, as to the equipoise which
law might be instructed to furnish, it could not be realized. But then,
connected with this view of the subject, is another, which applies to our civilized population. And it is one which has not the same extent of application to the individual prosecution of Indian trade. It is the certainty that our fur market would be raised to the prices of the China market, freight, &c. deducted; or to any other market where the most could be commanded for the article. What, though the company should consist of its thousands, yet its management would be turned over to a single head, or, at most, to a board of directors. The furs being collected, would be so disposed of as to insure the highest price of a foreign demand. Our manufacturers, or rather consumers, would come in, by consequence, for the tax which this state of things implies, and should the prices of the China market be an advance of 100 per cent. upon the prices of our own market, the price of our hats and other articles of which fur is an ingredient, would be doubled upon us, and the gains would go from the pockets of our citizens, into the coffers of the fur company. In this view, a company, treating the Indians, by their agents, no better than they are treated by the agents of individual capitalists, would superadd, in its application to our civilized community, the consequence to which I have referred. Individuals are less able to collect the furs in sufficient quantities to ship them, and, generally, they are not so well informed as a company would be in all the relations of a foreign commerce; hence, a large portion of them are disposed of at home. But a company is preferable in other respects. It would be more tangible, and hardly possible as it would be to detect their wilderness agents in their violations of law, yet, if detected, their property could be come at, and some better chance for the operation of law might exist. The private adventurer goes with his pack on his own back, or his horses; and, should he be detected violating the law, and convicted, his all, at least all that could be come at, would not remunerate the witness for his expense and trouble in conveying him for trial to the settlements. But, shocking as is the practice of injustice and inhumanity, and additionally revolting as it must always be in proportion as its victims are impoverished, and helpless, and uninformed, it comes home to the feelings with a shock less afflicting than does the sight of that intellectual and moral degradation to which such a traffic necessarily dooms this unfortunate race of men.

The advantages of commerce are admitted to be vast. From the interchanges of a neighborly intercourse, to the intercourse between nations, the social compact derives its advantages, and strength, and beauty. Expanding in its nature, it throws open the world of mind, as well as matter, and the view kindles into all that is agreeable and lovely. But whoever witnessed any of these results from an intercourse between men, professedly traders, with a savage community? And to whose very prosperity, as traders, a death blow would be struck by the improvement of this community in the arts and conveniences of cultivated life? So far from this, it is essentially degrading in its character, and disastrous in its consequences, for it is the principal business of such traders to oppose every thing like improvement.
Such is the likeness which is stamped deep upon our Indians, and which may be traced out in all the poverty and misery which invests so large a portion of their population. History details the causes; and these are to be found in the superior intelligence and keen avarice of the one party, and their disregard to political and moral order; and the unenlightened and dependent condition of the other. It was natural and entirely in conformity with the principles which actuate the government of this country, and which give to it so much lustre in the eyes of the world, for it to devise in its general plan of liberty, and rights, and justice, and humanity, some scheme which should act as a shield to screen an unfortunate and noble race of men, who were solely dependant upon it for aid, from an avarice so intense, and, if possible, to redeem a remnant of their race from the destiny which has swallowed up their progenitors. It is to be lamented, however, that this plan should have been so contracted. It ought to have been ample, and commensurate with the wants of our aboriginal population over the whole extent of their domain. But what is this plan? It embraces, First, A disinterested commercial intercourse. Merchandise and whatever else is ascertained to make up the wants of the Indians, is bought, (so far as the capital will extend,) and transported to their settlements, with no view to gain, the law limiting the profits to the advances which may be necessary to secure the capital from diminution. Second. There being no object to realize but the advantage of the Indians, they are not only encouraged to neglect the soil, and other important matters connected with their civilization, but every inducement is held out to them, and every instruction given, to facilitate this great object, and to the extent of the means which are furnished.

3d. The agents entrusted with the execution of this benevolent scheme are separated by law, by their bond, and oath of office, from all interest in the affairs committed to their trust. They bond to the United States, with adequate security, in the sum of ten thousand dollars, for the faithful discharge of their trust, in properly accounting for all the items connected with their factorship, and confirm these legal obligations by the solemnity of an oath.

Thus the Indians are guarded, so far as guards can be constituted by legislation, from imposition; and the means of detection, should frauds be attempted, are provided by the regulations which demand quarter annual returns, in detail, by duplicate, one copy of which to be transmitted to the Treasury Department, the other to the Superintendent of Indian trade.

