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Montana Indian War claims. Letter from the Secretary of War, transmitting a report upon the Montana Indian War claims of 1867.

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MONTANA INDIAN WAR CLAIMS.

LETTER

FROM

THE SECRETARY OF WAR,

TRANSMITTING

A report upon the Montana Indian war claims of 1867.

FEBRUARY 4, 1871.—Referred to the Committee on Military Affairs and ordered to be printed.

WAR DEPARTMENT, FEBRUARY 4, 1871.

The Secretary of War has the honor to submit to the House of Representatives the accompanying report of Inspector General James A. Hardie, United States Army, upon the Montana Indian war claims of 1867, an investigation into the said claims having been undertaken by the War Department in obedience to the requirements of section 10 of the act of Congress of July 15, 1870. It will be seen upon reference to the report that the claims amount to $980,313 11, but that the searching inquiry pursued by the officer charged with their investigation has induced him to report to the Department that an appropriation of $513,343 will discharge, upon just and equitable terms, all the obligations which the United States, by the act above cited, have been pleased to assume. Upon careful consideration the views of the investigating officer are sustained by the Secretary of War.

The investigation into the general subject of these claims being now concluded, and the result reported, an examination is now progressing with a view to ascertain what persons are equitably entitled to relief and what particular sums should be paid to the various claimants, and though some delay will necessarily attend upon this branch of the investigation, a report will in due time be prepared and submitted to Congress, or to the executive authorities empowered to settle the claims, as circumstances may then require. Meantime it is believed that the report now presented contains all the information necessary to an ascertaining of the amount to be appropriated in liquidation of the expenses incurred by the Territory of Montana in calling out its militia forces in the year 1867.

WM. W. BELKNAP,
Secretary of War.
MONTANA INDIAN WAR CLAIMS.

HEADQUARTERS MILITARY DIVISION OF THE MISSOURI,
INSPECTOR GENERAL’S OFFICE,
Chicago, January 30, 1871.

SIR: In the month of September last I received at my station in this city the following order from the War Department:

WAR DEPARTMENT, ADJUTANT GENERAL’S OFFICE,
Washington, D. C., August 31, 1870.

SIR: I am directed by the Secretary of War to inclose herewith certain papers relating to the claims of sundry persons against the United States on account of supplies alleged to have been furnished to the volunteer forces called into service by the territorial authorities of Montana, for the suppression of Indian hostilities, in the year 1867, and to invite your attention to the tenth section of an act of Congress making appropriations for sundry civil expenses of the Government, and for other purposes, approved July 15, 1870, and published in General Orders No. 108, current series, from this office.

It is the desire of the Department that the inspector general serving at the headquarters of the Military Division of the Missouri be instructed to proceed to Helena, and such other points in Montana Territory, or elsewhere as may be necessary, for the purpose of examining into all claims for arms and supplies furnished, or alleged to have been furnished, to or for the volunteer troops or territorial militia of Montana in the year 1867, when called into service by the officers of the Territory. The officer thus selected for the duty referred to will be directed to make a full report of his investigation to this office as soon as practicable, setting forth particularly the names of all parties equitably entitled to compensation and the amounts justly due in each case, taking into consideration the quantity and quality of the supplies actually furnished, and the prevailing scale of prices for such articles at the time they were furnished. He will also be required to report what disposition was made of the property purchased and received by the military officers of the Territory, and to furnish such other information as may aid the Department to a full understanding of the facts and merits concerned.

It is to be observed that no provision is made by the law cited for an ascertainment or allowance of any claims for personal service.

I am, very respectfully, your obedient servant,

E. D. TOWNSEND,
Adjutant General.

HEADQUARTERS MILITARY DIVISION OF THE MISSOURI,
Chicago, Illinois.

SIR: Official copy respectfully furnished Colonel James A. Hardie, inspector general Military Division of the Missouri, by command of General Sheridan.

GEORGE L. HARTSUFF,
Assistant Adjutant General.

Accompanying these instructions were copies of an act of Congress of July 15, 1870, directing an investigation into the subject-matter of this report, and of a report of the Senate Committee on Territories, dated on the 9th day of February last. The text of these papers is as follows:

[PUBLIC, No. 183.]

Act making appropriations for sundry civil expenses of the Government, and for other purposes.

[Extract.]

SECTION 10. That the Secretary of War be, and he is hereby, authorized and required to ascertain, or cause to be ascertained, the amount of expense necessarily incurred by the territorial authorities of Montana for arms and supplies of the volunteer forces called out to suppress Indian hostilities in the Territory of Montana in the year 1867, and report to Congress at the next session the names of persons entitled to relief, together with a statement of the facts and sums upon which such report may be based. Approved July 15, 1870.

Report of the Committee on Territories of the Senate, February 9, 1870.

The Committee on Territories having had under consideration the bill to provide for
"the settlement and payment of expenses incurred by the territorial authorities of Montana, for troops during the year 1867," submit the following report:

It appears from the papers and the evidence of Colonel Lewis taken in this case, that in May, 1867, the authorities and people of Montana generally became greatly alarmed from an apprehension that they were about to be attacked by hostile Indians.

General Sherman, in his reply to a call from the War Department for information upon the subject of this claim, says that the governor and civil authorities of Montana became stampeded, and made such reports that Major Lewis was sent there by General Augur to inquire into the condition of affairs generally, and to judge of the necessity for troops either to be sent there or mustered in as volunteers for a limited period.

Arriving in Montana he found that Acting Governor Meagher had already issued his proclamation ordering out troops, and was then organizing and sending them into the field, and had entered into contracts for supplies.

The testimony in the case seems to disclose the fact that the civil authorities, under the inspiration of a sort of panic, acted hastily and injudiciously. The only ground for the panic proves to have been the killing by the Indians of a man named Bozeman, and wounding another, some one hundred and sixty miles from the principal settlements. Speaking of this affair, General Sherman, in his annual report for October 1, 1867, says:

"The Secretary authorized me, under advice of extreme caution, to call out volunteers for the emergency if the regular troops were inadequate. Under date of May 14, 1867, I telegraphed to Acting Governor Meagher, that reinforcements were coming as fast as possible, but if the danger was as great as he had represented, to 'call out in your interest the people and clear the way;' adding, 'there is no law authorizing the enrolling of troops in a Territory subject to the governor; but you should meet the emergency without a formal organization and muster into service of the United States, confining yourself to self-protection.' Governor Meagher had already called out volunteers, and subsequently asked me for arms and equipments, and to be mustered in. This I emphatically refused in a dispatch of the 9th of May, but instructed General Augur to order from his nearest post, viz, Salt Lake City, a discreet officer, to go to Virginia City, Montana, and to judge of the necessity of a call for volunteers. General Augur dispatched that most judicious officer, Major and Brevet Lieutenant Colonel William H. Lewis, Thirty-sixth Infantry, who reached Virginia City about May 19, 1867, and, after remaining there a month, confirmed me in the belief that Gallatin Valley had not been invaded by hostile Indians at all; but that the murder of a Mr. Bozeman, more than sixty miles beyond Gallatin, in the direction of Port C. F. Smith, was the only real act of hostility that he could hear of that had been committed in that quarter. I then recalled Brevet Lieutenant Colonel Lewis, and left the whole matter to General Terry, in whose department Montana was, and who was then known to be on route for that Territory. For the further consideration of this matter, I refer to General Terry's report herewith, and only allude to it here to show that the United States are not in any measure responsible for the call for volunteers in Montana, which Acting Governor Meagher made, in spite of the decision to the contrary by the right­ful Department of Government; and because I also learn that since the arrival there of Governor Green Clay Smith, he also has retained in service these volunteers, and has also brought about a conflict with the Crows and other Indians outside of the settled limits of the Territory, when he know that the Government desired very much to retain peaceful relations between them."

