

REPORT OF THE
UNITED STATES INDIAN
INSPECTOR FOR THE
INDIAN TERRITORY

TO THE SECRETARY OF THE INTERIOR

1907



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Nation, 6,953,048.07 acres, population 26,615; Chickasaw Nation, 4,707,904.28 acres, population 10,989.

Approximately one-fourth of the population of the tribes are full bloods, the remainder being intermarried whites, freedmen, and mixed bloods. In addition, it is estimated that there are between 700,000 and 800,000 white people in the Indian Territory.

While Congress has provided for the admission of Oklahoma and Indian Territory as one State, a constitution has not yet been finally adopted nor the State formally admitted into the Union. The general conditions of Indian Territory are therefore practically the same as heretofore. Under existing law only lands upon which the restrictions have been removed are subject to taxation. Adult citizens not of Indian blood are permitted to dispose of their allotments without restriction, while other citizens of less than full blood are permitted to dispose of their surplus land only where their restrictions have been removed in each individual case by the Secretary of the Interior and full bloods are prohibited from disposing of their land for twenty-five years.

NEW LEGISLATION.

The Indian appropriation act approved March 1, 1907, contained the following provisions regarding the Indian Territory: An additional appropriation of \$10,000 was made for the payment of indebtedness incurred in the suppression of the spread of smallpox in the Indian Territory during the fiscal year ended June 30, 1901. The Attorney-General was authorized to make all necessary arrangements for the transfer from the clerks of the United States courts in Indian Territory to the proper State or county officials of the State of Oklahoma of all records, etc., in the custody of said clerks; it was provided that the filing heretofore or hereafter of any leases in the office of the United States Indian agent at Union Agency shall be deemed constructive notice; an appropriation of \$300,000 was made for the support of schools in the Five Civilized Tribes, and the Secretary of the Interior was given the right of access at all times to any books or records of the Five Civilized Tribes.

UNION AGENCY.

A copy of the annual report of the United States Indian agent at Union Agency is transmitted herewith, and in order to give an idea of the volume of business transacted at said agency the following statements taken from such report are given: During the year 1,398 regular disbursement vouchers and 6,481 royalty vouchers were prepared. The agent collected \$1,631,949.36 and disbursed \$1,989,127.09. The records show that 78,534 miscellaneous letters and 2,639 Department letters were received during the year, besides about 25,000 statements, vouchers, etc., which were received through the mail but not given regular numbers. The number of letters and receipts mailed out from the office during the year was about 176,000. The work of the lease and royalty divisions at the agency has greatly increased during the year, while the work of the restrictions and sales divisions has decreased.

SEMINOLE NATION.

The Seminole agreement provided that Indians in this nation could lease their lands for agricultural purposes for a period not exceeding six years with the approval of the tribal executive.

The act of April 26, 1906 (34 Stat. L., 137), however, applies to the Seminole Nation, and therefore full bloods can not lease their land for a period longer than one year without the approval of the Department.

The agreement with the Seminole Nation provided that allotment deeds should be issued by the principal chief upon the dissolution of the tribal government. The tribal government, however, was continued indefinitely by the act of April 26, 1906, which act also contained a provision to the effect that such deeds can be issued prior to the dissolution of the tribal government.

The authority of the Secretary of the Interior to assume control of the Seminole schools under section 10 of the act of April 26, 1906, was questioned by the tribal authorities, and in an opinion dated October 19, 1906, the Comptroller of the Treasury held that the Secretary was specifically authorized and directed to assume control of such schools and to use the moneys of the tribe to pay the expenses thereof, not exceeding in any one year the amount expended during the year ended June 30, 1905. In such opinion it was also held that expenditures from tribal funds and distribution of annuities arising therefrom to members of the tribe should be made by the tribal authorities, subject, however, to the approval of the President, so far as required by section 28 of the act of April 26, 1906; and except as the right and duty is devolved upon the Secretary of the Interior to disburse so much of the funds as necessary to carry out the requirements of section 11 of said act as to payment of lawful claims and warrants, and to carry out the requirements of section 10 as to schools. The matter being further taken up by the Seminole authorities, an opinion was rendered by the Attorney-General August 19, 1907, in which practically the same conclusions were reached.

MINING.**CHOCTAW AND CHICKASAW NATIONS.**

During the last fiscal year no change has been made in the statutes and agreements provided for the leasing of the coal and asphalt lands in the Choctaw and Chickasaw Nations, nor have any additional leases been made.

The total area of the leased lands is 107,920 acres, 160 acres being added to the leased area as provided by the Indian appropriation act of June 21, 1906. I respectfully submit a list of the leases in effect on June 30, 1906, giving the names of the lessees, number of leases, acreage, and date of lease, from which date they run for a period of thirty years.

The royalties as fixed by the Secretary of the Interior are as follows: Coal, 8 cents per ton, mine run; crude asphalt, 10 cents per ton; refined asphalt, 60 cents per ton.

Leases of coal and asphalt lands in Choctaw and Chickasaw nations.

COAL.

Name.	No.	Acres.	Date of lease.
Ardmore Coal and Power Co.....	1	960	July 5, 1902
Bache & Denman Coal Co.....	1	960	Apr. 1, 1902
Bolen-Darnall Coal Co.....	1	960	July 3, 1899
Do.....	1	960	Aug. 20, 1901
Brewer Coal and Mining Co.....	1	610	Aug. 27, 1902
Cameron Coal and Mercantile Co.....	1	960	July 5, 1902
Capital Coal and Mining Co.....	1	960	Apr. 29, 1902
Central Coal and Coke Co.....	4	3,840	Apr. 16, 1902
Chambers Coal and Mining Co.....	1	960	Nov. 13, 1901
Choctaw, Oklahoma and Gulf R. R. Co.....	24	22,560	Feb. 21, 1899
Coalgate Co.....	1	960	Aug. 23, 1902
Do.....	1	960	Apr. 7, 1902
Degnan & McConnell.....	3	2,960	Sept. 26, 1899
Denison Coal Co.....	1	960	Sept. 23, 1902
Folsom-Morris Coal Mining Co.....	1	960	Sept. 21, 1900
Do.....	1	960	June 30, 1902
Great Western Coal and Coke Co.....	1	960	Aug. 14, 1900
Do.....	2	2,050	Feb. 21, 1899
Hailey-Ola Coal Co.....	2	2,040	Do.
Do.....	2	1,920	May 15, 1902
Harrison, Edwin.....	3	2,880	July 3, 1899
Kali-Inla Coal Co.....	2	480	Feb. 21, 1899
Le Bosquet Coal and Mining Co.....	1	960	May 5, 1902
McAlester and Galveston Coal Mining Co.....	1	480	Sept. 6, 1900
McAlester Coal Mining Co.....	2	1,400	Dec. 19, 1899
McAlester, James J.....	1	280	Sept. 24, 1900
McAlester-Edwards Coal Co.....	2	1,920	July 3, 1899
McMurray, John F.....	8	7,680	Mar. 15, 1899
Mazzard Coal and Mining Co.....	1	960	May 16, 1902
Milby & Dow Coal and Mining Co.....	2	1,920	Feb. 21, 1899
Missouri, Kansas and Texas Coal Co.....	1	960	Dec. 21, 1900
Osage Coal and Mining Co.....	7	6,680	Oct. 5, 1901
Ozark Coal and Railway Co.....	1	960	Oct. 11, 1899
Poteau Coal and Mercantile Co.....	1	960	Feb. 21, 1901
Samples Coal and Mining Co.....	1	960	Nov. 2, 1899
Sans Bois Coal Co.....	1	960	Apr. 27, 1900
Do.....	4	3,800	June 25, 1901
Do.....	1	960	Feb. 25, 1902
Do.....	1	960	July 2, 1902
St. Louis-Galveston Coal and Mining Co.....	2	1,920	Oct. 2, 1899
Standard Coal Co.....	1	960	Sept. 16, 1902
Southwestern Development Co.....	6	5,640	Mar. 20, 1902
Savanna Coal Co.....	1	120	Sept. 6, 1902
Turkey Creek Coal Co.....	1	960	Feb. 25, 1902
Western Coal and Mining Co.....	7	6,580	Apr. 5, 1901
Do.....	1	720	Apr. 4, 1902
Total number of coal leases in effect June 30, 1907.....	111	101,520	

ASPHALT.

Brunswick Asphalt Co.....	1	960	Jan. 22, 1900
Choctaw Asphalt Co.....	1	960	Mar. 8, 1902
Downard Asphalt Co.....	1	360	Sept. 15, 1900
Elk Asphalt Co.....	1	960	Sept. 6, 1899
Farmer Asphalt Co.....	1	480	Sept. 2, 1902
Gilsonite Roofing and Paving Co.....	1	960	July 18, 1902
Rock Creek Natural Asphalt Co.....	1	640	Aug. 22, 1902
American Mineral Wax Co. (by transfer).....	1	960	Oct. 1, 1900
Tar Spring Asphalt Co.....	1	120	Mar. 7, 1901
Total number of asphalt leases in effect June 30, 1907.....	9	6,400	

Only two changes have been made in the holdings of lessees during the year, 160 acres being added to lease No. 2 of the McAlester Coal Mining Company, as provided by Indian appropriation act June 21, 1906, and the asphalt lease of Messrs. M. & A. Schneider being transferred to the American Mineral Wax Company with the approval of the Department.

The coal output, practically all of which comes from the Choctaw Nation, for each fiscal year since supervision of these leases was

placed under the direction of the Secretary of the Interior is given in the following statement:

Coal output from leased lands in Choctaw and Chickasaw nations.

Fiscal year ended June 30—	Tons.	Fiscal year ended June 30—	Tons.
1899-----	1, 404, 442	1904-----	3, 198, 862
1900-----	1, 900, 127	1905-----	2, 859, 516
1901-----	2, 398, 156	1906-----	2, 722, 200
1902-----	2, 735, 365	1907-----	3, 079, 733
1903-----	3, 187, 035		

Only a small amount of asphalt has been produced, such operations not having proven profitable. The matter of canceling a number of asphalt leases is now being considered, but final action has not yet been taken in reference thereto. The total amount of asphalt mined during the year was 3,723 tons.

The royalty on coal and asphalt collected and placed to the credit of the Choctaw and Chickasaw tribes during the fiscal year 1907 is shown by the report of the United States Indian agent to be \$237,385.03 for coal and \$2,814.20 for asphalt, a total of \$240,199.23. These amounts include certain payments of advanced royalty, as required by the leases, and therefore do not agree with the reported output in tons. I submit below a comparative statement showing the revenues derived from these sources for each fiscal year since the matter was placed under the direction of the Secretary of the Interior:

Revenues from royalty on coal and asphalt lands in Choctaw and Chickasaw nations.

Fiscal year ended June 30—		Fiscal year ended June 30—	
1899-----	\$110, 145. 25	1904-----	\$277, 811. 60
1900-----	138, 486. 40	1905-----	248, 428. 36
1901-----	199, 663. 55	1906-----	251, 947. 02
1902-----	247, 361. 36	1907-----	240, 199. 23
1903-----	261, 929. 84		

On April 27, 1900, the Department amended the regulations governing mineral leases in the Choctaw and Chickasaw nations so as to require lessees to produce coal from each lease as follows: 3,000 tons the first year from date of approval of the lease; 4,000 tons the second year; 7,000 tons the third year; 8,000 tons the fourth year; and 15,000 tons the fifth and each succeeding year thereafter.

All of the lessees, with the exception of three or four that have not produced the stipulated output each year as stated above, have paid to the United States Indian agent the royalty of 8 cents per ton on the difference in tons between the amount required to be mined and the amount actually produced, so that the Choctaw and Chickasaw tribes receive from each lease each year an amount not less than the royalty which would be paid were the minimum output actually produced.

Three or four of the larger companies have refused to pay the royalty for the difference in tons between the amount required to be mined and the amount of coal actually produced. The Sans Bois Coal Company also applied to the United States court for the western judicial district, Indian Territory, for an injunction to prevent the Secretary of the Interior from collecting these amounts, which injunction was denied. The coal company then filed an amended com-

plaint, alleging that on certain of its leases more coal had been produced during certain years than was required and that the average amount of coal produced for all years amounted to more than the minimum output required, and asked that the Department be restrained from collecting the amount due for the years during which the minimum output had not been mined. Hearing has not yet been had on this amended complaint.

Indian citizens in the Choctaw and Chickasaw nations are authorized to lease their allotments for mineral or other purposes under section 29 of the act of June 28, 1898 (30 Stat. L., 495), for a period not exceeding five years without the approval of the Secretary of the Interior, with the exception of full bloods. Since the passage of the act of April 26, 1906 (34 Stat. L., 137), full-blood Indians can not lease their surplus allotments for a period longer than one year without the approval of the Secretary of the Interior, and can not lease their homesteads for any period whatever excepting with the approval of the Secretary of the Interior. Regulations governing leasing by full bloods were promulgated by the Department under date of July 7, 1906, which regulations provided that no lease shall be approved for a longer term than three years for grazing purposes, five years for agricultural purposes, and fifteen years for mineral purposes. The regulations of July 7, 1906, governing leases by full-blood Indians were modified by the regulations of June 11, 1907, which are referred to under the heading "Creek and Cherokee nations."