Such, in brief, are the outlines of the United States commercial intercourse with the Indian tribes. Its advantages “over such other kinds of intercourse as could be organized to take the place of it” may be thus summarily stated: First. In the disinterestedness which characterizes it, and the superior advantages which it holds out in the way of trade to the impoverished race for whose benefit it has been established, over any other system originating in plans of gain. Second. In the harmony which is the natural consequence of
such a system. Third. In the tranquillity and peace which are the
fruits of this harmony. Fourth. In the consequently easy access un-
der its benevolent operations to the confidence and friendship of the
Indians, and in the state of preparation which it secures for the intro-
duction of those intellectual and moral lessons which, in the presence
of any other system of commercial intercourse, it were useless to at-
tempt to enforce upon them.

And is it thought a thing incredible to impress an Indian with de-
signs of kindness, and get from him in return a corresponding at-
tachment and fidelity? It cannot be admitted as a just view of the
Indian character and manners to pronounce upon his treachery and
cruelty as the characteristics of his moral constitution. These wiley
acts are rather the results of his best conceptions of defence, and of
preserving himself from the treachery which is practised upon him;
and the displays of his vengeance are but the ebullitions of a provok-
ed temper. We see the Indian goaded into desperation by injustice
and fraud, and we infer that he can never become the master of his
passions, or a subject over whom the milder virtues can have any
control. As well might it be thought by him who never saw the ocean
except when lashed by the storm into billows and foam, that it was
incapable of rest.

But I have omitted to remark that the advantages which the United
States intercourse has been stated to possess over other kinds, can-
not be qualified by the objection which is so frequently made against
it. This objection is, that the government is depriving its citizens
of advantages which they could derive from the fur trade by the part
which it takes in its prosecution. But, admitting this to be reason
good enough to authorize a surrender of the Indians into the hands of
the trading parts of our community, yet it can have no application to
the trade in question, unless indeed it could be shewn that the go-

ternment, by receiving the furs and peltries from the Indians, de-
prived its citizens from participating in the buying and selling of
those articles. But this does not happen to be the case. A compa-

ratively small portion, it is true, of the furs and peltries which are
taken and disposed of by our Indians, are thrown into our markets by
the government sales, but all that come into the government posses-


sion are thus disposed of; and were the means adequate to embrace
the entire trade, and should a law of exclusion be enacted to keep out
every trader save those in the employ of the government, the same
disposition would be made of them. They would then, as now, be
thrown into our markets for the use of the manufacturer and mer-
chant. The controversy is one, therefore, which resolves itself into a
single point, and that embraces a struggle on the part of those who
 clamor for the abolition of the government system to hold personal in-
tercourse with the Indians: and wherefore? For the reason, doubtless,
that the Indians being incompetent to measure skill and cunning
with them, they can command, of course, these articles for trifles.
But can this be considered a sufficient reason for the abolition of a
system which, whilst it receives with one hand, on fair terms, what-
ever articles the Indians may have collected for barter, gives them out
with the other to those who are interested as dealers? Or does it not rather bring the subject to its fairest illustration, and require it to be determined whether it is more consistent with the principles which distinguish our government, to place the Indians in a relation so unequal, and in which they must be necessarily subject to such imposition and suffering, or to occupy an intermediate place itself between them and the traders, and thus save them from those consequences?

If, in the wisdom of Congress, it be thought best to continue the two kinds of intercourse which now obtain, (viz. that carried on by the government and that conducted by individuals under the licence system) the regulations which I respectfully submit are the following:

First. To deny the privilege to trade with the Indians to all persons whomsoever, except from points located, and built upon for the purpose, to be previously approved by the President of the United States; and then only, on a licence to be issued by the President of the United States, to be renewed annually, for which two hundred dollars shall be paid; a bond should be required in the penal sum of ten thousand dollars, obliging the trader to conform, in all respects, to the laws and regulations which may be from time to time adopted for the regulation of Indian trade.

Second. The licence-money to constitute a fund, to be employed, under the direction of the President of the United States, in the civilization and improvement of the Indians.