On being informed of the supposed imminency of Indian hostilities in Montana Territory, General Sherman, then at St. Louis, sent to General Augur, then stationed at Omaha, the following telegraphic dispatch:

"ST. LOUIS, MISSOURI, May 24, 1867.

"Colonel W. H. Lewis, Virginia City, Montana Territory:

"Muster in a battalion of eight hundred men at once, at the cost of the United States, for three months. Equip them as best you can till the arms en route reach Fort Benton. Move quickly to the threatened point, when the danger will either disappear or be removed. Let the men furnish their own horses and arms at forty cents per day, and be rationed by contract. When the service is rendered I will order payment by the regular paymaster.

"W. T. SHERMAN, "Lieutenant General, Commanding.""

It is plain that this telegraphic order, although positive in its terms, was merely intended as provisional, and not to be carried out unless the officer charged with its execution should be of opinion that there was an emergency requiring its execution. General Augur, it seems, placed it in the hands of Colonel Lewis, whom he dispatched to Virginia City, with such instructions as are above set forth in General Sherman's
annual report, which required him, before raising troops, to satisfy himself of the actual danger of Indian hostilities.

In his note to the Adjutant General, of November 14, 1867, General Sherman says:

"I have the honor to acknowledge the receipt of the communication of A. Sands, dated New York, October 28, 1867, asking whether the United States Government recognizes comissary and quartermaster's vouchers, for supplies obtained for the Montana Territory militia, referred by you for report, and to state in reply that the troops mustered into service in Montana by Acting Governor Meagher were not in the service of the United States.

He had no authority from me, but such authority was emphatically withheld. There were no so-called troops were never mustered into the service of the United States, and no department of the Government is liable for the debts created, or the vouchers issued. The subject is covered in my annual report of the 1st of October.

"I am, sir, very respectfully, your obedient servant,

W. T. SHERMAN,

Lieutenant General, Commanding."

Colonel Lewis testified before the committee as follows:

"I was directed by General Augur, in command of the Department of the Platte under General Sherman, to proceed to Montana and inquire into the condition of affairs there, and in case of necessity to must in volunteers. In pursuance of these orders I proceeded to Montana Territory.

"Question. There is among the papers of this case a telegram purporting to be a dispatch sent to you by General Sherman, under date of May 24, 1867. I ask you to look at that dispatch and say if you recognize it as a copy of a dispatch received by you from General Sherman, and if so state, if anything, what you did subsequently to the receipt of that dispatch.

"Answer. I received a dispatch of that purport dated May 24, as well as I recollect, authorizing me to raise a battalion of eight hundred volunteers, if necessary; to furnish themselves with horses and arms at a cost to the Government of forty cents a day. I replied to the dispatch that I could not raise men on those terms; that they would not consent to furnish horses and arms at forty cents a day.

"Question. State whether you made any report to General Sherman or General Augur in which you indicated the necessity for the presence of troops there.

"Answer. I did. I reported that I believed troops should be mustered in, and it was my intention to muster in a battalion of not to exceed four hundred men. That report was based upon the fact that I had received information, before I reached there, that an Indian campaign was to take place by troops going north from Platte River. I believed they would force the Indians into Gallatin Valley, and that troops would be necessary to protect the settlers in that valley. The event proved that no such raid was made. I had information, however, that such a raid was to be made, and believing the effect would be as I stated, I reported that troops would be necessary.

"Question. Where did you receive the dispatch of General Sherman referred to?

"Answer. At Virginia City, and I answered it from that point. Several dispatches passed between General Sherman, General Augur, and myself. I recommended that in case no volunteers were accepted, the regular forces which were then at the mouth of Judith River, on the Missouri, should be moved up into Gallatin Valley. General Sherman replied that the troops I referred to could not be spared at that time; that they were wanted to protect the river road, but that I might communicate with Major Clinton, in command of the troops named, and if, in his opinion, any portion of them could be spared, he had authority to forward them. I wrote to Major Clinton to that effect. I did not receive any answer to my communication while I was at Virginia City. I subsequently got the answer, after I reached Salt Lake City, stating that he could not spare any troops. Finally, I received a telegram from General Sherman asking me what depredations actually had been committed. I could not learn, at that time, that more than one murder had been committed. I learned that a man by the name of Bozeman, who, with another man, was coming from Fort C. F. Smith to Gallatin Valley, was attacked by the Indians; Bozeman was killed and the other man wounded. General Sherman then replied that if there were no other actual depredations, he did not think it was necessary to send troops, and as that was the only murder I knew having been committed at the time, and the only depredation I was aware of the Indians having committed there, I returned to my post and did not muster in any troops.

"Question. State whether your failure to muster in troops was not in consequence of the dispatch received by you from General Sherman?

"Answer. Yes; I should have mustered in a battalion of not to exceed four hundred men but for that dispatch. As before stated, I believed there was to be an Indian campaign which would drive the Indians out of Platte Valley, and that they would overrun Gallatin Valley, rendering a force there necessary for the protection of the settlers.
"Question. Did you have any conference with the territorial authorities as to what you had done?

"Answer. I did; I communicated to Governor Meagher what was done; before I arrived there Governor Meagher had called out troops and sent them to the mountain passes toward the Yellowstone.

"Question. At the time you left Montana and returned to Salt Lake City, did you communicate to the territorial authorities any disapproval of what they had done?

"Answer. I was not called upon to approve or disapprove anything they had done. I had nothing to do with the territorial authorities, or what they had done."

It appears, then, that none of the troops in question were ever mustered into the service of the United States, and that in reality there was no necessity whatever for calling them out. A single homicide had been committed, or is supposed to have been committed, by the Indians upon a man by the name of Bozeman, whose companion was also wounded by them. Whether these persons gave any provocation for their violence seems entirely unknown; there is no proof whatever before the committee of any of the surrounding circumstances. Nor does it appear that the governor of Montana, or any of its constituted authorities, made any inquiry into the circumstances of this alleged murder, or any effort to ascertain how far the Indian tribe to which the suspected murderer or murderers belonged sympathized in the act, or whether they were preparing for war, or were intending any further violence. For aught we know, or for aught they seemed to have known, the homicide may have been the result of provocation or insult, or some sudden excitement which, often in more civilized regions, leads to such sad results.

