SIR: In my last annual report, dated Red Cloud Agency, Nebraska, August 25, 1877, I took occasion to mention the disorderly conduct of the northern chief "Crazy Horse." The disposing of this incorrigible wild man was the first stirring event thereafter, resulting in his death on the 5th of September, while resisting the officers who were endeavoring to confine him in the guard-house at Comp Robinson.

While this threw the Minneconjoux and other northern tribes then stopping at the agency into the wildest excitement, the Ogallallas and other agency tribes were brooding over the result of the Congressional act of August 15, 1876, sequiring them to go to the Missouri River to receive their annuities and other supplies and to take up their residence at an agency profided for them at the mouth of Yellow Medicine Creek, on said river. The supplies for the coming winter were already there, or in transit to that point. The whole measure was unsatisfactory to the Indians, and their refusal was so positive and determined as to indicate the necessity of a compremise; consequently twenty-three of the chiefs and representative men of the Red Cloud and Spotted Tail Agencies were invited to Washington in September to confer with the President on the subject. A council was held in the Executive Mansion, September 25, 1877, at which the Indians of Red Cloud Agency agreed to be transferred to a point near the Missouri River, ad receive their supplies during the winter, with the understanding that they would be allowed to select a suitable place, with the assistance of their agent, within the limits of their reservation, for a permanent agency, and should move on to it sufficiently early in the spring to plant crops.

On the 27th of October, 1877, the caravan, consisting of about 4,600 Indians, two companies of cavalry, 120 transportation-wegons, 2,000 beef-cattle, and employes and traders, took up the line of March, following the Thite Earth River 250 miles, then north 20 miles to Yellow Medicine, and down the latter stream 30 miles to the Missouri River, which place we reached on the 25th day of November. The weather proved mild for this season of the year, nothithstanding much suffering was experienced. The Indians were poorly clad, not having received their annuities, the river filled with quicksand, and running ice had to be forded the stream aday. Many Indians, men, women and children, were on foot, not having the internsportation for them.

When about 75 miles en route, over 2,000 northern Indians broke away from the Spotted Tail column, which was then moving about 40 miles south, to a point lower down on the Missouri, and made a descent upon us, and threatened to involve us in serious difficulty, not only devotring our limited supplies, but by causing a general outbreak. They brought with them the remains of Crazy Horse in order to maddefrour Indians, but in this they failed, and the major portion finally struck of f north.

The Red Cloud Indians went into camp about 50 miles southwest of the agency, the only available place for winter quarters, and have quietly and patiently fulfilled every obligation they entered into. As spring approached they began to prepare to move to White Cary Creek, a branch of White Earth River, this being the place selected by them for their permanent agency, 170 miles west of this agency. Owing to delay by Congress in passing the Indian appropriation bill, and the time required by a board of commissioners appointed by that body to reach here and make an exploration of the country and report, the Indians were kept waiting, and, filled as they were with apprehension that the government would not be true to its promises, required my constant efforts and assurances that the promises made them last fall by President Hayes and the honorable Secretary of the Interior would be fulfilled. I explained as well as I could the cause of delay.

I am less fortunate in explaining the present delay to their satisfaction, as they know that the board of commissioners approved their selection of land for their new agency and have so reported. It is not easy to convince them of the nemessity for longer delay. It is a fact known to every intelligent man who has been with Indians on the frontier, that the most damaging effects have heretofore resulted from broken promises made by the government and its officials, causing the greater part of the troubles with the Sioux since the treaty of 1868. It is true the government has spent large sums in feeding them, but it has driven them, contraty to treaty promises, from place to place, each time taking more of their territory, until nothing is left them but the "bad lands." The military has taken an immense number of arms and horses from them, and promised to return their value in cows. It would be well to have this matter investigated.