Third. An obligation should be enforced on all persons thus licenced, to make quarter annual returns, on oath, to the officer in charge of the Indian relations, of the amount and kinds of articles sold; at what prices, and of the kinds received, and the profits realized. Spirituous liquors should be excluded under the severest penalties. These regulations for the government of the licence system would doubtless lessen some of the evils which prevail under it, in its present state. A reimbursement to the trade fund of the $63,369 61, embraced in the three items on the abstract, under its first division, marked A, B, and C, which may be, very fairly said to be due to it by the government, would enable this office to multiply its establishments, and thus extend the advantages which its policy implies, to several tribes who could be now benefitted by this extension. It is essential to the advantageous operations of the United States intercourse, that the period of its extension be made to embrace more than a year at a time; as out of this arrangement, which has obtained for the last three or four years, considerable relaxation has resulted, on account of the doubts which it implied as to the continuance of the system; and which, being circulated through the Indian country, has led many of the tribes to seek for the only resort which they supposed to be left, and make their exchanges in the best way they could with the private traders. Many instructions also which it was found necessary from time to time to give, some of them implying an expenditure of money, in repairs, &c. have been from time to time suspended, lest the system should cease by its limitation, and the progress of the orders arrested, and the costs be therefore lost, before the in-
structutions could be complied with. The great distance of some of
the points with which the intercourse is carried on by this office, unit-
ed with other causes, often consume a considerable part of the year,
before an exchange of correspondence can be realized.
The restoring the capital which may be considered as properly
due to the fund by the government, amounting to the sum stated, and
fixing the period for the continuance of the system, to embrace not
less than three years, five would be better, would include what ap-
ppears to me all the necessary helps. But, should the Congress deter-
mine that the government shall occupy the place between the Indians
and the traders, "more effectually to guard the former from the spe-
culations of the unprincipled, and insure justice to them," then a capi-
tal will be required to take the place of that which would be with-
drawn under such a regulation. A capital of half a million of dollars,
under this arrangement, would not be more than could be employ-
ed, beneficially to the Indians, and advantageously to the manufac-
turers and merchants of the country. Out of a trade, thus enlarged,
reasonable advances might be added to the present limits, which,
if so directed, would constitute a fund for the improvement of those
out of whose toils it had been extracted. And to what could profits,
thus realized, I respectfully ask, be more legitimately or humanely
applied? Is it objected against this suggestion that the capital is too
large an allotment of the public money for such an object? This may
lose some of its weight, perhaps, when it is recollected that all the
charges which can be brought together, as expenditures on Indian
account, including the present capital employed in the trade with
them, bring the costs of the territory which has been acquired of them
since the formation of our government to about two cents an acre!
And it may not be considered an irrelevant estimate in this view of
the subject, nor too large a one, to put down half a million of dollars,
as the cost of the preparations which the United States may have to
make, to enforce submission to laws, which, in the present state of
Indian improvement, it is impossible for them to comprehend, before
this unfortunate race shall have become extinct. Nor is the waste of
life, which must continue to be deplored, whilst the Indian is left to
adhere to his present habits, unworthy of an estimate in this ac-
count.
The trade carried on by the government, by what is called "The
American Fur Company," and by individuals, make up our com-
mmercial relations with the Indians, except, indeed, that the lines are
occasionally crossed by the American Indians on the one side, and
the Canadian traders on the other, very much to the injury of our
relations, political as well as commercial, with the tribes included in
this kind of intercourse.
Our political relations are entrusted to agents, whose duty it is
made to reside in the Indian settlements, and discharge the treaty
stipulations on the part of the government, by delivering over to the
tribes to whom they are due, their respective annuities; and these
agents are also the organs of communication between the authorities
of the United States and the Indians. They are not connected, in any manner, with the factory system. Nor has the Superintendent of Indian Trade any intercourse with them, except so far as he may be directed by the War Department, under the provisions of the act of 1811, to forward the supplies stipulated for by treaty, or presents, whenever these are to be made.

To the commercial and political, may be added our moral relations. These are supported by an annual appropriation by the Congress, of ten thousand dollars; which is applied, under the direction of the President of the United States, for the intellectual and moral improvement of the Indians, so far as this sum can be made to embrace it. Its application has been entrusted to benevolent associations of citizens, who superadd, I should judge, three times this amount, annually, from their own voluntary contributions; all which, however, falls short of the demand which exists for a participation in this noble bounty.

But, notwithstanding the frame work of all this contrivance of commerce, and politics, and morals, which it should seem contained within it every accommodation for the comfort and improvement of those over whom it has been placed, yet there are evils existing in some of these which require to be remedied, and new regulations to be made, before the most efficient of them can work out their appropriate results.