CREEK AND CHEROKEE NATIONS.

Practically all mineral leases made in the Creek and Cherokee nations are for oil and gas. The oil field in these nations is being rapidly developed, and more leases have been filed during the fiscal year 1906 than during any previous year.

The Indian appropriation act of April 21, 1904 (33 Stat. L., 189), removed the restrictions upon alienation of land by allottees who are not of Indian blood and not minors, except as to the homestead, but as the matter of leasing was governed by different provisions of law than the matter of the sale of allotments, it is held by the Department that the provisions of law requiring mineral leases by citizens not of Indian blood to be approved by the Secretary of the Interior are still in effect. Therefore all mineral leases in the Creek and Cherokee nations require the approval of the Secretary of the Interior, except where the land has been actually sold by the allottee.

On June 11, 1907, the Department promulgated a new set of regulations, combining in one pamphlet all regulations governing leasing in the Five Civilized Tribes, and making certain changes in the regulations existing prior to that time. The more important changes are referred to below.

The certificate of a bank officer showing amount of cash in the bank to the credit of the lessee is no longer required. The lessee, however, must satisfy the Department of his financial standing. Bonds and all accompanying papers are required to be filed with the lease.

All necessary blanks are furnished lessees, the same being sold by the United States Indian agent, Union Agency, at \$1 per set.

Where leases had been filed prior to the promulgation of the regulations, bond must be furnished within thirty days from notice.

If the lessee desires to delay operations longer than one year, the annual rental must be paid within twenty-five days after the end of the year.

The royalty on gas wells, where the gas is utilized, is fixed at \$150 per annum for each well having a capacity of 3,000,000 cubic feet or less, and \$50 per annum for each additional 1,000,000 cubic feet, and where the gas is not utilized the royalty is \$50 per well, payable in advance.

Lessees are not permitted to drill closer than 200 feet from division lines, except where necessary to offset wells already drilled on adjoining tracts, or in cases of leases covering land less than 400 feet in width.

Lessees are not allowed to use earthen tankage, except in cases of emergency, and then only for fifteen days without having the oil gauged and the royalty paid thereon.

Lessees are required to keep a complete record of wells drilled and to furnish certified copies of the same when requested by the Government.

Assignments can only be made with the approval of the Secretary of the Interior. Applications must be submitted to the Indian agent; and when approved by him formal assignment papers may be entered into, subject to the approval of the Secretary of the Interior.

SUMMARY.

The Indian agent's report gives full information in reference to status of leasing in the several nations.

The total number of mineral leases filed in the Creek, Cherokee, Choctaw, Chickasaw, and Seminole nations up to June 30, 1907, was 14,584. Of this number 4,886 leases were approved, covering approximately 363,000 acres. Of the 4,886 leases approved, 434 have been canceled. In July, 1906, the production of oil in Indian Territory was about 980,000 barrels, while in June, 1907, it was about 3,150,000 barrels. It is estimated that on June 30, 1907, there were 18,000,000 barrels of oil held in tanks in the Creek and Cherokee nations. These leases are required to be filed with the United States Indian agent at Union Agency within thirty days from date of execution, and as soon as examined and the requirements are complied with they are forwarded through this office with recommendation to the Commissioner of Indian Affairs for the action of the Department.

The royalty collected by the United States Indian agent on account of oil and gas, by fiscal years, is as follows:

Royalties collected on oil and gas.

Fiscal year ended June 30—

1904	-----	\$1,300.00
1905	-----	91,624.00
1906	-----	323,555.40
1907	-----	775,489.15

Allottees in the Creek and Cherokee nations are also permitted, under regulations prescribed by the Department, to make application to develop their own allotments for mineral purposes.

Investigation as to certain assignments of drilling contracts of lessees without the approval of the Secretary of the Interior, and,

therefore, in violation of the regulations, has continued during the year, and such assignments have been required to be submitted for approval. In one or two cases, where it was ascertained that parties were interested in leases aggregating more than 4,800 acres, they have been required to surrender leases or otherwise dispose of their interests in excess of the maximum acreage prescribed by the regulations.

TOWN SITES.

The unfinished town-site work under the direction of this office, such as disposing of contests, sale of vacant lots, and supplemental schedules, has been practically disposed of during the year. Hearings have been had in about 150 cases, and decisions rendered in practically all of them. There yet remain to be disposed of a number of appeals from the decisions of this office, which will render necessary supplemental schedules to finally dispose of such lots. On July 1, 1906, there were about 4,000 vacant lots to be sold at public auction, and the larger part of these, with the exception of those located in towns within the segregated coal and asphalt area, were sold during the year. Section 13 of the act of April 26, 1906 (34 Stat. L., 137), provided that all coal and asphalt lands should be reserved from sale until existing leases expired, or until such time as may be otherwise provided by law. In view of such act no steps are being taken to dispose of vacant town lots within such segregated area.

Eighty-eight supplemental schedules showing the final disposition of town lots heretofore in contest, etc., were submitted during the year.

The number of Government towns in the Indian Territory where land was reserved from allotment is 300, as shown in the following statement, which also gives the aggregate acreage:

Land reserved from allotment.

Nation.	Towns.	Acreage.
Creek Nation	26	10,694.10
Cherokee Nation.....	53	9,501.47
Choctaw Nation.....	90	18,940.40
Chickasaw Nation.....	131	23,822.82
Total.....	300	62,958.79

Section 12 of the act of April 26, 1906 (34 Stat. L., 137), provided in part as follows:

If the purchaser of any town lot sold under provisions of law regarding the sale of town sites in the Choctaw, Chickasaw, Cherokee, Creek, or Seminole nations fail for sixty days after approval hereof to pay the purchase price or any installment thereof then due, or shall fail for thirty days to pay the purchase price or any installment thereof falling due hereafter, he shall forfeit all rights under his purchase, together with all money paid thereunder, and the Secretary of the Interior may cause the lots upon which such forfeiture is made to be resold at public auction, for cash, under such rules and regulations as he may prescribe.

A large number of purchasers of lots failed to make payment within the limit provided, and upon the matter being presented to the Department, it was held that the Secretary of the Interior had authority to extend the time within which payment should be made, and he

accordingly fixed January 1, 1907, as the limit within which such delinquent payments would be received. Upon the matter being again presented to the Department, it was held that no lots should be finally forfeited until notice had been sent that payment must be made within thirty days or the lots would be forfeited and resold. It is now the duty of the Indian agent, when payment is not made when due, to send to the purchaser of the lot notice to make proper remittance within thirty days, and if the same is not received within such limit the lot will then be forfeited and steps taken to sell the same. No steps have as yet been taken to sell any forfeited lots.

From the Indian agent's report it is noted there was received during the fiscal year 1907, as payments on town lots, the sum of \$558,873.80.

The following statement shows the amount received each fiscal year since the town-site work commenced:

Receipts from town lots.

Fiscal year ended June 30—	Creek.	Cherokee.	Choctaw and Chickasaw.	Total.
1900		\$74.02	\$11,139.48	\$11,213.50
1901		10.02	25,090.91	25,100.93
1902	\$80,536.56		157,188.83	237,725.39
1903	211,410.22	21,286.40	337,427.21	570,123.83
1904	106,479.26	73,568.24	274,574.22	554,621.72
1905	105,579.47	139,389.74	541,749.55	786,718.76
1906	149,049.53	244,450.74	581,728.65	975,228.92
1907	22,701.96	146,582.23	389,589.61	558,873.80

In the Creek and Cherokee nations when full payment has been made on any town lot the United States Indian agent issues a certificate to that effect, sending one copy of the same to the principal chief and the other to the Department through this office. Upon receipt of such certificate the principal chief executes a deed conveying the lot or lots to the proper person as shown by the approved schedule of appraisement, or, if the lot was scheduled vacant, to the person purchasing same at public auction. Such deeds are forwarded to this office by the principal chief, where they are carefully examined, checked, and forwarded for the approval of the Secretary of the Interior. After approval they are returned to the commissioner to the Five Civilized Tribes to be recorded, after which they are delivered to the grantees.

In the Choctaw and Chickasaw nations when full payment is made deed is drawn by the United States Indian agent and sent to the executives of the Choctaw and Chickasaw tribes for execution, after which it is carefully checked in this office, recorded in the office of the commissioner to the Five Civilized Tribes, and returned to the United States Indian agent for delivery to the grantee. Town-lot deeds in these nations do not require the approval of the Secretary of the Interior. The report of the United States Indian agent shows that during the fiscal year 1907 the following town-lot patents were issued:

Town-lot patents issued during fiscal year ended June 30, 1907.

Choctaw and Chickasaw nations.....	6,744
Creek Nation	1,685
Cherokee Nation	1,553
Total	9,982

As many lots as practicable are included in one deed where purchased by one individual.

SCHOOLS.

Section 10 of the act of Congress approved April 26, 1906 (34 Stat. L., 137), provides that the Secretary of the Interior shall control and direct the schools in the Choctaw, Chickasaw, Cherokee, Creek, and Seminole tribes, with the lands and all school property. Mr. John D. Benedict, superintendent of schools in Indian Territory, has direct charge of the management of such schools, appointment of teachers, etc. In each of the Creek, Cherokee, Choctaw, and Chickasaw nations there is a school supervisor who looks after the detail work, acting under the general supervision of the superintendent. The Creek supervisor also has charge of the Seminole schools. All correspondence between the superintendent of schools and the Commissioner of Indian Affairs passes through this office. The annual reports of Mr. John D. Benedict, superintendent; Walter Falwell, supervisor of the Creek and Seminole schools; D. Frank Redd, supervisor of the Cherokee Nation; Calvin Ballard, supervisor of the Choctaw schools, and Frederick H. Umholtz, supervisor of the Chickasaw schools, are respectfully submitted herewith.

During the year Mr. George Beck, Chickasaw supervisor, resigned, and Frederick H. Umholtz was appointed to succeed him.

The act of April 26, 1906, provided that the amount of tribal funds expended in any nation for school purposes in any one year should not exceed the amount so expended during the year ended June 30, 1905. The amount so expended during the year 1905 in each of the Five Civilized Tribes was as follows:

Cherokee Nation.....	\$120,476.45
Creek Nation.....	83,143.62
Choctaw Nation.....	124,967.35
Chickasaw Nation.....	145,471.89
Seminole Nation.....	23,788.00
Total.....	497,847.31

The Indian appropriation act of March 1, 1907, contained an appropriation of \$300,000 for school purposes, to be used during the fiscal year 1908.

From the report of the superintendent, inclosed herewith, it appears that 995 day schools and 38 boarding schools were maintained in the Five Civilized Tribes during the year. The total enrollment was 66,278, at an expense of \$539,923.92, not including salaries and office expenses of the superintendent and supervisor of the schools. Of the total enrollment 15,585 are Indian pupils and 50,693 non-citizen pupils.

With reference to the schools in the different nations I submit the following:

CREEK NATION.

Ten boarding schools are maintained in this nation, 7 for Indian children and 3 for negroes, at which 754 pupils were enrolled, at a cost of \$62,043.96. One hundred and eighty-four day schools were established during the year, 129 for Indians and whites and 55 for negroes, at which 12,445 pupils were enrolled, 2,071 of whom were

citizens and 10,374 noncitizens, at a cost of \$54,733.96. The total number of pupils enrolled in this nation was 13,199, at a total cost of \$116,777.92, of which \$68,393.97 was from tribal funds. During the fiscal year 1906 the enrollment was 11,671, at a total cost of \$115,061.73.

SEMINOLE NATION.

Two hundred and twelve pupils were enrolled at the two boarding schools in this nation at a cost of \$16,633.40. Nineteen day schools were maintained, 16 for Indians and whites and 3 for negroes, at which 1,228 pupils were enrolled, 198 citizens and 1,030 noncitizens, at a cost of \$5,900.85. The total enrollment in this nation was 1,440, at a total cost of \$22,534.25; of this amount \$17,782.40 was paid from the tribal funds. The enrollment during the fiscal year 1906 was 1,496, the total cost of such year not being given because the boarding schools were conducted by the tribal authorities.

CHOCTAW NATION.

Four academies and 5 small boarding schools were maintained in this nation. At the academies there was an enrollment of 478, at an expense of \$67,470.19, and at the 5 small boarding schools 323 were enrolled, at a cost of \$20,842.07. Four blind, deaf, and dumb pupils were enrolled at the international school for the blind, deaf, and dumb at Fort Gibson, Ind. T., at a cost of \$823.37. The total enrollment at the boarding schools was 805, at a cost of \$88,135.63. Two hundred and fifty-nine day schools were maintained, of which 235 were for Indians and whites and 24 for negroes, at which 16,957 pupils were enrolled, of whom 2,269 were citizens and 14,688 noncitizens, at a cost of \$65,157.41. The total enrollment was 17,762, at a total cost of \$153,293.04. Of this expense \$106,085.27 was paid from tribal funds. The enrollment during the fiscal year 1906 was 18,596, at an expense of \$163,753.30.