And your committee submit that, without evidence of the reality and magnitude of the danger, (evidence satisfactory to men of ordinary prudence or self-command,) it would be setting an unsafe precedent in regard to territorial governments to recognize the liability of the United States for such military services. Doubtless the Government is, as a general rule, bound to protect the people of a Territory from Indian hostilities. But in the present case there were none worthy of the name, and no reasonable occasion for calling out the militia of Montana. The constituted authorities were bound to make a careful inquiry as to the necessity of so important a step. It might easily have led to an extensive and costly Indian war, involving the loss of thousands of lives and millions of treasure. Instead of performing this obvious duty, they seem, in the language of General Sherman, to have been "stampeded"—frightened out of their propriety—when by a moment of self-possessed and calm inquiry, that could have harmed no one, the panic would have been quieted, and the occasion for troops would have vanished from their imagination.

The committee do not refer to the services of the men called out by the territorial authorities, but only to the expense of arms and supplies. These seem to have been furnished by persons in good faith, and without knowledge of the want of authority to call out the militia, and the committee recommend compensation for them.

They think it would not be doing exact equity to such persons to withhold from them a reasonable indemnity for property thus furnished under what they undoubtedly presumed to be competent authority.

They therefore herewith present a bill for that purpose.

With these instructions were copies of the correspondence between the Secretary of War, Lieutenant General Sherman, and the territorial authorities referred to in the Senate report, and other papers, being chiefly letters of inquiry from claimants or holders of vouchers seeking payment of the claims, and reiterated reports from various Bureaus of the War Department disclaiming any knowledge of Government responsibility for the indebtedness incurred by the territorial authorities, and alleging the absence of authority or means to settle the claims, if any such responsibility existed. There were also sundry reports of interest from military officers on the spot relating to these transactions. Vouchers only to a trifling amount, however, were among these papers, claimants generally having retained them.

Upon due examination and consideration of the instructions, the law, and the congressional report referred to, and upon learning that the probably material papers on which the congressional action taken was grounded could not be obtained till the assembling of Congress, I determined to proceed to Montana and there pursue the investigation intrusted to me by the War Department.

It is, perhaps, proper to state here that I from the first assumed that
the questions of the necessity of calling out the troops, and of the authority for so doing, were not within the scope of my inquiry, and any information on those points gained or furnished by me is but incidental and illustrative of the main questions herein discussed, especially the question of recognizing as strictly valid certain contracts which it has been alleged are entitled to settlement according to the law of contracts, rather than upon the equitable basis adopted for the ordinary class of claims.

I would also state that I did not regard my instructions, or the law and the congressional report, as designed to exclude, under the restrictive terms "personal services" and "supplies," those claims arising out of the services rendered by civilians employed to perform the necessary and usual duties and labors of the supply branches of the Army. These claims, using the term supplies in its broader sense, are believed to fall within the purview of the law, and, in any event, whatever arguments may be advanced in favor of the other claims are as fully applicable to this class. The teamsters, blacksmiths, and laborers employed by the territorial quartermasters and commissaries had as much reason for believing in the ample authority of those officers to employ them in the national service as the parties who accepted the vouchers of those officers for forage and provisions supplied to the militia force. But whether or not this view of the case shall be sustained by higher authority, there could be no doubt of the propriety of receiving such claims and examining into their merits upon the express understanding that such action did not commit the Government to their recognition and payment, as such a course might save the trouble and expenses of a future separate inquiry.

Arriving in Montana, I spent several weeks at different points making personal inquiry, frequently upon oath, into the general circumstances attendant upon the supplying of the troops called out; the manner in which the supplies were obtained; what resources and credit were at the command of the Territory to equip and maintain the troops by the purchase of the needed supplies; what amount of available supplies were on hand at the centers of trade to meet the sudden demand; what the current market rates were for such articles as were purchased, and what advance in prices to private purchasers took place as the result of the purchases on account of the militia; what constituted a fair difference between current cash rates and those based upon the contingency of payment by vouchers that could not be immediately converted into money without deduction; what the business character, extent of trade and furnishing capacity in capital, stock, and control of goods was, with respect to the various parties claiming to have furnished supplies; what quantities and qualities of supplies were actually furnished, as distinct from the quantities and prices exhibited in the vouchers and accounts; what amounts were actually issued to the troops, or used in good faith for public military purposes; what disposition was made of any not issued or used; what remained to be turned over to the United States upon assumption of the indebtedness by them; what kind and degree of responsibility was maintained by and between the territorial officers charged with the organization and maintenance of the troops in regard to purchasing, keeping, issuing, and supervising till final use or consumption, the supplies collected; and what particular persons had furnished supplies, and what amounts had been actually delivered by them to the territorial officers. Inquiry was likewise made into the organization of the staff departments and the militia force, and into the strength of the latter, taking the average for the whole period of service, as well
as the distance of the separate detachments from each other and from their bases of supply.

The foregoing information was partially obtained in Montana, Colorado, and Kansas, and partially here in Chicago, whence, with the approval of the War Department, I published the following notice in the leading journals throughout the country:


Sir: The examination of the Montana Indian war claims of 1837, under the provisions of a recent act of Congress, is now in progress at my office in this city. All parties interested in the same, who have not already appeared, are desired to present their claims or vouchers, with such proof in their support as they may have to submit, either in person or by attorney, without delay.

JAMES A. HARDIE, Inspector General United States Army.

The desired information, so far as I have obtained it, has been gleaned from sworn examinations and oral and written statements of the then staff officers who organized and supplied the troops, or rather such of them as I have succeeded in finding, or as have answered my summons; from civilians employed in the supply departments, or who had done work for those departments; from persons alleged to have furnished supplies, their business associates and employes; from other business men of good repute; from residents of Helena, Virginia City, and other points where troops were raised or stationed, supplies purchased or issued, or services rendered; from account and memorandum books kept by territorial officers, and such accounts, returns, and reports as were found, all of which are in my possession; from the books and papers of the claimants and other dealers; and from the newspaper prices current, as published at the time.

My investigation has been long, patient, and thorough, and I am thus particular in setting forth minutely, as just done, the extent of my inquiries and the sources of my information, in the hope of inspiring both the Department and the claimants with the belief that public and private interests have been impartially and fully regarded, and that the conclusions reached and the statements made are as just and reliable as is now practicable.

As the investigation progressed, I became convinced that the better course to pursue, with regard to the expected report, would be, first to ascertain, by a careful yet not exhaustive examination of each claim, what amount would be sufficient to pay all that could be proved, at fair rates, and report that sum in gross, accompanied by such a statement of facts as would show, irrespective of the parties furnishing them, what quantities and kinds of supplies were furnished; what would be a fair price, considering all special circumstances, for the average article of each kind of importance; what became of the property; what excessive issues were made to the troops, and how far they should be admitted; and other facts pertinent to the subject. It appeared to me that this would embrace all the material information required as a basis for an appropriation to settle the claims, and that after it was laid before Congress, I could, pending its consideration of the general report, proceed with more leisure (necessary, but not heretofore attainable) to examine into each claim, increasing or decreasing, perhaps, to some extent, my first determination of the quantities furnished, and allowing or rather advising the allowance of higher or lower prices than the general average, according as the supplies furnished are shown to have
been above or below the usual quality in particular instances, or according to the market standard of value at the time of purchase. Such deliberate reconsideration is especially desirable in connection with the claims for horses, forage, subsistence, clothing, arms, horse equipments, &c. Finding, upon inquiry, that my views were concurred in by the Department, I have proceeded to their execution.