First, as I have endeavored to illustrate, our commercial relations as they now exist, have their blessings overbalanced by their curses. For the want of a controlling power over the licentious, they riot in every sort of enormity which human depravity can contrive, and the Indians are the perpetual victims of their speculations and frauds; poverty and wretchedness follow in their train, and war and bloodshed crown the whole. I have had the honor to suggest what, in my opinion, constitutes the remedy: it is to be found only in some such regulations as I have suggested for the government of the private traders; or, in their entire exclusion from any participation in the traffic, so far as this relates to a personal intercourse with the Indians; and if this be adopted, in the addition of the adequate capital to enable the government to supply the wants of its entire Indian population. Or, if the two-fold system of public and private intercourse be continued, it is considered essential that some other regulations than those which now obtain, be adopted for the government of the private intercourse; that the term of the United States intercourse be continued beyond twelve months, and important that the fund be reimbursed in the sum of $68,369 61.

The political agencies have great power over the councils, and acts, of the Indians, especially in all matters that have relation to their accountability to the power of the United States. Most of the tribes with whom we have any direct intercourse, are now sensible of the disparity of their force, and in proportion to their estimation of their comparative weakness, do they submit to the restraints which it may be thought proper to impose. But these agencies are not respected
in their interference with the policy of the Indians for settling matters of difference among themselves. Hence, however strongly they may appeal to them in illustrating the impolicy of their wars with one another, and express the solicitude of their Father, the President of the United States, that they would settle their disputes by appeals to less bloody means, they will, nevertheless, in the general, have their own way, and settle their matters of difference by an appeal to arms.

It is respectfully recommended that, to save these unfortunate people from the calamity of such appeals, the President of the United States be authorized to employ the military to enforce an observance of his fatherly councils. Our Indians stand pretty much in the relation to the government as do our children to us. They are equally dependant, and need not unfrequently the exercise of parental authority to detach them from those ways which might involve both their peace and their lives. It would not be considered just for our children to be let alone to settle their quarrels in their own way; but rather that superior power be interposed for the adjustment of their differences for them. This authority given by the Congress, it is presumed that little more than an array of power would be necessary; so that no blood would be shed upon the one hand, whilst much of it would be spared on the other.

Those agents, honorable as they are presumed to be, and highly as some of them who are known to me deserve to be respected, yet their calling should be confined, under severe penalties, and by the strongest moral restraints, to its legitimate object. They should not be permitted to trade, directly nor indirectly, nor transact business of any description except on the public account. And it should be made their duty to counsel the Indians to receive for their annuities those articles which are most needful, and on no account to countenance them in stipulating for a payment of them in specie. Nothing impoverishes the Indians so much as cash annuities. The specie is seldom seen by them after its first appearance on their annuity grounds; and on awaking from their intoxication, which it is taken care by the interested to steep them, they wreak an indiscriminate vengeance on such as may chance to fall in their way.

The strifes occasioned by the confusion in which their commercial relations are involved, being allayed by a system which shall be free from them; their wars among themselves restrained, and the full exercise of disinterested agencies established, it were no difficult matter to realize the hopes of the most sanguine in whatever relates to their improvement and civilization. This remark is intended to apply to the young, and not to any considerable extent to the adult Indians. The experiment has been made. It is no longer a matter of speculation and theory. And it may not be considered as unworthy of remark, that the tribe, viz: the Cherokees, among whom such extraordinary advances in civilization and christianity have been made, are freer than any others from the vexations and demoralizing intercourse of trade. There seems to be a mutual dependence in those relations which I have referred to for the production of what seems
to be, at last, so almost universally desired, viz: the security and preservation, and improvement of the Indians. Trade properly regulated, and a well adjusted political intercourse, are essential; and without these, all attempts to save the generations to come, of our Indian population, it is humbly conceived will prove useless. But these properly, and in reference to their extent, adequately adjusted, the present plan, as recognized by the President of the United States for the introduction of letters, and the arts, and morals, will, if the latter also be made co-extensive with the numbers to be benefitted by it, tend more effectually to “preserve peace with the Indians, tribe with tribe, and between them and our civilized border population,” than any other means, it is not unreasonable to believe, which it is in the power of the government to apply. Nor will such a policy, properly regulated, stop, after it shall have accomplished the peace of the Indians, tribe with tribe, and secured our border population from the consequences of bloody and frequent irruptions into their settlements; but, under its influence, the best hopes of humanity may reasonably be expected to be realized, by the introduction of the rising generation of the children of our Indians into the blessings of the civilized state.

All which is respectfully submitted.