CHICKASAW NATION.

At the 13 boarding schools in this nation 464 pupils were enrolled, at a cost of \$47,592.67. Two hundred and sixteen day schools were maintained (191 for Indians and whites and 25 for negroes) at which 13,947 pupils were enrolled (790 citizens and 13,157 noncitizens) at a cost of \$55,512.41. The total enrollment was 14,411, at a cost of \$103,105.08, of which amount \$67,518.51 was paid from tribal funds. The enrollment in this nation during the fiscal year 1906 and the total cost during such year is not given because the boarding schools were conducted by the tribal authorities.

CHEROKEE NATION.

There are 4 seminaries in the Cherokee Nation (3 for Indians and 1 for negroes) at which 441 pupils were enrolled, at a cost of \$49,777.31. Three hundred and seventeen day schools were maintained (294 for Indians and whites and 23 for negroes) at which 19,025 pupils were enrolled, of whom 7,581 were citizens and 11,444 noncitizens, at a cost of \$94,436.32. The total enrollment was 19,466, at a

cost of \$144,213.63, of which amount \$97,031.47 was paid from tribal funds. The enrollment during the fiscal year 1906 was 16,623, at a cost of \$154,799.12.

The total expenses incurred in the conduct of schools under the direction of the Department during the year, including salaries and office expenses of the superintendent and supervisors, was \$569,957.81, of which \$374,376.82 was from tribal funds.

It will be noted the tribal funds used were about \$125,000 less than the total amount available. This arose principally in the Chickasaw Nation, where for various reasons the schools did not open until late in the year. Also in such nation the tribal authorities in 1905 spent over \$145,000 for the education of about 1,000 pupils, whereas in the Cherokee Nation only \$120,000 was spent for the education of 8,000 or 9,000 pupils, and other nations accordingly. It would therefore be manifestly unfair to the Chickasaws to use all the tribal funds available, because of the small number of Indian pupils.

Practically all the money appropriated by Congress was used.

TRIBAL REVENUES.

Section 11 of the act of April 26, 1906 (34 Stat. L. 137, abolished all tribal taxes after December 31, 1905, but the Department has continued to collect a grazing fee for the use of unallotted land for grazing purposes in all the five tribes during the past year, under regulations prescribed by the Secretary of the Interior November 15, 1906. Section 1 of these regulations is as follows:

Where cattle are grazed upon the unallotted lands of the Cherokee, Creek, Choctaw, Chickasaw, and Seminole nations, the owners of such cattle shall be required to pay to the United States Indian agent at Union Agency, for the benefit of the respective tribes for the privilege of grazing the cattle on the unselected lands, \$1 per head per annum. Before such cattle are placed on the lands the owners must make application to the Indian agent at Union Agency for the privilege, at which time there shall be furnished a description of the cattle, including the brands, with any other desired information, and the applicants shall agree to take such measures as may be necessary to prevent the stock from encroaching upon the lands of adjoining allottees.

In cases where the cattle are grazed partly upon leased allotments and partly upon unallotted lands a grazing fee on the unselected or unallotted portions of such land shall be paid by the owner or owners of the cattle so grazed to the United States Indian agent at Union Agency at the rate of 15 cents per acre in lieu of the fee of \$1 per head.

This grazing fee is collected by the United States Indian agent under the direction of this office, one field man being employed for the Creek and Cherokee nations and one for the Choctaw and Chickasaw nations. The amount so collected during the year is shown in the report of the Indian agent to be as follows:

Grazing fees collected.

Cherokee Nation -----	\$365.90
Creek Nation -----	12,302.65
Choctaw and Chickasaw nations -----	12,064.50

Section 11 of the act of April 26, 1906, makes the following provision:

All revenues of whatever character accruing to the Choctaw, Chickasaw, Cherokee, Creek, and Seminole tribes, whether before or after dissolution of the tribal governments, shall, after the approval hereof, be collected by an officer appointed by the Secretary of the Interior under rules and regulations to be prescribed by him; and he shall cause to be paid all lawful claims against said

tribes which may have been contracted after July 1, 1902, or for which warrants have been regularly issued, such payments to be made from any funds in the United States Treasury belonging to said tribes. All such claims arising before dissolution of the tribal governments shall be presented to the Secretary of the Interior within six months after such dissolution, and he shall make all rules and regulations necessary to carry this provision into effect and shall pay all expenses incident to the investigation of the validity of such claims or indebtedness out of the tribal funds.

On November 15, 1906, the Department promulgated regulations governing the payment of the outstanding warrants and designating the United States Indian agent at Union Agency to collect all revenues due said tribes. These regulations provided that a list of all outstanding warrants of said tribes should be submitted to the United States Indian inspector for investigation and for transmission to the Secretary of the Interior for approval. If approved, the United States Indian agent is authorized and directed to pay them. These regulations also provided that after January 1, 1907, warrants drawn by the tribal authorities would not be considered negotiable, but should be submitted to an officer to be designated by the Secretary of the Interior for examination and approval, and if found correct were to be transmitted by him to the Indian agent at Union Agency, who would take up the warrant and issue a Government check in payment thereof. The United States Indian inspector was designated as the officer to examine and approve said warrants drawn after January 1, 1907.

Mr. James P. Foster, special agent, was directed to make the investigation of the outstanding indebtedness of the Choctaw and Chickasaw tribes, under the direction of this office, and there has been procured a list of all outstanding warrants of the Chickasaw Nation, which list has been submitted to the Department and the warrants which were found to be valid have been advertised for payment by the Indian agent. In the Choctaw Nation, on account of the refusal of the tribal authorities to permit full access to their records, it was impossible for some time to procure a complete list of the outstanding warrants. Such list has, however, been recently procured and all outstanding warrants called in for examination. It is expected that payment of all these warrants found to be valid will be made within a short time. In both the Choctaw and Chickasaw nations many irregularities have been found, and warrants have been issued without proper authority.

ALIENATION OF ALLOTMENTS.

GENERAL STATEMENT.

The provisions of law governing the sale of land by allottees have not been changed during the year.

The Indian agent's report shows that under the regulations 120 tracts of inherited land have been advertised for sale, of which only 9 were sold, aggregating 1,164.49 acres, the consideration being \$16,381. Nineteen sales were pending at the close of the year.

The Indian agent's report shows that 5,185 applications for the removal of restrictions were handled during the fiscal year ended June 30, 1907, as shown by the following statement:

Applications for removal of restrictions.

Number approved during year	3, 117
Number disapproved during year	612
Pending in Washington	456
Dismissed; full bloods	242
Held, because land in oil field	263
Incomplete	489
Ready for report	66
Total	5, 185

During the previous year ended June 30, 1906, 6,243 cases were handled, 2,083 applications were approved, and 981 were disapproved. No material changes have been made in the manner of procedure in handling these cases. The form of certificate removing restrictions contains the following clause: "This approval to be effective thirty days from date."

The Indian agent forwards reports and recommendations to the Department on these applications through this office and the Commissioner of Indian Affairs, the inspector also making recommendation in each case. When applications are approved, the certificates are forwarded by the Department to the commissioner to the Five Civilized Tribes to be recorded, and complete lists giving the names of allottees and their addresses are posted in the office of the commissioner to the Five Civilized Tribes at Muskogee, Ind. T., and in the office of Indian Affairs at Washington, D. C., simultaneously.

In addition to these general provisions of law, I give the following brief synopsis of the provisions of the agreements with the different nations with respect to alienation which have been modified to some extent by the provisions of law above referred to.

CREEK NATION.

The average allotment is 160 acres, of which 40 acres, designated as the homestead, are inalienable for twenty-one years, or during the lifetime of the allottee.

Section 16 of the supplemental agreement with this tribe, ratified by the act of June 30, 1902 (32 Stat., 500), provides as follows:

Lands allotted to citizens shall not in any manner whatever, nor at any time, be encumbered, taken, or sold to secure or satisfy any debt or obligation, nor be alienated by the allottee or his heirs before the expiration of five years from the date of the approval of this supplemental agreement, except with the approval of the Secretary of the Interior. Each citizen shall select from his allotment 40 acres of land, or a quarter of a quarter section, as a homestead, which shall be and remain nontaxable, inalienable, and free from any encumbrance whatever for twenty-one years from the date of the deed therefor, and a separate deed shall be issued to each allottee for his homestead, in which this condition shall appear.

The homestead of each citizen shall remain, after the death of the allottee, for the use and support of children born to him after May 25, 1901, but if he have no such issue, he may dispose of his homestead by will, free from the limitations herein imposed, and if this be not done, the land embraced in his homestead shall descend to his heirs, free from such limitation, according to the laws of descent herein otherwise prescribed. Any agreement or conveyance of any kind or character violative of any of the provisions of this paragraph shall be absolutely void and not susceptible of ratification in any manner, and no rule of estoppel shall ever prevent the assertion of its validity.

Sections 21 and 22 of said act read as follows:

This agreement shall be binding upon the United States and the Creek Nation and upon all persons affected thereby when it shall have been ratified by Congress and the Creek national council, and the fact of such ratification shall have been proclaimed as hereinafter provided.

The principal chief, as soon as practicable after the ratification of this agreement by Congress, shall call an extra session of the Creek national council and submit this agreement as ratified by Congress to such council for its consideration, and if the agreement be ratified by the national council, as provided in the constitution of the tribe, the principal chief shall transmit to the President of the United States a certified copy of the act of the council ratifying the agreement, and thereupon the President shall issue his proclamation, making public announcement of such ratification; thenceforward all the provisions of this agreement shall have the force and effect of law.

This supplemental agreement was ratified by the tribe July 26, 1902, and the proclamation of the President was issued August 7, 1902. The Attorney-General rendered an opinion July 17, 1907, holding that limitation on alienation expired August 8, 1907. Regulations have been prescribed governing the matter of the sale of allotted land by citizens. The regulations require that the land be advertised for sale by the United States Indian agent for sixty days and sealed bids received therefor, deed not being of any validity until approved by the Secretary of the Interior. Full bloods can not dispose of their land for twenty-five years. The restrictions of citizens who are not of Indian blood and not minors were removed by the act of April 21, 1904, except as to the homestead. Citizens by blood, except full bloods, can make application for the removal of restrictions.

Citizens of this nation by blood, except full bloods, who desire to sell their land may, under the provisions of section 16 of the act of June 30, 1902, above quoted, and the regulations of the Department prescribed thereunder, list it with the United States Indian agent, who advertises the same for sixty days and receives sealed bids therefor, as provided by the regulations governing the leasing and sale of land in the Creek Nation. These bids are opened in the presence of all interested persons, and the highest bid is accepted if it is not less than the appraised value of the land, the value being determined by personal inspection by an employee of the agent's office and not made public. The allottee, however, is entitled to reject the highest bid, even though above the appraisal, if he so desires. Each bid must be accompanied by a certified check for 20 per cent of the amount of the bid, and if the highest bid is accepted the successful bidder is notified to deposit a certified check for the remainder of the purchase price. On receipt of this check the warranty deed, when executed by the allottee, together with all bids and records, is forwarded by the agent, through this office and the Commissioner of Indian Affairs, to the Department for approval. The inspector is required by the regulations of the Department to make recommendation as to the approval or disapproval of each deed.

The purchase price for the land is placed in a Government depository by the United States Indian agent, subject to the check of the Indian, when approved by the agent, in amounts of \$50 per month, except in cases where special authority is obtained from the Commissioner of Indian Affairs for the citizen to draw larger amounts.

The report of the United States Indian agent shows that 41 tracts of Creek land were advertised for sale, of which 19 tracts were sold, aggregating 1,138.21 acres, the consideration being \$24,222.50. Two sales were pending on June 30, 1907.

CHEROKEE NATION.

The allotments in the Cherokee Nation consist of 110 acres of average allottable land, of which 40 acres average allottable land, as nearly as practicable, are designated as the homestead, and are inalienable for twenty-one years, or during the lifetime of the allottee.

Section 14 of the agreement with the Cherokee Nation, ratified by the act of July 1, 1902 (32 Stat. L., 716), provides as follows:

Lands allotted to citizens shall not in any manner whatever or at any time be encumbered, taken, or sold to secure or satisfy any debt or obligation, or be alienated by the allottee or his heirs before the expiration of five years from the date of the ratification of this act.

Section 15 of said act provides:

All lands allotted to members of said tribe, except such land as is set aside to each as a homestead as herein provided, shall be alienable five years after issuance of patent.

The agreement was accepted by the tribe on August 7, 1902, and the proclamation of the President was issued August 12, 1902. The Department has recently been asked to construe this law in order to determine when lands may be alienated and whether thereafter mineral leases are subject to supervision.

Full bloods can not dispose of their land for twenty-five years, while the restrictions of citizens not of Indian blood and not minors, except as to the homestead, were removed by the act of April 21, 1904. Citizens by blood, except full bloods, can make application for the removal of their restrictions.

CHOCTAW AND CHICKASAW NATIONS.

In these nations the allotments are equal in value to 320 acres of average allottable land. Land equal in value to 160 acres of average allottable land is designated as a homestead, and is inalienable for twenty-one years, or during the lifetime of the allottee. The allotments of freedmen consist of 40 acres of average allottable land and are considered homesteads.