On the 24th of April, 1867, the acting governor, (Meagher,) yielding to the mainly genuine but not well-founded alarm of the settlers, called for six hundred volunteers for three months' service in the Gallatin Valley and on the Yellowstone River, and appointed sundry recruiting officers to enlist and command the troops, and various staff officers to organize and supply the force. From this time to the early part of July, it is not certainly known, with the want of regular muster-rolls for that period and from the unreliability of the ration returns, how many men were actually in the service, but it is calculated that there were not more than eighty men at the end of April. During May there were probably 150, and from that time until the middle of July the number probably was about 250. During this period there were in service an average of fifty line and staff officers, among the upper grades of whom there was a disproportionate degree of rank. This number includes only those who performed the service. The acting-governor's call of the 24th of April is addressed to the patriotic feelings of the community, to arouse them to come to the relief of their brethren in the Gallatin Valley, seeing that the Federal authorities had not listened to their calls for help. Upon the spur of the moment volunteers came forward; but, as merchants and others, finding little prospect of payment by the Federal authorities, and knowing the Territory could not pay, were unwilling to furnish supplies in sufficient quantities, some who had enlisted became discouraged and left, and recruiting was slack under the discouragement. During the month of May, and especially toward its close, the correspondence between the governor, the Lieutenant General, and the War Department, officially described in the report of the Senate Committee on Territories, was assumed to exhibit the facts of the recognition on the part of the United States of the call for militia and of an engagement to pay the necessary expenses incurred therefor. As the community became satisfied that such was the case, those having supplies became less reluctant to sell. Some came forward and took large contracts, and others sold in considerable quantities to the purchasing departments, and recruiting became more brisk. About the middle of July Governor Green Clay Smith arrived at the capital, and thereupon reorganized the troops, giving them a regimental organization. At the end of July the numbers reported present and absent were 32 officers and 481 men; aggregate, 513.

As the term of service of these three months' volunteers was about expiring, the men manifested great anxiety to be reenlisted for a period to embrace the coming autumn and winter. The settlers had recovered from their alarm and naturally encouraged the plan, and the governor, apparently convinced that the troubles threatening the settlement of the Territory by Indian invasion had not been brought to a termination, issued a proclamation on the 31st of July, calling for the service of 800 men for six months from the 1st of August, and inviting the old force to reenlist. They did so, and at the end of August there were 32 officers and 499 men reported; an aggregate of 441. At the end of September there were 32 officers and 391 men; an aggregate of 433.

For the supply of this force enlarged preparations became necessary. The constant refusal of the department commander to recognize this
military force and the necessity for its existence, notwithstanding the
appeals of the governor, finally induced the latter to issue orders for its
disbandment in the latter part of September. The property on the
Yellowstone that could not be readily transported and that had not been
stolen or lost, was abandoned, and the companies were marched to Vir-
ginia City and Helena, and there mustered out early in October.

Major Lewis, the regular officer sent by
the military commander to
Montana to inquire into the necessity for volunteers and to muster
them into the United States service, if needed, made what seems to have
been a careful estimate of the cost of equipping and supporting a bat-
talion of 400 troops for six months, and placed the amount at about
$414,000; but his estimates were admittedly liberal, so as to insure the
covering of all possible expenses, and the number of men contemplated
by him were not in service for the time named. It would, I think, be
a liberal estimate to put the number of men, reduced to a six months'
term, at 250, and $258,750 would be a full estimate of their expense, if
the usual customs and economies of the Government service had been
observed. But there were no United States officers empowered or pres-
cent to supervise the organization and supplying of the troops, and the
territorial militia officers, even if they had the knowledge and experience,
had not the customary incentive of national officers to keep down the
expenses. It is but justice to the governor, however, to state that by
the issuance of suitable orders and instructions, similar to those pro-
nulgated in the United States service, efforts were made to impress
upon officers and men the propriety and necessity of an economical use
of the supplies, care for their preservation, and responsibility for the
return in good order of the horses, arms, and property at the end.

It is here fitting to remark that I have not regarded the terms of the
law which provide for an ascertainment of the expenses "necessarily
incurred," as intended to exclude from consideration and ultimate
settlement claims for supplies that are not embraced in the Army Reg-
ulations, and that perhaps were not actually necessary. Such a pro-
cedure would not, in my judgment, accord with the spirit and intent of
the law, which, interpreted in part by the report of the Senate Com-
mittee on Territories, is clearly designed to afford relief to all who fur-
nished supplies in good faith. Reasoning from the analogies of the case,
it was the duty of the territorial officers to decide upon what supplies
were necessary, and to see that no unnecessary expenses were incurred;
and, were the present question one of fixing the responsibility or set-
tling the accounts of those officers, I should feel little hesitation in ap-
plying the restrictive term of the law above quoted. But, as it is, it is
believed to be the duty of the examiner under the law to inquire into
and recognize all claims where supplies were furnished and services
rendered in good faith, and in a belief that the purchasing officers had
valid authority for their acts. Confidently expecting to be sustained by
the Department in this position, I refrain from further remark upon it.

A question here to be considered is the extent and relief to be afford-
ed to certain parties who entered into contracts for the furnishing of
supplies with the territorial authorities, and who now set up their good
faith, the widely prevalent belief in the authority of the officers with
whom they contracted, and the legal obligation of contracts, as reasons
why they should be paid according to the terms of their contracts,
irrespective of any question of fair market prices for the supplies they
delivered. I have not been able to perceive that these claimants are
entitled to stand in any better position than those from whom supplies
were bought in open market. The contracting officers, it is certain, had
no power to bind the United States in the manner alleged, nor is the National Government liable before the law, it is contended, for any expenses incurred in the calling out of these troops. The relief now to be extended is an act of grace on the part of the United States, a measure of equity only, and there seems to be no obligation to observe the letter of the law, when the spirit itself never existed. The reclamations of such contractors should be against the Territory of Montana, whose officers made the contracts.

The machinery employed in the procurement and issue of supplies consisted of a quartermaster and commissary general at the capital of the Territory, a purchasing quartermaster and commissary at Helena, the commercial center, and a quartermaster and a commissary with the troops in the field, to issue supplies, and purchase such needed articles as were obtainable in the vicinity of the camps. Vouchers were at first issued both by the quartermaster general at Virginia City and his assistant at Helena, for their respective purchases, but subsequently, to simplify accounts and enforce a better responsibility, the vouchers issued by the assistant were called in and replaced, as far as possible, by vouchers issued by the quartermaster general, who gave receipts to the assistant for the property, relieving him of responsibility, and concentrating it in himself. In a short time this quartermaster general was relieved of his commissary duties, and a separate commissary general appointed. Efforts were made to preserve an appearance of conformity to the military regulations concerning property and accounts, and considerable clerical labor was employed in this behalf, yet the accounts and returns are both insufficient and unreliable, and, for reasons to become apparent, it is to be regretted that any knowledge of the Army regulations was possessed by these officers, for it is probable that, had the case been otherwise, the accounts kept and vouchers issued, though informal, would have been much simpler and far more trustworthy in the way of representing facts.