THOMAS L. M’KENNEY,
Superintendent Indian Trade.

The Hon. HENRY JOHNSON,
Chairman of the Committee on Indian Affairs,
United States Senate.
STATEMENT of the number of United States' Trading Posts, now in operation amongst the Indians, with their locations, viz:

No. 1. Prairie du Chien, on the Upper Mississippi at the mouth of Guinicon river.
No. 2. Fort Edward, on the Upper Mississippi at the mouth of Lemoine river.
No. 3. Osage, at fort Clark, on the Missouri near the mouth of Osage river.
No. 4. Branch of dolito, on the Missouri above the Grand Bar.
No. 5. Green Bay, on the Green Bay of Lake Michigan.
No. 6. Chicago, south end of Lake Michigan.
No. 7. Arkansas, at the Spadic Bayou of Arkansas.
No. 9. Chautauqua, on the Tombigby river, near old fort Confederation, Alabama.

* Ordered to be discontinued and removed under one to the River St. Peter.

STATEMENT showing the amount of the several appropriations for carrying on trade and intercourse with the Indian tribes, viz:

| Act of Congress of April 16th, 1796, $150,000. Renewed by act of 30th April, 1802; and renewed by act of 21st April, 1806, when the fund was increased to | $85,000 00 |
| | $70,000 00 |
| (A) Deduct this sum, not drawn from the Treasury, absorbed in the surplus fund | $200,000 00 |
| (B) Deduct this sum for property in part destroyed, during the late war, by the enemy, at Mackinac, Chicago, Detroit, Sandusky, and Lening, and in part disposed of by the United States commanders in presents, &c. to the Indians, 45,580 61 |
| (C) Deduct this sum for debts due from the Creek Indians, assumed by the United States, as per treaty of fort Wilkinson, | 10,000 00 |
| Balance of capital, | $265,690 39 |

STATEMENT showing the value, according to the last returns, which are made up to the 30th September last, of the property, &c. then on hand, at the original cost prices of the articles.

| Amount of merchandise in the stores of the Superintendent of Indian Trade | $50,459 33 |
| | 12,500 00 |
| | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of property on hand at the several Factories, as per their inventories. | 5,483 00 |
| Prairie du Chien | 7,744 94 |
| Fort Edward | 6,459 11 |
| Fort Osage | 63,678 25 |
| Prairie du Chien | 10,100 00 |
| | 12,500 00 |
| | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of property on hand at the several Factories, as per their inventories. | 5,483 00 |
| Prairie du Chien | 7,744 94 |
| Fort Edward | 6,459 11 |
| Fort Osage | 63,678 25 |
| Prairie du Chien | 10,100 00 |
| | 12,500 00 |
| | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of merchandise in the hands of transport agent at St. Louis | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of merchandise in the hands of the several Factories, as per their inventories. | 5,483 00 |
| Prairie du Chien | 7,744 94 |
| Fort Edward | 6,459 11 |
| Fort Osage | 63,678 25 |
| Prairie du Chien | 10,100 00 |
| | 12,500 00 |
| | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of property on hand at the several Factories, as per their inventories. | 5,483 00 |
| Prairie du Chien | 7,744 94 |
| Fort Edward | 6,459 11 |
| Fort Osage | 63,678 25 |
| Prairie du Chien | 10,100 00 |
| | 12,500 00 |
| | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |
| Amount of merchandise on the way to the Factories | 5,483 00 |
| | 7,744 94 |
| | 6,459 11 |
| | 63,678 25 |
| | 10,100 00 |
| Cash on hand | $50,459 33 |
| Bills receivable | 12,500 00 |

The above statement shows a gain, less of $15,533 07 than what was reported for the year 1816. This arises from the following causes: First. The disposition which it has been judged proper to make, of things and rates of the merchandise purchased during the last war; and which, though the best that could then be had, was not suited to the wants of the Indians, and especially in times when other kinds can be obtained. Second. The decrease of business, referred to in the accompanying report, arising out of the uncertainty of the continuance of the war. Third. By loss in the Mississippi and in Mobile Bay, by the sinking of boats, by killing the profits realized on sales made subsequent to the 30th September last, (the period at which this statement is made up), the gain, according to the report of 1816, would stand now at about what it did then. Fluctuations in such an intercourse, dealing only as is essential to do, in perishable articles, which cannot be kept for better markets, is one of the characteristics of the trade. It one year more and another less, depending always upon the markets for those articles taken in barter with the Indians.