Section 15 of the supplemental agreement with this nation, ratified by the act of July 1, 1902 (32 Stat. L., 641), provides as follows:

Lands allotted to members and freedmen shall not be affected or encumbered by any deed, debt, or obligation of any character, contracted prior to the time at which said land may be alienated under this contract, nor shall said lands be sold except as herein provided.

Section 16 provides as follows:

All lands allotted to members of said tribes, except such land as is set aside as a homestead, as herein provided, shall be alienable after the issuance of patent, as follows: One-fourth in acreage in one year, one-fourth in acreage in three years, and the balance in five years in each case from the date of patent: *Provided*, That such lands shall not be alienable by the allottee or his heirs at any time before the expiration of the Choctaw and Chickasaw tribal governments for less than its appraised value.

Full bloods can not dispose of their land for twenty-five years, while the restrictions of citizens who were not of Indian blood and not minors, except as to the homestead, were removed by the act of April 21, 1904. Citizens by blood, except full bloods, can make application for the removal of their restrictions. The application must be ap-

proved by the Secretary of the Interior before they are authorized to sell. The act of July 1, 1902 (32 Stat. L., 641), provides that Mississippi Choctaws shall make proof of continuous residence upon the lands of the Choctaw and Chickasaw nations for three years before they are entitled to patent, and therefore, under direction of the Department, no applications for the removal of restrictions from such Mississippi Choctaws are considered unless such proof is furnished.

SEMINOLE NATION.

The average allotment is about 100 acres, of which 40 acres is designated as a homestead and is inalienable and nontaxable as a homestead in perpetuity.

The agreement with the Seminole Nation contained a provision to the effect that all contracts for the sale, disposition, or encumbrance of any part of any allotment made prior to the date of patent should be void. Citizens of this tribe by blood, except full bloods and minors, can dispose of their surplus allotments after date of patent without restrictions. The restrictions upon alienation by citizens not of Indian blood and not minors were removed by the act of April 21, 1904.

The act of April 26, 1906, provides that full bloods can not dispose of their land for twenty-five years. Citizens by blood, except full bloods, can make application for the removal of their restrictions.

The Seminole agreement provided that allotment deeds should not be issued until after the extinguishment of the tribal government on March 4, 1906, after which time allottees could alienate their land, with the exception of the homestead. The tribal government, however, being continued indefinitely, a provision was contained in the act of April 26, 1906, authorizing the principal chief to execute deeds prior to the extinguishment of the tribal government.

TAXATION.

The act of Congress approved April 26, 1906, provides in part (section 19 and applicable to the Five Civilized Tribes):

That all lands upon which restrictions are removed shall be subject to taxation and the other lands shall be exempt from taxation as long as the title remains in the original allottee.

LEASING BY INDIAN ALLOTTEES.

Leasing by Indian allottees was fully discussed in the last annual report. The Indian agent's report shows that during the fiscal year ended June 30, 1907, 1,763 leases claimed to have been obtained through fraud or misrepresentation or in violation of law were investigated; that of this number 1,740 leases were modified or reformed so as to provide adequate compensation to the allottee. Twenty-three cases reported to this office with the request that suit be instituted to cancel them were referred to the proper United States attorney for such action.

PLACING ALLOTTEES IN POSSESSION.

The agreements with the various tribes provide that each allottee is entitled to immediate possession of his land upon the issuance of

tory was placed under the direction of this office on December 20, 1904, and instructions given that applications be made through this office. The regulations require that maps in duplicate, showing the definite location of right of way, be submitted, and, after authority is granted for the construction of the line, the general damages are assessed and payment of an annual tax at the rate of \$5 per annum for each 10 miles of line required.

According to the records of this office there are now 27 persons or companies operating telephone lines in Indian Territory. The total mileage of lines operated is approximately 3,880.5. Of this mileage, the Pioneer Telephone and Telegraph Company owns and operates 2,256 miles and the other companies 1,624.5 miles.

The general damages for right of way have heretofore been paid at the rate of \$3.30 per mile. Inasmuch, however, as practically all of the land has been allotted, on March 15, 1907, the Department amended the regulations with reference to payment of damages so as to require telephone companies to pay direct to the allottees, where right of way crosses allotted land, damages at the rate of 2 cents per rod, except where right of way follows section lines, in which case a less amount may be accepted or the payment of damages waived. Where payments are made, telephone companies are required to take receipts; and if the payment of damages is waived, such waiver is secured in writing. Where the amount of damages can not be amicably adjusted between the telephone company and the allottee such damages are assessed by this office, subject to the approval of the Department. After the payment of same the telephone company is permitted to proceed with the construction of the line.

Under the provisions of section 3 of the act of March 3, 1901 (30 Stat. L., 1058), the Secretary of the Interior is authorized to grant right of way for telephone and telegraph lines across any land in Indian Territory which has not been conveyed to the allottee with full power of alienation. Therefore the approval of a map of definite location grants right of way, except as to that portion which crosses land where allottees have the power to alienate the same. In these cases the telephone company must secure right of way direct from the owner of the land and adjust the matter of damages with him. During the year ending June 30, 1907, there has been collected on account of damages and taxes from telephone lines the sum of \$3,323.60.

The proper amounts have been paid upon practically the entire mileage, although there are about a dozen of the smaller companies which have not complied with the law, and such cases have been referred to the Department of Justice, in order that suit may be instituted to compel compliance with the law.

With reference to telephone exchanges, the Department has held that it had no jurisdiction over exchanges constructed after the approval of the town plat. In all cases where exchanges were constructed prior to such date the matter has been taken up with the companies and payment of damages required and also the payment of annual tax up to the date of the approval of the town plat.

Very, respectfully,

J. GEO. WRIGHT,

United States Indian Inspector for Indian Territory.

The SECRETARY OF THE INTERIOR.

**REPORT OF SUPERINTENDENT OF SCHOOLS FOR INDIAN
TERRITORY.**

OFFICE OF SUPERINTENDENT OF
SCHOOLS IN INDIAN TERRITORY,
Muskogee, Ind. T., June 30, 1907.

SIR: I have the honor to submit my ninth annual report as superintendent of schools in Indian Territory.

The year just closed has been so quiet and uneventful that there seems to be but little to report further than to show what disposition has been made of the funds set aside for school purposes; hence we can easily comply with the request to make our reports as brief as possible.

The act of Congress approved April 26, 1906, provided for the continuance of the tribal schools of this Territory as follows:

SEC. 10. That the Secretary of the Interior is hereby authorized and directed to assume control and direction of the schools in the Choctaw, Chickasaw, Cherokee, Creek, and Seminole tribes, with the lands and all school property pertaining thereto. March fifth, nineteen hundred and six, and to conduct such schools under rules and regulations to be prescribed by him, retaining tribal educational officers, subject to dismissals by the Secretary of the Interior, and the present system so far as practicable, until such time as a public school system shall have been established under Territorial or State government, and proper provision made thereunder for the education of the Indian children of said tribes, and he is hereby authorized and directed to set aside a sufficient amount of any funds, invested or otherwise, in the Treasury of the United States, belonging to said tribes, including the royalties on coal and asphalt in the Choctaw and Chickasaw nations, to defray all the necessary expenses of said schools, using, however, only such portion of said funds of each tribe as may be requisite for the schools of that tribe, not exceeding in any one year for the respective tribes the amount expended for the scholastic year ending June thirtieth, nineteen hundred and five; and he is further authorized and directed to use the remainder, if any, of the funds appropriated by the act of Congress approved March third, nineteen hundred and five, "for the maintenance, strengthening, and enlarging of the tribal schools of the Cherokee, Creek, Choctaw, Chickasaw, and Seminole nations," unexpended March fourth, nineteen hundred and six, including such fees as have accrued or may hereafter accrue under the act of Congress approved February nineteenth, nineteen hundred and three, Statutes at Large, volume thirty-two, page eight hundred and forty-one, which fees are hereby appropriated, in continuing such schools as may have been established, and in establishing such new schools as he may direct, and any of the tribal funds so set aside remaining unexpended when a public school system under a future State or Territorial government has been established shall be distributed per capita among the citizens of the nations, in the same manner as other funds.

Under this act the following sums of money were made annually available for the maintenance of the schools of the Five Civilized Tribes:

Money available for maintenance of schools of Five Civilized Tribes.

Cherokee Nation-----	\$120, 476. 45
Creek Nation-----	83, 143. 62
Choctaw Nation-----	124, 967. 35
Chickasaw Nation-----	145, 471. 89
Seminole Nation-----	23, 788. 00
Total tribal funds-----	497, 847. 31

We have also made some progress in the teaching of agriculture. Our efforts along this line were ridiculed somewhat at first by certain pessimists who asserted that our teachers knew nothing of farming. There was some truth in this allegation, but every teacher who attended our summer normals was given some special instruction in agriculture, and some of them have succeeded during the past year in stirring up some interest in the study of this subject, which promises to be productive of much good in the future.

If Spencer's definition of the purpose of education be correct viz, "that it should fit a person to live completely," and if there is truth in the statement that the education of a child should have some reference to its immediate environment, then surely it is important that it receive some practical training in shopwork and domestic science, and that it learn something of the nature of various kinds of soils, their products, and something of the laws of plant life.

I regret exceedingly that our facilities for carrying on this work are very meager, but we have done the best we could with the material at hand. It is with pleasure that I report that our efforts in the direction of arousing some interest in the study of agriculture have been heartily supported by the Department of Agriculture at Washington.

The Director of the Experiment Stations at Washington says of this work:

In recent years great strides have been made in the studies on those things in nature with which the farmer has to deal. The secrets of air, soil, plant, and animal are now, in large measure, the common property of mankind. The nature of the soil as related to the crop which will grow in it, the life of the plant as related to amount of grain or forage or fruit it will bear, the body of the animal as related to the food which it requires for maintenance or growth, the life history of injurious insects as related to the means for their repression—such things as these science has now to offer to the student who makes his home on the farm. But there is still needed the skilled teacher to open the eyes of the farm boys and girls to the natural objects amidst which they live, and to start them in the right path of investigation of these objects with relation to their daily work on the farm.

I am compelled to make this report as brief as possible, but I can not close without calling attention to the good work that has been done in our summer normals along the line of training the teachers for the work which they have to do in this Territory. During the past eight years we have called the teachers of each nation together and the month of June each year has been spent in teaching and training them. For many years we were compelled to confine our efforts to academic work, for the reason that the majority of our teachers were deficient in knowledge of the common school branches. During the past few years, however, we have been able to give more attention to the study of the principles of teaching and to preparing the teachers for the special tasks which confront them in the rural districts of this Territory. Our four weeks' sessions just ended were attended by 1,200 teachers, more than 1,000 of whom successfully passed the examinations. In this year's normals special stress was laid upon the subjects of agriculture and English composition, almost every teacher in attendance being required to prepare daily lessons in these two subjects. We have long since learned that the best way to secure needed reforms in the work of the rural schools is to emphasize the subject-matter of these reforms in the summer normals or institutes, and we have reason to believe that the special work done

this summer will result in better teaching of agriculture and the English language in the schools of the coming year.

Statistics of public schools.

Town.	Superintendent or principal.	Number of teachers.	Months of school.	Enrollment.			
				White.	Indian.	Negro.	Total.
Adair.....	John E. Butler.....	3	9	101	7		168
Atoka.....	I. L. Cook.....	8	6	408	67	74	549
Bluejacket.....	E. J. Hobby.....	2	7	113	42		155
Bristow.....	Phillip Powers.....	7	8	300	43		343
Broken Arrow.....	A. R. Williams.....	8	9	536			536
Canadian.....	V. L. Harmon.....	4	9	88	24	27	139
Centralia.....	H. W. C. Shelton.....	5	8	191			191
Chant.....	W. S. Brown.....	1	6	130	15		145
Chickasha.....	W. S. Staley.....	32	9	1,552	33	209	1,794
Coalgate.....	J. C. Tucker.....	13	8	543	5	30	578
Cornish.....	D. F. Spradling.....	2	7	162	21		183
Dustin.....	J. F. Thompson.....	3	9	190	13		203
Grove.....	W. C. Jordan.....	4	8	178	118		296
Haskell.....	John F. Gambill.....	4	4	200	6	65	271
Inola.....	J. C. Dougherty.....	2	6	100			100
Krebs.....	E. L. Whitehurst.....	4	8	208			208
Lehigh.....	W. H. Buck.....	6	7	291		37	328
Lindsay.....	R. M. Burnham.....	6	8	282	9		291
McAlester.....	William Gay.....	28	9	1,439	10	327	1,786
Marietta.....	M. E. Moore.....	8	9	322	50	62	434
Marlow.....	A. W. Herring.....	3	6	415			415
Muskogee.....	C. W. Bries.....	46	9	1,679		966	2,645
Okmulgee.....	Thomas Scott.....	14	8	1,200		300	1,500
Pontotoc.....	A. B. Sugg.....	2	7	129			129
Poteau.....	E. L. Rodman.....	7	9	427	20		447
Skiatook.....	Emma Springer.....	2	7	125	16		141
Tahlequah.....	S. J. Creswell.....	7	9	340	92		432
Talaha.....	William S. Hamilton.....	3	8	138	92		230
Talihina.....	Charles M. Bright.....	3	6	110	12		122
Tulsa.....	J. G. Masters.....	34	9	1,500		300	1,800
Wagoner.....	G. A. Pearden.....	18	8	812		164	976
Welch.....	Allen Piatt.....	4	8	330			330
Wetumka.....	J. F. Johnson.....	5	8	164	51		215
Wilburton.....	A. S. Cowan.....	5	8	235		15	250
Total.....				14,988	816	2,576	18,380

Statistics of tribal schools.