The total amount of the claims under consideration is $980,313 11. Of the above, $777,781 13 was for purchases and expenses incurred by officers of the quartermaster's department, and $202,531 98 for purchases and expenses of the subsistence department. This includes claims for recruiting, mounting, arming, equipping, subsisting the troops, transporting supplies, rents, and other expenses incidental to organizing, setting in motion, maintaining, and disbanding a military force. Vouchers were issued for all but a few hundred dollars of these claims, and nearly all have been seen by myself. Of those not seen, some have been lost or destroyed by various casualties during the three years elapsing between their issue and this investigation; some have not been presented, through ignorance of the investigation, despite the pains taken to publish it all over the country, and some have been purposely withheld in expectation that the particular interests concerned in them would be carried along with those of the claimants who have gone to the trouble and expense of presenting their vouchers, or making their cases, without the necessity of exertion on their part. But as more or less have been from time to time received since the investigation commenced, there is a reasonable prospect that all in existence may yet come in.

There are various defects and irregularities in these vouchers which go to invalidate their right to be regarded as conclusive or even prima facie evidence of the transactions they profess to represent. The prices of nearly all are exceptionable; some set forth larger quantities of articles as sold than were actually delivered. Others purport to record trans-
actions that never took place at all; that is to say, no equivalent was rendered by the alleged creditor for the sum to be paid. The pretext will be stated further on. Some, again, attempt to create an indebtedness for articles or services recognized by the Army Regulations, which were not furnished in kind, other articles and kinds of services not embraced in the regulations being the real objects supplied. Not all these irregularities are necessarily fraudulent or fatal; for, as at the time of the supposed emergency, the Territory was not prepared to furnish, either from public stores or private trading establishments, the regular equipment or agencies of supply for a military force, the authorities were justified, if they had any justification to equip and organize a force at all, in equipping it with the best material, and supporting it by the readiest means at hand, till better could be provided, so long as no more than the lowest prices obtainable were paid. A desire to facilitate collection of the amounts from the United States by presenting accounts, such as the military bureaus are accustomed to receive and pay, and thus avoid inquiry into the necessity for unusual articles, suggests itself as the only reason why a person furnishing meals to a party of recruits should receive in payment a voucher for forage or fresh beef not really furnished. The case becomes different when cash was raised on vouchers for property never delivered, to reimburse expenditures alleged to have been made, of which there is no account beyond a few fugitive receipts for inconsiderable amounts, or when property of one denomination was paid for by a voucher for property of another; the former, though received, not being accounted for, and the latter accounted on the papers as being consumed in service, though never received. Some illustrations of these transactions which have been revealed by this examination will appear further on.

The following is a statement more in detail of the nature and value of the supplies and services charged:

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fuel</td>
<td>$3,660 00</td>
</tr>
<tr>
<td>Pine wood</td>
<td>$2,985 00</td>
</tr>
<tr>
<td>Bituminous coal</td>
<td>675 00</td>
</tr>
<tr>
<td>Forage</td>
<td>201,577 32</td>
</tr>
<tr>
<td>Barley</td>
<td>125,301 85</td>
</tr>
<tr>
<td>Oats</td>
<td>46,270 69</td>
</tr>
<tr>
<td>Hay</td>
<td>40,004 78</td>
</tr>
<tr>
<td>Stationery</td>
<td>7,122 43</td>
</tr>
<tr>
<td>Books, blanks, paper, and advertisements</td>
<td>101 00</td>
</tr>
<tr>
<td>Office furniture</td>
<td></td>
</tr>
<tr>
<td>Means of transportation</td>
<td>339,596 00</td>
</tr>
<tr>
<td>Horses</td>
<td>170,790 50</td>
</tr>
<tr>
<td>Mules</td>
<td>21,184 00</td>
</tr>
<tr>
<td>Wagons, harness, &amp;c</td>
<td>6,522 00</td>
</tr>
<tr>
<td>Hire of teams and pack animals</td>
<td>114,066 56</td>
</tr>
<tr>
<td>Transportation of supplies (ordnance) and ferriage</td>
<td>27,093 50</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td></td>
</tr>
<tr>
<td>Tools, equipage, &amp;c</td>
<td>29,021 56</td>
</tr>
<tr>
<td>Clothing</td>
<td>83,673 94</td>
</tr>
<tr>
<td>Arms, ammunition, &amp;c</td>
<td></td>
</tr>
<tr>
<td>Arms</td>
<td>13,242 50</td>
</tr>
<tr>
<td>Ammunition</td>
<td>5,158 39</td>
</tr>
<tr>
<td>Horse equipments and accouterments for troops</td>
<td>43,994 25</td>
</tr>
<tr>
<td>Building</td>
<td>62,395 14</td>
</tr>
<tr>
<td>For magazine</td>
<td>325 00</td>
</tr>
<tr>
<td>Subsistence stores</td>
<td>201,235 93</td>
</tr>
<tr>
<td>Medical stores</td>
<td>3,502 31</td>
</tr>
</tbody>
</table>
I now present an exhibit of the prices charged for the leading articles supplied, and contrast them with the current market rates for such articles as shown by the commercial quotations of the leading journals of the day in Montana, and other data obtained from reliable sources. The circulating medium in the Territory was gold dust, the value of which differed according to its quality, but as an average valuation it may be stated that one dollar in gold dust was worth from fifteen to twenty-five cents more than a legal-tender dollar. In the ensuing list the prices have been reduced to a greenback standard:

<table>
<thead>
<tr>
<th>Articles</th>
<th>Prices charged.</th>
<th>Prices at which the purchases could have been made.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood</td>
<td>$16 to $20</td>
<td>$6.25 to $7.50 per cord.</td>
</tr>
<tr>
<td>Hay</td>
<td>$45 to $65</td>
<td>$30 to $35 per ton.</td>
</tr>
<tr>
<td>Oats</td>
<td>14½ cents per pound</td>
<td>8 to 11 cents per pound.</td>
</tr>
<tr>
<td>barley</td>
<td>14½ cents per pound</td>
<td>8 to 11 cents per pound.</td>
</tr>
<tr>
<td>Horses</td>
<td>Average, $201</td>
<td>(General average of total, $80.</td>
</tr>
<tr>
<td>Mules</td>
<td>$300 to $350</td>
<td>40 per cent less.</td>
</tr>
<tr>
<td>Flour</td>
<td>18 to 19 cents per pound</td>
<td>10 to 12 cents per pound.</td>
</tr>
<tr>
<td>Beef</td>
<td>28 to 30 cents per pound</td>
<td>20 to 22 cents per pound.</td>
</tr>
<tr>
<td>Bacon</td>
<td>50 to 60 cents per pound</td>
<td>27 to 35 cents per pound.</td>
</tr>
<tr>
<td>Sugar</td>
<td>60 to 85 cents per pound</td>
<td>32 to 35 cents per pound.</td>
</tr>
<tr>
<td>Coffee</td>
<td>80 cents per pound</td>
<td>37½ to 44 cents per pound.</td>
</tr>
<tr>
<td>Tea</td>
<td>$2 to $4.50</td>
<td>$2.50 to $2.80 per pound.</td>
</tr>
<tr>
<td>Clothing</td>
<td>Overcharged from 25 to 40 per cent.</td>
<td></td>
</tr>
<tr>
<td>Arms</td>
<td>Overcharged from 30 to 40 per cent.</td>
<td></td>
</tr>
<tr>
<td>Saddles and equipment</td>
<td>Overcharged from 30 to 40 per cent.</td>
<td></td>
</tr>
<tr>
<td>Medicines</td>
<td>Overcharged from 40 to 60 per cent.</td>
<td></td>
</tr>
<tr>
<td>Hardware</td>
<td>Overcharged from 30 to 40 per cent.</td>
<td></td>
</tr>
</tbody>
</table>