Name of school.	Enrollment.	Average attendance.	Months of school.	Annual cost.	Average cost per pupil.
<i>Cherokee schools.</i>					
Male Seminary.....	138	108	<i>Mos. Days.</i> 9	\$14,438.07	\$133.69
Female Seminary.....	180	152	9	19,573.33	128.70
Orphan Asylum.....	73	67	12	10,761.73	160.62
Colored High School.....	50	43	9	5,014.18	116.61
157 a primary combined day schools b.....	9,687			47,254.16	
Total.....	10,128	370		97,031.47	
<i>Creek schools.</i>					
Enfauia High School.....	91	64	9	8,599.40	134.05
Wetumka Boarding.....	109	77	9	8,587.68	111.53
Wealuka Boarding.....	53	39	9	5,369.49	137.69
Eucluee Boarding.....	87	70	9	7,673.24	109.62
Coweta.....	45	37	9	4,517.53	122.09
Creek Orphan Home.....	70	51	9	7,151.15	140.22
Nuvaka.....	109	71	9	5,599.81	78.76
Tulahassee Boarding.....	97	63	9	7,306.81	105.89
Pecan Creek Boarding.....	54	44	9	3,664.21	85.55
Colored Orphan Home.....	39	31	9	3,574.64	115.31
22 c primary combined day schools d.....	1,524			6,260.01	
Total.....	2,278	553		68,303.97	

a Of this number 21 are negro schools.

b Of this number 4,447 are white pupils and 1,279 are negro pupils.

c Of this number 3 are negro schools.

d Of this number 1,125 are white pupils and 225 are negro pupils.

Statistics of tribal schools—Continued.

Name of school.	Enrollment.	Average attendance.	Months of school.	Annual cost.	Average cost per pupil.
<i>Choctaw schools.</i>					
Jones Academy.....	133	108	<i>Mos. Days.</i> 9	\$18,022.49	\$166.87
Armstrong Academy.....	115	95	9	16,154.29	170.05
Tuskahoma Academy.....	120	105	9	17,320.72	164.96
Wheelock Academy.....	110	103	9	15,982.69	155.17
Murrow Indian Orphan Home.....	82	78	9	8,468.64	108.57
Durant.....	90	71	9	5,724.61	80.63
Big Lick.....	31	20	6	840.02	42.00
Chishoktak.....	40	28	9	1,767.98	63.14
Goodland.....	80	54	8	3,030.82	57.98
International School for the Blind and Deaf.....	4	3	12	823.37	274.46
60 combined primary day schools ^a	α 3,485			17,949.64	
Total.....	4,290	665		106,085.27	
<i>Seminole schools.</i>					
Mekusukey.....	110	78	8	8,643.48	110.81
Emaha a.....	102	77	7	7,989.92	103.77
4 day schools.....	327			1,149.00	
Total.....	539	155		17,782.40	
<i>Chickasaw schools.</i>					
Bloomfield Seminary.....	43	24	6 15	5,305.19	221.05
Harley Academy.....	68	35	8	6,530.90	186.59
Collins Institute.....	56	33	8 15	6,067.27	183.85
Rock Academy.....	43	24	7 15	5,231.30	217.98
Chickasaw Orphan Home.....	72	51	8	10,124.91	198.22
Stonewall.....	29	22	9	2,316.31	105.29
Selydze Business College.....	22	16	8	1,612.31	100.77
Hargrove.....	74	55	9	5,906.48	107.39
St. Agnes Academy.....	28	21	9	2,187.66	104.17
Tonkawa Preparatory.....	2	2	5	98.60	49.30
S. Elizabeth's Convent.....	20	18	8	1,652.95	91.28
El Meta Bond.....	7	5	9	558.79	111.76
69 day schools.....	4,777			19,925.84	
Total.....	5,241	306		67,518.51	

^a Of this number 2,497 are white pupils.

Schools maintained out of fund "Indian schools, Five Civilized Tribes."

Number of day schools.	Enrollment.		Cost.
	Indians.	Whites.	
α 486	5,160	26,298	\$134,663.89

^a Of this number 71 are negro schools, with an enrollment of 3,107 pupils.

Schools maintained out of fund "Indian schools, Five Civilized Tribes, surplus court fees."

Number of day schools.	Enrollment.		Cost.
	Indians.	Whites.	
α 197	710	11,634	\$49,132.41

^a Of this number 28 are negro schools, with an enrollment of 810 pupils.

Statistics of private and denominational schools.

School.	Location.	President or principal.	When established.	Enrollment.		
				White.	Indian.	Total.
Cherokee Academy.....	Tablequah.....	W. J. Pack.....	1885	105	57	162
Cumberland.....	Cumberland.....	W. S. Graves.....	1887	110	6	116
Dwight Mission Industrial.....	Marble City.....	F. J. Schaub.....	1820	35	60	95
Hargrove College.....	Ardmore.....	J. M. Gross.....	1885	132	87	219
Indian University.....	Bacone.....	W. C. Farmer.....	1880	92	63	155
Indianola College.....	Wynnewood.....	F. J. Stowe.....	1902	66	43	109
Lutheran Mission.....	Oaks.....	N. L. Neilsen.....	1902	26	38	64
Spaulding College.....	Muskogee.....	T. F. Brewer.....	1887	182	.....	182
St. Elizabeth's Institute.....	Purcell.....	M. Patricia.....	1889	71	71	142
Sacred Heart.....	Vinita.....	C. Van Hulse.....	1897	94	158	232
Total.....	.....	.....	.....	918	563	1,476

I submit herewith the annual reports of our four supervisors, in which may be found more detailed accounts of our work in the various nations of the Territory. I take pleasure in saying that our supervisors have all given faithful service during the past year. Their work is constantly increasing, their duties becoming more numerous, yet they are ever ready to support any movement looking toward the betterment of educational conditions.

Very respectfully,

JOHN D. BENEDICT,

Superintendent of Schools in Indian Territory.

The COMMISSIONER OF INDIAN AFFAIRS.

REPORT OF THE SUPERVISOR OF CREEK SCHOOLS.

OFFICE OF SCHOOL SUPERVISOR FOR CREEK NATION,
Muskogee, Ind. T., June 30, 1907.

SIR: I have the honor to submit the eighth annual report of the schools of the Creek Nation and the second annual report of the schools of the Seminole Nation.

CREEK NATION.

During the fiscal year ending June 30, 1907, 184 rural schools have been maintained. This is an increase of 40 per cent over the number maintained during the fiscal year ended June 30, 1906. With the additional funds available for school purposes during the coming year, I believe the same percentage of increase in the number of schools should be shown.

During the past year the standard of qualifications of teachers was raised and the general efficiency of the work much improved.

In the fall of 1906 manual training (bench work) was added to the course at Wealaka, Eufaula, and Euchee boarding schools. The result is all that could have been expected. The Indian boys took great interest in this line of instruction and fully demonstrated their aptitude for the work. Among the useful products of this department are an office desk made by the Indian boys of the Euchee school at Sapulpa and a table and filing cabinet made by the boys at the Eufaula high school. The desk is made of native walnut and is paneled throughout. The workmanship is excellent on all three of the articles, and they are now in use in the office of the superintendent of schools in the Indian Territory.

At Wealaka the bench work done was excellent, and during the latter part of the year the superintendent (Walter Van Allen) furnished the forge and tools for a blacksmith shop, and the Indian boys did some excellent work along this line. The custom work among the farmers at this place paid the running expenses of the blacksmith shop.

I have asked permission to introduce manual training into all the boarding schools of the Creek and Seminole nations for the coming year, and hope by this method to develop in the Indian boy both inclination and ability to get the best results from his allotment.

At all the boarding schools special attention has been given to the work in agriculture. Wealaka and Wetumka lead in this work, and at both places the interest has spread to the homes of the pupils and to near-by farmers.

The work consists mainly of budding and grafting fruit trees, fertilization of the soils, selecting seed corn and seed potatoes, testing of seeds for all kinds of crops, care of different kinds of growing

crops, growing of garden vegetables, and value of the different crops as fertilizers.

Many of the rural schools this year had small portions of the school grounds in cultivation, where seeds were tested and many successful experiments were made; besides, during the last month of school enough vegetables were matured to furnish the noon luncheon for teacher and pupils.

This work in agriculture is the direct outgrowth of your suggestion to the supervisors at a meeting in your office two years ago, and I am sure you have reason to feel gratified with the result.

Two summer training schools for teachers were conducted for the teachers of the Creek and Seminole schools. Composition and music were added to the requirements for certificates, and special work will be done in teaching "usable English" in every school under my supervision during the coming year.

A number of the teachers in the boarding schools are now at Pittsburg, Kans., and at Norman, Okla., taking special work in manual training or domestic art and otherwise fitting themselves for more and better work during the coming year.

SEMINOLE NATION.

Nineteen rural schools were maintained in the Seminole Nation during the year, and the work was very satisfactory.

I took charge of Mekusukey Academy at the beginning of the year, but owing to the opposition of the tribal authorities I did not take charge of Emahaka Academy until November 17, 1906.

Walter Ferguson was placed in charge of the female academy at Emahaka on November 17, 1906, and the school was continued under his superintendency until June 16, 1907. The work done was very gratifying to me and to the Indians who patronized the school. This school had its full capacity of pupils during the entire year.

James I. Cochrane was continued as superintendent of the male academy at Mekusukey, and while the school had a better attendance than during the previous year, it was still about 20 below its capacity in attendance during the whole of the year. I hope to have this school running with its full quota (100 students) next year.

I expect to increase the number of rural schools in this nation to 25 or more next year.

I desire to express my deep appreciation for the hearty cooperation of every department of your office in my work.

Very respectfully,

WALTER FALWELL,
Supervisor Creek and Seminole Schools.

The SUPERINTENDENT OF SCHOOLS IN THE INDIAN TERRITORY.

REPORT OF THE SUPERVISOR OF CHEROKEE SCHOOLS.

OFFICE OF SCHOOL SUPERVISOR FOR THE CHEROKEE NATION,
Tahlequah, Ind. T., June 30, 1907.

SIR: I have the honor to submit the ninth annual report of this office.

The Government day schools of the Cherokee Nation opened September 1, 1906, and, with the exception of the holiday rest, they continued in session to April 30, 1907.

The four boarding schools of the Cherokee Nation opened September 1, 1906, and continued in session nine months, closing the year's work May 31, 1907. These schools were managed, for the first time, on the contract plan, and were maintained at less expense than formerly, while the degree of efficiency and standard of work done at least did not suffer.

The course of study in the male and female seminaries, above the preparatory departments, is about the same as that found in the average high school. The attendance at these schools was larger than that of the previous year; in fact, for two quarters during the year it became necessary to refuse admission to many pupils. The policy of the Department has been toward putting greater emphasis on the industrial phases of education, thus fitting the pupil more fully and directly for the practical problems of life. The work done in the female seminary along this line was most commendable. We are now perfecting arrangements to establish an elementary course in manual training in the male seminary.

The introduction of some simple military features in the male seminary met with a hearty response from the students. The boys are now all dressed in uniforms and are well drilled in simple military tactics. The superintendent says that this feature has improved the discipline of the school as well as the personal bearing and laudable school pride of the students. This feature will be continued in the future with a view to student self-government.

The Cherokee Insane Asylum has cared for 22 inmates during the year. Of this number 2 have died and 4 have been discharged as cured, leaving an average of 18 inmates for the twelve months. There was paid for salaries of employees \$1,778.28; for supplies, repairs, and refurnishings, \$2,222.73; total cost of maintenance, \$4,001.01. The per capita cost for the year was \$228.28. While the cost of maintaining this institution is somewhat higher than last year it should be remembered that it was necessary to expend \$200 for repairs, which, with the increased cost of nearly everything that was used in the asylum, makes the cost to the nation, I think, very reasonable.

The International School for the Blind and Deaf at Fort Gibson has kept and instructed three Cherokees, at an annual cost of \$600.

There were maintained throughout the Cherokee Nation 317 day or neighborhood schols.

In our opinion the most difficult as well as the most important part of the school service is to build up the schools in the rural neighborhoods so as to give efficient service. With the many adverse conditions surrounding this work we are glad to be able to say that a commendable growth of interest along all school lines has been witnessed the past year. There has been a marked increase in the enrollment in the rural schools, the per cent of attendance on the basis of the enrollment is considerably higher, and a much better school spirit and community interest in education in general is felt throughout the rural neighborhoods. This wholesome growth is accounted for largely by the fact that we have been able to secure a greater number of trained teachers than heretofore, and to the further fact that we have been able to give more intelligent and helpful supervision to these schools by means of monthly report cards, district meetings, and personal visitation. With the additional office help that the Department has granted the supervisors we hope to be able to still further increase the efficiency of these schools by spending more of our time in the field.

We note, further, another very gratifying condition in our supervision of the rural schools, in the fact that a far greater number of neighborhoods have sent in petitions asking for the return of their respective teachers for the coming year. This indicates that our teachers have been able to take up their difficult work in the various districts and to more nearly meet the demands made upon them. The appointment of teachers for the coming year can be made more intelligently and still greater efficiency secured.

Great care has been and is taken in the location of rural schools. The petition from a neighborhood asking for the establishment of a school must contain the section, township, and range. An examination of a map in our office upon which all schools that have been granted are correctly located indicates at once the nearness of the proposed school to schools already established, and also what portions of the nation are being neglected.

Very respectfully,

D. FRANK REDD,
Supervisor.

THE SUPERINTENDENT OF SCHOOLS IN THE INDIAN TERRITORY.

REPORT OF THE SUPERVISOR OF CHOCTAW SCHOOLS.

OFFICE OF SCHOOL SUPERVISOR FOR CHOCTAW NATION,
South McAlester, Ind. T., June 30, 1907.

SIR: I have the honor to submit my seventh annual report of the schools of the Choctaw Nation.

The general management by the superintendents, the enthusiasm and interest manifested by the teachers and other employees, and the regular attendance and earnest work done by the pupils have made this a very satisfactory year's work in the academies. A detailed description of these academies was given in my former reports.

There were four small boarding schools in session—Durant, Chishoktak, Old Goodland, and Big Lick. Indian children whose homes are remote from established schools attend these boarding schools. The attendance has been reasonably good in all except Big Lick, which was discontinued the last of February on account of low attendance.

There were 259 day schools in operation during the year, the majority of which were in session for seven months. All of these schools except 25, which were for negro children, were attended by both Indian and white children. The attendance has been reasonably good. The seemingly low average daily attendance is due to the small irregular attendance in the crop gathering months, October and November.

The teachers generally have shown the proper spirit in the management of their schools, the parents have seemed to be much interested in having good schools, and the children have been anxious to attend school. All of these factors have made a gradual increased growth in these schools noticeable.

As has been our custom for the past six years, our year's work closed with a four weeks' summer normal for teachers. The total enrollment at the normal reached 270, an increase of 25 per cent over the attendance of any previous session. This meeting was of unusual interest throughout, as a result of the competent, thorough, and practical instruction by Superintendent Joseph Carter, of Champaign, Ill.; Superintendent William Gay, of the South McAlester public schools; Albert E. Riling, principal of Jones Male Academy, and Amanda Eld, principal of Tushkahoma Female Academy. During the last week of the normal our annual examinations were held; 175 teachers took the examinations.

During June a normal for negro teachers was held at South McAlester, 55 teachers being in attendance. Practically, these teachers did the same amount of work as teachers attending the white normal.

The additional appropriation for schools by Congress, the liberal supplemental salaries guaranteed by the patrons of the various schools, the valuable help of a clerk to do office work, thereby enabling the supervisor to give almost his entire time to school visitation, our opportunity of securing a more efficient class of teachers, and the general sentiment throughout the nation for better schools make the outlook for next year's work very flattering.

Statistics of Choctaw schools.

Total number schools-----	259
Total number on pay roll-----	334
<hr/>	
Number of children in school:	
Indians-----	3,074
Whites-----	12,960
Negroes-----	1,728
Total-----	17,762
<hr/>	
Cost of schools, including salaries of supervisors and their office expenses:	
From tribal funds-----	\$109,890.47
From "funds Indian schools Five Civilized Tribes"-----	48,194.46
Total-----	158,084.93

Very respectfully,

CALVIN BALLARD,
Supervisor of Choctaw Schools.

The SUPERINTENDENT OF SCHOOLS.

REPORT OF THE AGENT FOR UNION AGENCY.

MUSKOGEE, IND. T., *July 15, 1907.*

Submitted herewith is the usual statistical and other information covering the operations of the office of the Indian agent at Union Agency for the fiscal year ended June 30, 1907.

The business affairs of the Creek, Cherokee, Choctaw, Chickasaw, and Seminole Indians, both individual and tribal, with which the agent for the Five Civilized Tribes has been required to deal during the period covered by this annual report extend over a wide field, requiring duties of almost every character to carry out the purposes of the Government as contemplated by the enactments of Congress and the instructions given thereunder.

ENROLLMENT.

The rolls as finally completed by the Commissioner to the Five Civilized Tribes show the total number of members thereof to be 101,211, divided into classes as follows:

Total enrollment of Five Civilized Tribes.

	Full bloods.	Part bloods.	Inter-married.	Freedman.	Total.
Choctaws.....	8,319	10,716	1,586	5,994	26,615
Chickasaws.....	1,538	4,146	625	4,670	10,989
Creeks.....	6,812	5,083	.....	6,803	18,698
Cherokees.....	6,601	^a 29,975	286	4,923	41,785
Seminoles.....	1,399	739	.....	986	3,124
Total.....	24,669	50,659	2,507	23,376	101,211

^a Includes 197 registered Delawares.

The same general scheme of office organization continues, as mentioned in the report for the previous year, and the discussion of the various branches of work follows under the heads of the different office divisions.

ACCOUNTS DIVISION.

The volume of the regular agency account continues to increase, principally by reason of the large amount of oil royalties, belonging to individual Indians, received and disbursed. During the past year 6,481 royalty vouchers and 1,398 regular disbursement vouchers were prepared and paid.

The grand total of moneys handled by the agency during the year aggregated \$3,060,296.02, a total of \$1,631,949.36 having been collected and \$1,989,127.09 disbursed. The total receipts have been smaller for the year just closed than for the previous one, because of the falling off of the tribal collections, especially town-lot payments. Individual Indian money collections have, on the other hand, more than doubled. The disbursement to individual Indians for the fiscal year ended June 30, 1906, was \$339,279.01. The amount for the year

just closed was \$679,347.45, and its rapid increase is better shown by the disbursements for each quarter as mentioned below:

First quarter	\$124,891.17
Second quarter	116,816.95
Third quarter	171,714.78
Fourth quarter	265,924.55

The general statement showing the items received and disbursed during the fiscal year follows:

Receipts and disbursements during fiscal year ended June 30, 1907.

RECEIPTS.

Choctaw and Chickasaw nations:		
Coal royalty	\$237,385.03	
Asphalt royalty	2,814.20	
Condemnation town lots	287.45	
Condemnation of lands for railway purposes	7,411.71	
Sale of seized timber	132.90	
Quarterly payment right of way St. Louis and San Francisco Rwy. Co	3,000.00	
Rent of jail at Tishomingo	150.00	
Sale of seized furs	7.65	
Grazing fee	12,064.50	
Town lots	389,589.61	
Individual Indian moneys, oil and gas	32.84	
		652,875.89
Choctaw cattle tax		9.60
Cherokee Nation:		
Oil and gas royalty (individual)	568,825.34	
Coal royalty (individual)	2,176.48	
Limestone and shale royalty (individual)	2,060.00	
Oil lease bonus (individual)	811.00	
School revenue (board of teachers and pupils)	9,050.21	
Taxes on pipe lines	233.85	
Improvements former Orphan Asylum lands	80.00	
Sale of property Cherokee Orphan Asylum	419.35	
Sale of stray stock	228.48	
Stone and ballast	332.76	
Ferry charters	140.00	
Grazing fee	365.90	
Town-lot payments	146,582.23	
		731,315.60
Creek Nation:		
Oil and gas royalty (individual)	181,256.93	
Coal royalty (individual)	12,921.56	
Clay and shale royalty (individual)	300.00	
Oil lease bonus (individual)	7,095.00	
Taxes on pipe lines	34.76	
Occupation tax	133.13	
Grazing fee	12,802.65	
Town-lot payments	22,701.96	
		237,245.99
Miscellaneous:		
Sale of town-site maps		210.80
Overpayments, advanced royalty, Creek and Cherokee		10,291.48
Total actually collected by Indian agent	1,631,949.36	
Amount received by agent to cover disallowances	247.67	
Received by Treasury warrants on requisition	1,379,852.73	
		3,012,049.76
Balance "Individual Indian moneys" carried over from previous fiscal year	47,902.36	
Balance "Overpayments, advance royalty, Creek and Cherokee" carried over from previous fiscal year	343.90	
Total		3,060,296.02

DISBURSEMENTS.

Per capita and other Indian payments:		
Chickasaw incompetent fund -----	\$1,600.00	
Choctaw-Chickasaw town lots, 1904 -----	26,360.00	
Payment to loyal Creeks -----	4,275.70	
Payment to the Delawares -----	5,640.25	
Choctaw-Chickasaw town lots, 1906 -----	729,225.00	
		\$767,100.95
Warrant payments:		
Creek -----	55,950.16	
Cherokee -----	24,324.82	
Chickasaw -----	246,969.17	
Choctaw -----	16,129.68	
		343,373.83
Miscellaneous:		
Incidentals, office of Indian inspector for Indian Territory -----	9,198.36	
Removal of intruders -----	22,232.39	
Sale and leasing of Creek and Cherokee lands -----	32,870.87	
Cherokee citizenship commission and witnesses -----	1,511.80	
Salary and expenses revenue inspection service -----	5,489.46	
Public roads -----	27,377.94	
Investigation alleged fraudulent leases -----	9,656.78	
Removal of restrictions -----	15,188.23	
Overpayment advance royalty -----	8,377.48	
Paid royalties due individual Indians -----	679,347.45	
Remittances and patents on town lots -----	12,929.64	
Telephone inspection service -----	922.58	
Salary of agent, employees, office incidentals, and miscellaneous -----	52,923.68	
Exchange -----	625.65	
		878,652.31
Total actual disbursements -----		1,989,127.09
Deposited Indian moneys to the credit of various tribes -----		845,372.28
Deposited on account of sale of town-site maps -----		210.80
Deposited unexpended balances -----		79,036.22
Deposited on account of disallowances -----		247.67
Balance on hand, overpayment advance royalty -----		2,257.90
Balance on hand, "Individual Indian moneys" -----		144,044.06
Total -----		3,060,296.02

Under the act of April 26, 1906, the Secretary of the Interior on November 15, 1906, prescribed regulations governing the issuance and payment of warrants for the expenses of the tribal governments. These regulations became effective January 1, 1907.

Heretofore Creek and Cherokee warrants have all been paid by the Indian agent, and Choctaw and Chickasaw warrants have been issued, circulated, and paid by the tribal authorities, except in some special cases. Under the present regulations these warrants are not to be circulated, but upon their issuance are to be forwarded to the Indian inspector for the Indian Territory for approval. When approved they are to be paid from the tribal funds by the agent.

Under departmental instructions, all outstanding Chickasaw national fund warrants were called in, examined, and reported upon by this office. Warrants to the amount of approximately \$70,000 were found to be regular in every respect, and have been paid. Of those remaining, warrants amounting to about \$18,500 were found to have been once paid by the tribal authorities and fraudulently recirculated, and their payment was therefore refused. Other warrants aggregating \$68,000 were found to have been issued without

proper authority, and to be otherwise irregular, and their payment was also refused by the Department on the ground that the act of Congress only authorized the Secretary of the Interior to pay warrants regularly issued and legal claims.

The total amount of tribal warrants paid and retired during the year is shown by the following statement:

Tribal warrants paid and retired during fiscal year ended June 30, 1907.

Chickasaw warrants	\$246,969.17
Choctaw warrants	16,129.68
Creek warrants	55,950.16
Cherokee warrants	24,324.82

INDIAN PAYMENTS DIVISION.

Choctaw-Chickasaw town-site payment.—The \$35 per capita distribution of the town-site funds belonging to the Choctaw and Chickasaw tribes, provided for by the act of April 28, 1904 (33 Stat. L., 571), which was commenced on June 1, 1906, as mentioned in the last annual report, continued during the year, the field work being closed about December 1, 1906. The members of the two tribes entitled to the payment number 25,695, and in order to pay the Indians as near their homes as possible, the payment was made in 48 different towns throughout the two nations. The following statement shows the names of the points visited and the amounts disbursed at each:

Disbursements for Choctaw-Chickasaw townsite payment.