The risk of lengthened delay in payments at a time when business was done on a cash basis, and the currency was gold, and when money was worth all the way up to 5 per cent. per month, is set up by merchants and others as sufficiently accounting for charges otherwise appearing extravagant. The distance of the Territory from its eastern sources of supply, the long and expensive lines of water and land transportation at that period, the railroad not then being finished beyond the limits of Nebraska, the limited amount of certain commodities in the Territory, whence it would happen a sudden and large demand would swell rates out of all proportion to their ordinary current, are all set up as accounting for, and, to a certain degree, not unfairly, the large prices set on almost everything furnished.

Using the ample knowledge obtained by me during this investigation, concerning the circumstances, the transactions, and the parties, I am induced to venture the statement that, after making suitable yet reasonable deductions from the several claims, on account of fictitious vouchers where no property of any kind was delivered, overstated deliveries without fraudulent collusion between parties, suspected transactions which
may fail of establishment to an extent justifying payment in full, and exorbitant charges, the sum of $513,343.10 will discharge all the equitable obligations that the United States has seen fit to assume, and an appropriation to that amount is recommended, though possibly a somewhat smaller sum may suffice in the end to pay, at fair and reasonable rates, for all supplies whose delivery, in good faith, to the territorial authorities for the use of the troops, is reasonably established.

The vouchers issued by the territorial officers being regarded as Government certificates of indebtedness for accounts liquidated by them and not subject to revision, were circulated throughout the Territory at the time and since, and, in fact, most of them have passed outside the Territory in settlement of various transactions and at various rates. Though the assignment and transfer of these vouchers do not appear to be illegal, their non-recognition by the United States, and the repudiation by the national authorities of the transactions they represent, deprive them of any value as prima facie evidence of any indebtedness of the Government to their holders; and the question arose as to the status of the original claimants and the present holders of the vouchers, with regard to the distribution of the sums to be paid. For the present, I have recognized holders as claimants, with a view of reporting their interests in the vouchers, so that the proper authorities may at the proper time pass upon their asserted right to receive upon the vouchers such sums as may be paid for the quantities delivered, or services rendered, at the equitable prices fixed by the examiner or other United States authorities.

The heavier items of expenditure are for means of transportation, (including horses for the troops, and hire of teams, &c.,) forage, subsistence, clothing, ordnance and ordnance stores, (including arms and ammunition,) horse equipments, &c., and hire of employes.

Means of transportation—horses.—The number of horses claimed to have been delivered was 848. These horses were used for mounting officers and men and civilian employes. I am satisfied that nearly all of them were delivered. The evidence as to the value of this stock is conflicting. Undoubtedly the market price for horses was enhanced by the prospect of a call for a considerable number of them; but the testimony collected discloses great variety in the quality of the stock and antagonistic estimates of its value. Some were good, well-broken American half-breed horses, but of these the number was not large; the remainder were Indian ponies of various grades and value, many of them being wild, unbroken, and unshod. Indeed the breaking of horses was the frequent cause of detention in mounting and sending forward recruits.

Most of the stock was bought at from $200 to $225, at currency rates, to be paid for in vouchers; and, at the close of the expedition, such as were left were appraised at $41 each to the men, and those that were sold did not bring $20 each, in gold. They were, of course, more or less worn down by campaigning, and the market was then naturally depressed. As it is necessary that some standard of value be fixed, it has been determined to deduce one in the light of all the evidence and information obtained on the subject. It is then desired to reach the probable value of the average horse of all the bands and individual animals purchased. It is left to individual claimants to prove the value of their particular stock in adjusting their claims.

The United States Quartermaster's Department purchased horses in Montana, that same season, for $120 each, and, being a favored customer, got a higher grade of the same classes of horses alleged to have
been furnished by claimants, that is, American half-breeds. This suggests the question, whether, as there was no prospect of immediate payment, the price allowed for the militia horses should not, at least, be equal to that paid by the United States. But it is undeniable that the territorial horses were far inferior, the inspection not being rigid like that of the Government, and that all sorts of animals were received, some indeed of insignificant value. The advertisement calling for the horses in fact indicates a lower grade of animals than the United States would receive. Taking the horses furnished as fairly ranging in real value from $40 to $120, $80 becomes the standard price. Multiplying this amount by the number of horses furnished, we get the total sum which the United States should justly pay on this account.

Hire of transportation.—Ten four-mule teams, fifty-five six-mule teams, five two-mule teams, two four-horse teams, two six-horse teams, and fifty pack mules, it appears were hired for various periods by the quartermaster’s department; the heavier teams continuously. This is an average of thirty-five six-mule teams and twenty pack mules, in constant use for five months, in addition to ninety-seven mules, nine wagons, equivalent to nine six-mule teams and forty-three pack mules, purchased for the use of the expedition.

In view of the fact that the number of officers and men was hardly in excess of five hundred at its highest limit, and that the number of civilians to be supplied was under seventy, and that the average for the whole period of service was not much over two hundred and fifty, of whom were not at what was called the front, the Yellowstone, it is difficult to avoid the conclusion that there was want of economy and of judgment in the employment for so continuous a length of time of so much of this class of material.

It is, however, to be said that had the command to be supplied been considerably larger, no additional means of transportation would have been required. The centers of supply, as we have seen, were Helena and Virginia City, distant from each other about one hundred and twenty miles. The principal settlement in the Gallatin Valley is the town of Bozeman, distant from Helena about one hundred miles, and from Virginia City about sixty miles. Bozeman was the point where the troops centered to protect the Gallatin Valley. The troops were stationed latterly on the Yellowstone, about thirty miles from Bozeman, to the east of the range of mountains, the passes through which to the Gallatin Valley they were ostensibly to defend. One company of troops was sent to the mouth of the Musselshell, in August, a distance of over two hundred miles from Helena. A detachment was sent with supplies from the Gallatin Valley to Fort C. F. Smith, a distance of over two hundred miles. Small scattering parties were frequently sent out; detachments were constantly passing to and from the camps on the Yellowstone; bodies of recruits were raised in the Salmon River country, in Idaho, and in various places in the Territory of Montana. Between the various points stated mountain ranges, or spurs, had to be crossed, and heavy loads frequently could not be taken. On the Yellowstone a fort was constructed, and several log buildings erected, and a stockade, requiring the use of considerable transportation in hauling logs. Thus there was much hauling and journeying of teams and stock; and so the demand for transportation service was considerably more than would appear at first sight to be necessary.

The rates of pay charged are deemed too high for a continued engagement, and in the settlement with individuals must be reduced. The means of transportation furnished by contractors and others were of a
good character, and there is but little reason to doubt that nearly all the
ammunition charged for was actually furnished. Of the amount charged
under this head, $24,725 76 is for transportation of the territorial quota
of small arms, artillery, and ammunition delivered to the Territory by
the General Government, from Sun River, near Fort Benton, to the
capital, a distance of somewhere near two hundred and twenty miles.
As this ordnance property had been delivered within the limits of the
Territory to a territorial agent, at the expense of the United States, it
is hardly considered just that the United States should be chargable
with after freight. Besides, the charge of sixteen cents per pound
freight is extravagant.

Forage.—Amount represented as having been purchased and deliv-
ered: 244,633 pounds of oats; 818,370 pounds of barley; 1,122,875
pounds of hay.

The evidence of deliveries of forage is less positive and reliable than
that with regard to most of the other supplies. No books or accounts
have been obtained from which deliveries from time to time can be defi-
 nitely ascertained, nor were such accounts for the most part kept even.
In the absence of this kind of evidence, which, if in existence, indeed,
might not be reliable, no available testimony could be supplied from any
other source beyond that furnished by the books and accounts of the ter-
ritorial quartermaster general. This officer, and the territorial commissary
general, as already stated, took up the purchases made by their assist-
ants in Helena and elsewhere as made by themselves, accounted for the
property by the receipts of their subordinate officers and thus became
responsible for transactions had through these latter. Transactions of the
principal officers themselves at Virginia City are accounted for in de-
tail. The assistant quartermaster and commissary with the troops on
the Yellowstone received and issued a large amount of property, item-
izing deliveries of the same as having been issued to troops or otherwise
disposed of. It does not appear that the assistant quartermaster and
commissary general at Helena did the same thing, so far as the quarter-
master department was concerned. His testimony is general concern-
ing the fact that the quartermaster's property went into the public use,
and inquiry has satisfied me in confirming his statements with regard
to a certain and considerable portion of his purchases. The books and
accounts of the territorial officers I found unreliable, in many particulars,
and especially with regard to transactions in forage. Thus it becomes
impossible to specify precisely what deliveries were actually made; nor
could a return be constructed from the data in my possession, or exist-
ing anywhere, which would show how much forage was actually received,
and how much was actually consumed in an authorized way by the pub-
lic animals. The Army Regulations were taken in these, as in other trans-
actions, as a rule by which property should be acquired, disposed of,
and accounted for, and papers and returns were made out in a manner
intended to appear satisfactory to the United States authorities with
reference to proper accountability. Without the resource, then, of any
complete reliable record testimony in connection with the deliveries of
forage, I am prepared to say, from general examination on the spot, and
a rather thorough knowledge of the transactions of the parties con-
cerned, that considerably more than one-half claimed has been furnished.
Of the $201,577 32½, the indebtedness alleged to have been incurred on
account of forage actually delivered, it has been discovered beyond
question that an amount for which $42,458 94 is charged has never
been furnished. Vouchers have been issued for this amount and have
been disposed of, and are now in the hands of various parties through-
out the country. The territorial officers issuing the vouchers explain this by stating that there were various personal expenses to which they were subjected, purchases made, and money disbursed on account of the Territory; and that these vouchers were issued in indemnity of such expenses and disbursements; that the public animals being fed principally on grass during this period could not consume the whole of the regulation forage, and a margin was thus presented on which accounts of this class could be placed. The parties represented to have furnished this amount of forage appear to have consented to this arrangement, though in their personal testimony (and all original claimants were examined under oath whenever accessible) they made no claim to have furnished the same, and frankly admitted that they did not so furnish it. Any payment on these vouchers will not, of course, be recommended.

I am not called upon to examine into the motives of the territorial officers who issued these vouchers; but it is still more a matter of regret in this case than in those of the substitution of articles lately described, that there was not less empty observance of the forms designed for ordinary occasions, and a greater regard for the plain duty of a public officer to make his certificates accord with the facts concerned. There could be no reasonable apprehension that any necessary expenditures would be rejected, if properly established, when the time of settlement came.

An estimate of the average number of animals to be fed shows that the whole amount of forage charged for is not in excess of the regulation allowance for that number; but it is beyond question that the troop horses were principally fed by grazing, supplemented by short rations of forage from time to time.

Subsistence.—The troops, officers, and men, and civilians connected with this command, were subsisted generally upon good and wholesome rations. Complaints, it is true, were made of certain portions of the provisions furnished, some having been condemned by a board of survey, but the amounts of inferior issues were not considerable. There were periods when the troops on the Yellowstone were not continuously supplied with the full articles of the ration, and some complaints were made on this score, but the cause of dissatisfaction was not prolonged, and was mainly due to bad management. The officers connected with the subsistence department seem to have rendered comparatively full returns, which set forth the quantities purporting to have been purchased, and the manner in which the same were disposed of. It is certain that some of the vouchers given in payment for subsistence were not correctly issued, the subsistence never having been received. This pertains to bills of provisions amounting to nearly $10,000. This property was never received, and yet is accounted for on the returns as having been properly issued. Many articles, such as baking powders, molasses, &c., were furnished from time to time, and not always taken up under their own designation, but under other heads. Tobacco, an article which, by law, is required to be paid for by the men, was purchased in large quantities, at high rates, and issued as part of the ration, without charge. The amount represented to have been paid for tobacco is nearly one-fifth of the whole expenditure for provisions. It appears that larger quantities than the regular allowance were occasionally issued of other articles, when the full ration could not be issued, to remove discontent. It also appears, from an inspection of the papers, that occasional duplicate issues of rations were made, and there is reason to suppose that issues were made to unauthorized persons.
The number of daily rations purporting to have been issued to soldiers and laundresses is 96,113, exclusive of 2,077 rations issued to men in hospital. The same number of men, during all this period, would have been entitled to near 80,127 rations of the regular allowance. Issues to citizen employes amount to 10,761 rations. The officers drew the number of rations affixed to their grades, according to the then existing regulations, for themselves and servants, on the ground that, not receiving pay, they could not live without them. The large amount of 29,493 rations in kind were issued to officers. Somewhere about 2,000 rations were issued to Indians, and there were about 7,000 rations lost, destroyed, or abandoned.

The total quantity of rations reported by the territorial commissary general to have been purchased amounts to between 145,000 and 150,000 full rations of all kinds. In some descriptions of articles, meats especially, the number of rations purchased considerably exceeded that of the minor articles. The average reported purchased was, say, about 147,000 rations in all, or 4,900 thirty-day rations. The total issued to all persons concerned is represented to be 138,444. The provisions furnished were pork, bacon, fresh beef, flour, hard bread, beans, peas, rice, hominy, coffee, tea, sugar, vinegar, candles, soap, salt, pepper, potatoes, tobacco, and other minor articles; and I am fully satisfied that the articles reported as purchased were mainly delivered. Some of the sales were at a high though not exorbitant figure; but others were made at extravagant rates.