Town.	Number of Indians paid.	Amount disbursed.	Town.	Number of Indians paid.	Amount disbursed.
Smithville.....	495	\$17,325	Wapanucka.....	337	\$11,795
Idabel.....	1,072	37,520	Tishomingo.....	708	24,780
Garvin.....	310	10,850	Madill.....	465	16,275
Valhiant.....	173	6,055	Kingston.....	251	8,785
Fort Towson.....	450	15,750	Colbert.....	256	8,960
Hugo.....	978	34,230	Mill Creek.....	150	5,250
Antlers.....	749	26,215	Sulphur.....	307	10,745
Tuskahoma.....	506	17,710	Roff.....	384	13,440
Talihina.....	520	18,200	Ada.....	536	18,760
Wister.....	521	18,235	Stonewall.....	343	12,005
Poteau.....	401	14,035	Mannsville.....	63	2,205
Spiro.....	641	22,435	Ardmore.....	1,171	40,985
Stigler.....	681	23,835	Marietta.....	224	7,840
Kinta.....	510	17,850	Davis.....	313	10,955
Crowder.....	248	8,680	Pauls Valley.....	681	23,835
South McAlester.....	981	34,335	Purell.....	392	13,720
Calvin.....	377	13,195	Lindsay.....	305	10,675
Hartshorne.....	231	8,085	Chickasha.....	666	23,310
Wilburton.....	192	6,720	Marlow.....	149	5,215
Kiowa.....	407	14,245	Duncan.....	212	7,420
Atoka.....	1,185	41,475	Comanche.....	49	1,715
Caddo.....	577	20,195	Ryan.....	144	5,040
Durant.....	1,003	35,105	Muskogee (by voucher) ...	1,277	44,695
Bennington.....	485	16,975			
Boswell.....	350	12,250			
Coalgate.....	421	14,735	Total.....	23,847	\$834,645

As will be seen from the above, the shares of 23,847 Indians at \$35 per capita have been paid, aggregating \$834,645, of which amount \$729,225 was disbursed in the year just closed. Unpaid shares are being settled by voucher from the agency office as claims are presented.

In addition to the payment of the \$35 share, during the progress of this payment the unpaid shares of the \$40, 1904 payment, both to Mississippi Choctaws and other members, were disbursed, aggregating \$26,360.

Delaware per capita.—Unpaid claims of the per capita of \$102.50 distributed to Delaware Indians during the previous year under the act of April 21, 1904 (33 Stat., 221), were settled in the year just closed, aggregating \$5,640.25, leaving 88 shares yet unpaid.

Chickasaw per capita.—An amount of \$1,600 was disbursed in the settlement of unpaid shares of the original so-called "\$40 incompetent payment" made to enrolled Chickasaws, as provided by section 72 of the act of July 1, 1902 (32 Stat., 641). But \$369.17 remains of this original fund, the appropriation made being practically exhausted. When this amount is disbursed, such members of the Chickasaw tribe who have failed to draw this fund can not be paid unless other provision is made, either by tribal legislation, with the approval of the President, or by Congress.

Loyal Creeks.—There are a few claimants to this fund under the original appropriation of March 3, 1903, unpaid. During the year there was disbursed \$4,275.70.

CASHIER'S OFFICE.

The general statements of receipts for the fiscal year show a grand total of \$1,631,949.36 actually collected by this agency, which was handled by the cashier and his assistants, all of whom are bonded employees.

This money was almost all received through the mail, therefore all agency letters were first opened in the cashier's office, and the cash, drafts, or money orders detached and slips showing the amount remitted turned into the mailing room in lieu of the actual money.

MAILING DIVISION.

The records of this division show 78,534 miscellaneous letters and 2,639 Indian office letters received during the year just closed, besides approximately 25,000 statements, vouchers, etc., which are handled through the mail but are not given regular numbers. The closest estimate of outgoing letters and receipts shows approximately 176,000.

TOWN-SITE DIVISION.

Heretofore for seven years the moneys collected on account of payments due the tribes for lots in the 300 Government town-sites in the Indian Territory have grown larger each fiscal year. This work is now being brought to a close, and the collection of town-lot moneys during the past fiscal year was only a little more than half as large as during the fiscal year 1906. The final payments on most of the lots in the larger towns have practically all been made, 20 towns having been paid out in full.

The following tabulation shows the receipts for town lots for each nation by fiscal years:

Receipts for town lots.

Fiscal year ended June 30—	Creek.	Cherokee.	Choctaw and Chickasaw.	Total.
1900		\$74.02	\$11,139.48	\$11,213.50
1901		10.02	25,090.91	25,100.93
1902	\$80,536.56		157,188.83	237,725.39
1903	211,410.22	21,286.40	337,427.21	570,123.83
1904	106,479.26	73,568.24	374,574.22	554,621.72
1905	105,579.47	139,389.74	541,749.55	786,718.76
1906	149,049.53	244,450.74	581,728.65	975,228.92
1907	22,701.96	146,582.23	389,589.61	558,873.80
Total	675,757.00	625,361.39	2,418,488.46	3,719,606.85

Section 13 of the act approved April 26, 1906 (34 Stat., 137), provides:

That the coal and asphalt lands, whether leased or unleased, shall be reserved from sale under this act until the existing leases for coal and asphalt lands shall have expired, or until such time as may be otherwise provided by law.

There are twenty-one of the Government town sites within the segregated coal area. The Department has held that until the matter is further considered and passed upon by Congress, no money can be accepted on sales of lots within these town sites, if the sale has not actually been consummated by the payment of the first installment of the purchase price. As it was not believed that Congress intended that this provision should apply to town lots, it was recommended at the last session that the matter be remedied, which recommendation it is believed should be renewed.

TOWN-LOT DEED DIVISION.

As rapidly as possible after a full payment is made for any lot, steps are taken looking to the issuance of a patent executed under the authority of the proper tribe by the principal chief or other tribal executive. In the Creek and Cherokee nations these deeds are forwarded by the Indian inspector for the approval of the Secretary of the Interior. In the Choctaw and Chickasaw nations such approval is not required.

All of these deeds are made of public record in the office of the Commissioner to the Five Civilized Tribes and are then delivered by mail by the Indian agent. The record of deeds and patents prepared and delivered for the fiscal year follows:

Nation.	Prepared.	Delivered. ^a
Choctaw-Chickasaw	6,744	9,349
Cherokee	1,553	1,923
Creek	1,685	844
Total	9,982	12,116

^a Includes some prepared in the previous year.

Pending the investigation and action upon the complaint of the Creek national council with reference to the alleged fraudulent scheduling of town lots, the delivery of deeds to lots in the Creek Nation has been withheld.

INTRUDER DIVISION.

Your office sees but little of the results accomplished by this division, as few appeals are taken, but the placing of allottees in possession of their lands and the investigation of complaints in reference to agricultural leases obtained by fraud form one of the most complicated and difficult problems of the entire agency.

Placing allottees in possession.—Under the provisions of the various agreements with the Indians of the Five Civilized Tribes the Indian agent at Union Agency is required, upon the issuance of allotment certificate and the application of the allottee, to place any Indian in the unrestricted possession of his land and to remove all objectionable persons.

Upon receipt of a complaint the defendant or person complained of is notified either to remove from the allotment or show cause within ten days why he should not remove. In many cases formal answers are filed, possession being claimed through some lease or other arrangement with the Indian, and many hearings are necessary. These are held in various parts of the Territory, at points most convenient for the allottees, and where the issues are controverted or the jurisdiction of the office questioned formal judgments or decisions are rendered. If the case is decided in favor of the complainant, the defendant is notified and given a limited time to remove from the allotment, and if he fails to do so, and there is no appeal, action is taken through the Indian police force to place the allottee in possession. As a general rule the decisions of the office have been accepted as final, there having been during the past year but eight appeals, in all of which cases, upon review by your office and the Department, the original judgment of this office has been sustained.

There has been a very material decrease in the number of written complaints, the total for the year being 1,002, not including 216 carried over from last year. More effective work, however, has been done by the field men this year, many cases having been taken up and satisfactorily disposed of and adjusted without formal hearings. During the year 2,077 complaints were thus handled. Also 875 formal cases were heard and disposed of in the fiscal year, making a total of 2,952 cases investigated.

The field force has also performed a vast amount of work making investigations at the request and for the assistance of the United States courts as to the status of the allotments of minor citizens with reference to their timber and agricultural leases, persons in possession, etc. It is believed that a conservative estimate of the amount saved minor allottees in this class of work in the making of leases and the securing of proper rental value for their lands will aggregate \$40,000 or \$50,000.

Considerable difficulty has been experienced in placing Cherokee allottees in possession of their land long held by rejected freedmen who have been denied citizenship, every obstacle having been placed in the way of this office by suits in the courts and otherwise. A temporary injunction was granted by Hon. Joseph A. Gill, judge of the northern district, but application was immediately made that it be dissolved, and upon a hearing, the court refused to make the injunction permanent. In this matter many people and a large area of

land were involved, it being estimated that there are very nearly 2,000 rejected freedmen occupying lands of Cherokee citizens. Steps are being rapidly taken upon all complaints to place the allottees in possession. Many of the occupants are contentious and require forcible removal, necessitating the constant employment of the Indian police force.

Lease investigations.—Under the act of Congress approved March 3, 1905, requiring the Secretary of the Interior to cause to be investigated any lease of allotted land in the Indian Territory which he has reason to believe has been obtained by fraud and to refer the matter to the Attorney-General for institution of suits, this office has taken vigorous steps to protect the class of allottees, who it is believed have been defrauded and imposed upon in their lease contracts. In the previous year 50 formal cases were presented and referred through the proper channels to the courts, and during the past year 23 additional cases, making a total of 73. Of this number the courts have only passed upon one, that having been determined by Judge T. C. Humphry of the central district favorable to the Government. A large number of these cases are still pending, principally in the southern judicial district. The court dockets are so crowded with criminal business requiring the attention of the United States attorneys that they report it is practically impossible to give these civil cases the attention they merit. It would be of great service to the Indians if a special attorney could be detailed to the Territory to look after and vigorously prosecute this and all other cases brought under the direction of the Interior Department.

On July 8, 1907, during the preparation of this report, Hon. Hosea Townsend, United States judge for the southern district, rendered a decision upon several of these fraudulent lease cases, upon the demurrer of the defendants, which decision sustained the contentions of the Department and carried with it the opinion that these Indians are still wards of the Government, although the act of Congress approved March 3, 1901, made them citizens of the United States. Upon the filing of answers, these cases will now go to trial upon their merits. The arguments extended over a period of three days. The position of the Department was ably presented by the United States district attorney and his assistant.

Much good has been accomplished in these lease investigations. During the fiscal year 1906, 1,300 leases were re-formed, giving adequate compensation and protection to the allottees by reason of the efforts of this office, and in the past fiscal year 1,740 cases were investigated and the leases reformed, in addition to the cases reported for suits. In most of these cases double, and many times triple, the amount of consideration recited in the original lease was obtained and paid the allottee.

Mississippi Choctaws.—Many of the Mississippi Choctaws have taken an active interest in bettering their condition, and have placed in cultivation and otherwise improved their allotments and their homes as best they can with their limited means.

Last year this office reported that these Mississippi Choctaws had in many cases executed wills to a few persons, and in some cases where the allottees had died the beneficiary was already seeking to secure control of the lands and the moneys due the estate. Upon

being reported to your office, this matter was brought to the attention of the Department of Justice and in due time suits were instituted to test the validity of these wills and prevent their probate. Recently the matter was fully presented by the United States attorney of the southern district and a representative of this office and argued in the court, and Hon. Hosea Townsend, judge of that district, rendered an opinion refusing to admit eight of these wills to probate. This decision was wide sweeping and will cover all similar cases, thus saving to the families of these ignorant full bloods their patrimony.

Agricultural leases of full bloods.—The act of Congress approved April 26, 1906, provides that full-blood allottees can lease their surplus land for a period longer than one year only with the approval of the Secretary of the Interior, and can not lease their homesteads unless by reason of infirmity or age they are unable to farm them. The handling of such leases as are presented for the approval of the Department under this law has been delegated to this division, as its field men are already engaged in this class of work. During the year 19 leases were filed, the land inspected, rental value ascertained, and 14 were submitted to the Department, leaving 5 still pending at this agency awaiting correction and necessary investigation.

REMOVAL OF RESTRICTIONS DIVISION.

Under the act of Congress approved April 21, 1904 (33 Stat., 189), the restrictions upon the alienation of allotments, other than homesteads, of mixed blood adult members of the Five Civilized Tribes may be removed upon recommendation of the Indian agent and the approval of the Secretary of the Interior. The same act removed the restrictions as to alienation of surplus allotments of citizens not of Indian blood except minors and the act of April 26, 1906 (34 Stat., 137), provided that full bloods could not alienate their lands for twenty-five years.

The work of the removal of restrictions division is practically up to date, as will be seen by the following statement:

Work of removal of restrictions division for the fiscal year ended June 30, 1907.

Applications approved.....	3, 117
Applications disapproved.....	612
Pending in Washington.....	456
Dismissed; full bloods.....	242
Held; in oil field.....	263
Incomplete; various discrepancies and failure of applicant to appear for hearing.....	489
Ready for report.....	6
Total	5, 185

To save the individual Indians the expense of coming to the agency at Muskogee, in cases where they are not personally known to be able to manage their affairs, a trusted representative of this office visits the various parts of the Territory to investigate these cases. During the fiscal year 33 separate towns were visited 5 different times, 2,600 cases being heard in the field. This representative, Mr. H. C. Cusey, made all of these appointments, with a few others, 170 in number. A better class of citizens is now applying, and owing to the degree of capa-

bility of the majority of these applicants, fully 95 per cent of the petitions now investigated are being approved.