The number of men of all grades reported as having been subsisted is probably exaggerated, and returns have been made to agree by reporting issues which did not take place; or, if they did take place, were over-issues, to which parties would not have been entitled under the regulations. Articles designed in the regulations to be issued in lieu of other articles were claimed in many cases, and issued as part of the regular issue without deduction. There is an unusual amount of wastage reported; but, then, the circumstances of the transportation over long lines of wagon travel, with men handling the property careless and undisciplined, leaving it at times unprotected, want of means of taking care of property, the negligence of custodians, may account for much of this, and for recorded instances of losses by theft and from other causes. All the wastage reported, however, is probably not fairly chargeable under that head.

Clothing.—The clothing purchased was principally citizens' clothing, varying in quality and grade, including every article of men’s wear, hats, boots, clothing proper, blankets, &c. Most of it appears to have been of fair quality; of a better average, indeed, in that respect than that furnished to the Regular Army; and some of the invoices appear to have been not excessive in prices. Clothing was issued to officers, soldiers, teamsters, herders, &c.; in fact, to all the civilian employes connected with the movement. The employes, however, appear to have been charged with the amounts issued to them, and deducted in final settlement on the vouchers issued them. In the issue and use of clothing there appears to have been considerable extravagance, and not a satisfactory accountability. The amount used was largely in excess of that allowed to the regular troops during their first year of service. There seems to have been special over-issues of certain articles. For instance, there were purchased and delivered (as is stated) for the use of the troops and employes, 2,733 shirts; 1,694 pairs of drawers; 1,293 pairs of boots; 1,221 hats; 1,730 pants; 2,294 pairs of socks. The
quantity purporting to have been purchased was probably all received, with the exception of an amount for which vouchers were issued for $2,246, for an entirely different class of articles.

**Horse equipments, accouterments, &c.**—The largest item of purchases under this head is 711 saddles. They were probably nearly all delivered, but a large proportion were second-hand. They were picked up all over the Territory; were of all the varieties in ordinary use, and some of them in a dilapidated condition, so that considerable expense was incurred in having them put in serviceable order. Some of the invoices, however, were of new saddles, and of a good description.

**Arms.**—There were purchased 201 rifles, muskets, and carbines, and 102 pistols. At the origin of the expedition arms were not abundant throughout the Territory, especially those of a better quality. They had to be picked up all over the country, most of them being second-hand, embracing all kinds and varieties of patterns in ordinary use, from the most approved breech-loader to the old-fashioned musket. Ammunition was scarce, and the prices asked for it generally extravagant. In July, the arms sent by the United States Government on account of the territorial quota reached the troops, and purchases on that account mostly ceased. It is believed that the arms and ammunition charged for were received.

**Civilian employés.**—The services charged for were, except in a few instances, mostly rendered, though the number employed seems to have been unnecessarily large, and the rates of pay higher than can be allowed. Some of the employés reported were not ordinary hired persons; they were livery-stable keepers, blacksmiths, saddlers, &c., who supplied materials and labor mixed, and who were paid in vouchers separating the former from the latter, but equal in the total amounts.

There were employed, at different times, eight clerks, one saddler, ten blacksmiths, one carpenter, thirty-seven teamsters, four wagon-masters, six corral-masters, six herders, four packers, one forage-master, three guides and scouts, one veterinary surgeon and inspector of horses. Although the ration returns exhibit an average of rations issued to citizens of seventy-one daily, for five months, the monthly average is not thought to reach sixty.

There is no property of any kind left which can be turned in to the United States on its assumption of what may be found to be the equitable indebtedness.

All the subsistence stores purchased, as has been seen, were nearly consumed in various ways in the service. The balance of 3,315 rations, left over on the disbanding of the force, were delivered over to and charged to the men. Upon the breaking up of the campaign 19,164 pounds of potatoes were reported abandoned, with 182 tons of hay, and some other property on the Yellowstone. Of the horses, 147 only were returned out of the whole outfit of those purchased. These, with their equipments, together with other property, being an ambulance, 4 wagons, some articles of camp and garrison equipage, and other items of insignificant value, were disposed of by auction, (that portion which was taken to Helena,) and the proceeds delivered to the men. The portion taken to Virginia City was appraised and delivered to the men there on account of their pay. At the latter place there also appear to have been sales. No account of any of these sales appears among the returns, though such vouchers are alluded to; but I have learned that that portion of the property sold at Helena realized $3,128 56 in cash.

Cash paid to the men, $1,276 52. Charged on final statements of the
MONTANA INDIAN WAR CLAIMS.

19 men, (a payment, in effect, to that amount,) $1,226.76. Paid to officers on what account not explained, but claimed as reimbursement for expenses—$244.40; and the remainder paid for expenses of sale and on other accounts, of which an item of $165 for board is not explained.

No clothing was left over at the close of the expedition. The public arms that were in the hands of the troops were turned in mostly to agents of the Territory, but none of the purchased arms were so turned in. Some of them were appraised and turned over to the men.

The loss of a considerable amount of property is thus accounted for: When the troops were ordered finally to be disbanded, after repeated refusals of the department commander to recognize them as necessary and to commit the Government to recognize their services, there was intense dissatisfaction among the men, who had recently been reenlisted for a term of six months, which would have carried them through the autumn and winter and afforded them the long-coveted and promised opportunity of prospecting the unsettled regions east of the Yellowstone. This feeling culminated in the forcible seizure of such horses, arms, and supplies as they saw fit to take by a large body of the men, led on by one of the officers, and the desertion of the party with the plunder thus gained. From telegrams sent by the governor to the adjacent States and Territories and the military posts, in the hope of intercepting this party, and also from the commander of the troops, it would seem that some two hundred of the men were engaged in this act; and as the majority of those who took no active part in the affair sympathized with those who did, no effective effort could be made to regain the property.

Complete returns of what was thus lost by this expedition have not been rendered, but the property included necessaries of all classes for the outfit of a large armed prospecting party.

The soldiers, except deserters, were paid a large proportion, nearly all, of their dues, as we have seen, by the proceeds derived from the sale and by the delivery to them, at appraised value, of the property remaining on hand at the disbanding of the force. The officers were subsisted, and probably more than subsisted, by the issue of rations in kind. They also drew their allowances of forage and fuel, and received clothing. Thus they have been partially paid; still there are balances which would be coming to them if they could be allowed by Congress the usual rates of pay of officers of like grades in the regular Army for their periods of service. To such of them as did not hold mere complimentary positions, and who can discharge their responsibility according to the usual mode of settlement with the Treasury for property received by them, it is hoped Congress will grant such balances that would be found coming to them, on the basis of the allowance to them of the rates, at the period, of compensation for service in the same grades in the regular Army.

It is respectfully recommended that an appropriation of $1,900 be asked for, to cover those expenses of this investigation that are not properly chargeable to any of the current appropriations. The sum of $1,054.04 has been expended in payment of witness fees, stationery, expressage, and extra clerical services. The balance will be needed before the close of the investigation. The amounts paid have been drawn from the appropriations belonging to the Quartermaster's Department, though hardly a proper charge against these funds; but there has been no other way of meeting necessary expenses.

In conclusion it is well, perhaps, to state that certain other testimony
will probably be received before my investigations are closed, but nothing yet to come in as evidence will affect the general questions, though additional testimony is both useful and necessary to the determination of individual claims.

Very respectfully, your obedient servant,

JAS. A. HARDIE,
Inspector General United States Army.

The Adjutant General of the Army,
Washington.