Under the instructions of the Department, in cases where the allotments of applicants for the removal of restrictions are located in the known oil fields or are leased for oil and gas purposes, action upon such applications is withheld for the time being.

LAND SALES DIVISION.

This division has heretofore dealt exclusively with the allotments of Creek citizens who could sell under the rules of the Department with the approval of the Secretary of the Interior. This work has decreased very materially for two reasons, one the act of April 26, 1906, prohibiting full bloods from selling and, second, the majority of the more competent part bloods either make application for the removal of restrictions or prefer to wait until the five-year alienation period expires in August of this year.

Section 22 of the act of April 26, 1906, provided that lands inherited by full bloods could only be sold with the approval of the Secretary of the Interior, and the sealed bid system heretofore in effect in the Creek Nation was adopted. The statements submitted show that some few sales of inherited land have been made under this law, but the results accomplished have not been as satisfactory as had been expected, because of the complications and difficulty in determining and securing proper proof of heirship. There appears to be no tribunal clothed with power to conclusively determine that any particular person, or persons, are the sole and only heirs of any allottee, therefore it becomes necessary for a prospective purchaser to examine claims of alleged heirs and satisfy himself as to the title, if his bid has been accepted. There are so many different claims under the different constructions of the laws of descent and distribution that the danger of securing a title that might be subject to successful attack some time in the future has seriously affected these inherited land sales, and many tracts have been advertised where no bids have been received. Provision should be made for a plan to conclusively determine heirship, which is important not only to this particular work, but to almost all other involving the sale, leasing or disposition of inherited lands.

A statement of the condition of the land-sale work follows:

Condition of land-sale work, June 30, 1907.

CREEK LAND POSTED AND SOLD.

	Number.	Acres.	Consideration.
Tracts offered for sale	41	2,637.73	.....
Tracts sold	19	1,138.21	\$24,222.50
Sales pending	2	80	2,210.00

LAND INHERITED BY FULL-BLOOD INDIANS POSTED AND SOLD.

Tracts posted	120	14,789.68	.....
Tracts sold	9	1,164.49	\$16,381.00
Sales pending	19	2,619.59	57,586.70

Where allottees desire to alienate their land for town-site purposes at stations along lines of railroad, permission may be secured by making application to the Commissioner to the Five Civilized Tribes, subject to the approval of the Secretary of the Interior. In one particular case, that of a full blood, where the land adjoined the town of Bartlesville, in the oil district, the Department especially directed, upon the application of the Indian, James Terrapin, that the allotment be sold for town-site purposes, under sealed bids, through this office, reserving to the allottee the oil and other mineral. The original offer was \$11,000; it was appraised at \$13,000, and sold for \$14,250.

ROADS DIVISION.

Highways.—The provisions of section 24 of the act of April 26, 1906 (34 Stat., 137), authorizing the establishment of public highways along section lines in the Choctaw, Chickasaw, and Seminole nations have been carried into effect during the past fiscal year by this office, under your instructions. A total of 812 petitions from these nations have been received and considered, and 1,528 miles of road have been formally established and ordered opened. The act provides that 1 rod on each side of the section line shall be taken for a public highway without compensation for the land, but if buildings or other improvements are damaged, payment for the same is to be made from the tribal funds until the establishment of the State government. The policy of the agency has been to endeavor, except in cases which have required immediate action, to establish roads in agricultural districts in other than crop seasons, thereby making the cost as little as possible to the nations.

Under the agreements with the Creek and Cherokee nations, all section lines have heretofore been declared public highways, and upon complaints, steps have been taken to open any lines found to be obstructed. Provision is also made in the laws applicable to these nations for roads elsewhere than on section lines where necessary. There have been received 196 petitions of this character, which have been considered during the year. The cost of establishing such roads has been small, as in the larger percentage of the requests the persons most benefited were the allottees through whose land the road passed, and they waived any claim for damages.

Throughout the different nations allottees, tenants, and others have, as a general rule, heartily cooperated with the efforts of the Government in carrying out the provisions of these road laws. In most cases the citizens interested have presented their petitions and acted through organized commercial clubs or other bodies. By reason of this cooperation and the additional long-desired legislation applicable to the Choctaw, Chickasaw, and Seminole nations more permanent public highways have been established in the Indian Territory in the past twelve months than at all time heretofore since the Government has had the matter in charge. The act provides for a penalty of \$10 per day where obstructions are permitted to remain for more than ten days after notice to remove same. It also provides for individual civil action in the courts for any damages sustained by any person by reason of such obstructions. Full and complete information with reference to the provisions of the law and the liability of

persons having obstructions across section lines where roads are established has been given in the form of notice by registered mail, and in some cases personally served, and thus far has had the desired effect, it not having been necessary up to this time to take any action in the courts to prosecute persons for failure to comply with these notices.

Oil and gas pipe lines.—The appraisal and payment of damages by reason of the construction of pipe lines under rights of way granted by the Department, as authorized by the act of March 11, 1904 (33 Stat., 65), and the regulations thereunder, have materially added to the work of this office during the past fiscal year by reason of the largely increased activity in the oil fields. To date there have been filed 84 separate maps showing lines of right of way desired by various oil and gas pipe line companies. During the year 580 miles of pipe-line rights of way have been approved by the Department, making a total of approximately 800 miles of authorized pipe lines in the Indian Territory.

Two large trunk lines for the transportation of oil are now being constructed from the Glenn oil field across the Territory southward to the Gulf of Mexico, one line being constructed by the Gulf Pipe Line Company and the other by the Texas Company, thus making three large companies operating and constructing pipe lines in the Indian Territory field, the Prairie Oil and Gas Company being the other. Gas lines to Muskogee and Oklahoma City have also been authorized.

Upon advice of the granting of a right of way by the approval of maps filed, pipe-line companies are permitted to begin construction upon depositing with the Indian agent a sufficient amount to cover the estimated right of way and special damages. Upon the completion of a line, a representative of this office, in conjunction with a representative of the pipe-line company, personally goes over the entire line and appraises the damages occasioned by the construction. The general right-of-way damage has heretofore been fixed at 10 cents per rod. In addition to this sum all other special damages by reason of the destruction of crops, fences, trees, etc., are specially appraised and assessed against the company. Where the pipe line passes through uncultivated or unimproved land or along public highways, there is practically no damage, as the pipe is required to be buried a sufficient depth not to interfere with cultivation.

OIL LEASE DIVISION.

Up to and including June 30, 1907, a total of 14,584 mineral leases, almost entirely oil and gas, had been filed at the Union Agency, of which 9,575 had been finally acted upon here and forwarded to Washington, leaving 5,009 pending. Of those considered by the Department, 4,886 had been approved, covering approximately 363,000 acres, and 3,239 were disapproved, as indicated by the following compilation:

Leases filed.

Oil and gas	14,423
Coal and asphalt	118
Miscellaneous	43
	<hr/>
	14,584

Disposition of leases filed.

Approved and in effect:		
Oil and gas	4,366	
Coal and asphalt	72	
Miscellaneous	14	
		4,452
Approved but subsequently canceled:		
Oil and gas	432	
Coal and asphalt	2	
Miscellaneous	0	
		434
Disapproved by Department:		
Oil and gas	2,606	
Coal and asphalt	32	
Miscellaneous	10	
		2,648
Canceled for failure to refile:		
Oil and gas	522	
Coal and asphalt	65	
Miscellaneous	4	
		591
Pending at agency		5,009
En route		1,450
Total		14,584

A detailed tabulation of the leases handled during the fiscal year and the action taken upon the different classes is shown by the following:

Statement of leases presented and acted on during the fiscal year ended June 30, 1907.

Nation and kind of minerals.	Filed during year.	For-warded to the Depart-ment.	Ap-proved by the Depart-ment.	Disap-proved by the Depart-ment.	Canceled for failure to refile.	Pending in office July 1, 1906.	Pending at this office June 30, 1907.
Cherokee:							
Oil and gas	1,448	2,910	2,099	1,527	37	3,714	2,215
Coal and asphalt	11	13	0	10	0	22	20
Miscellaneous	18	3	5	1	0	24	39
Creek:							
Oil and gas	2,863	1,460	584	541		714	2,117
Coal and asphalt	14	18	1	4		27	23
Miscellaneous		3	4	2		4	1
Chickasaw:							
Oil and gas	48	20	2				28
Miscellaneous	2						2
Choctaw:							
Oil and gas	474	27	24				447
Miscellaneous	3						3
Seminole:							
Oil and gas	135	23	14				112
Miscellaneous	2						2
Total	5,018	4,477	2,733	2,085	37	4,505	5,009

In the Creek and Cherokee nations oil, gas, and other mineral leases made by all allottees require the approval of the Secretary of the Interior. By the act of April 26, 1906, this requirement also applies to full-blood citizens of the Choctaw, Chickasaw, and Seminole nations.

During the year just closed more rapid development of the oil and gas resources of the Indian Territory has been made than at any time preceding. This has been especially true in the Creek Nation, the most activity in this direction having been heretofore in the Cherokee

Nation. There has been some prospecting in the Chickasaw, Choctaw, and Seminole nations, and many thousands of acres of Indian land have been leased.

The act of Congress approved March 1, 1907 (35 Stat., 1015), made the filing of leases in this office constructive notice by the following enactment:

The filing heretofore or hereafter of any lease in the office of the United States Indian agent, Union Agency, Muskogee, Indian Territory, shall be deemed constructive notice.

By departmental regulations heretofore promulgated lessees are required to satisfy the Department that they are financially and otherwise able to develop the lands and carry out the terms of the leases. The regulations applicable to the different nations have been recently revised, consolidated, and reprinted in one pamphlet, and the various papers and forms required have been simplified and reduced to a considerable extent. The greatest delay in handling these leases has been the failure of the lessees to furnish the proper papers and put them in correct form for departmental consideration. To facilitate this work, the new regulations require that all papers be complete, including the bond, when the lease is filed. To this end the Government sells, at a nominal price, full sets of the blanks necessary to complete a lease.

The office has handled during the fiscal year, including those pending from the preceding year, a total of 9,523 leases, which represent almost that number of different individual allottees, and it therefore follows that there are many inquiries from various interested parties, protests, and complaints, before and after approval, assignments, transfers, etc., the result of which is an enormous volume of correspondence.

The large increase in the production of oil in the Indian Territory fields is shown by the following statement, which has been prepared from the most reliable sources, giving the approximate number of barrels of oil marketed during each month of the past fiscal year:

Oil marketed during fiscal year ended June 30, 1907.

1906.		Barrels.
July	-----	980,000
August	-----	990,000
September	-----	925,000
October	-----	1,265,000
November	-----	1,250,000
December	-----	1,365,000
1907.		
January	-----	1,595,000
February	-----	1,707,000
March	-----	2,366,000
April	-----	2,970,000
May	-----	3,154,000
June	-----	3,150,000
Total	-----	21,717,000

A vast amount of the oil produced in the Creek and Cherokee nations is now stored in tanks, it being estimated that on June 30,

1907, there were 18,000,000 barrels so held within the limits of these nations.

This oil development has resulted in large revenues to individual Indians, as will be best shown by the tables of royalty discussed under the head of "Royalty division." Some Indians who have allotments in the heart of the large producing districts are receiving each month over \$2,000, and one receives over \$3,000 monthly, and there are many drawing \$300 or \$400 monthly.

The opening up of what are considered to be new and prolific oil fields in different parts of the Territory has caused many new leases to be filed. The following statement shows the rate in which these leases have been presented in the last six months:

Leases presented, January to June, 1907.

January	307
February	350
March	500
April	1,088
May	902
June	929

This work has been handled as expeditiously as possible with the available force, and during the month of June approximately 1,050 leases were transmitted for the consideration of the Department. Much assistance has been given the office in connection with field investigations by the appointment of Mr. C. E. Creager as oil inspector, thus keeping the agency in closer touch with actual operations.

As heretofore, the area that any one person or corporation may be interested in or may lease is limited to 4,800 acres.

Oil and gas lessees must actually operate within twelve months from the final approval of their lease and bond. If they fail to do this they must pay a rental of \$1 per acre or the lease will be canceled.

The payment of sums to the allottees other than the stipulated royalties, usually designated as "bonus," has become an important feature of the leasing business, these amounts many times running into large sums. Leases on minor lands are now uniformly given by the court to the lessee who offers at public bidding the highest bonus. As an instance of the large amounts often paid, one minor lease brought in the neighborhood of \$43,000 for a 20-acre tract in the famous "Glenn pool."

Two trunk pipe lines for the transportation of oil from the Indian Territory fields to the Gulf of Mexico ports are now under construction and will soon be completed. Much oil is also now being taken from this field to southern markets in tank-car shipments, and the marketing of large quantities of the Indian Territory production by reason of these new facilities will greatly assist in caring for the correspondingly increasing output.

Gas lines also have been and are being constructed for the utilization of the large supply of natural gas for commercial purposes, both domestic and manufacturing, by the various large towns in Oklahoma and the Indian Territories, the two larger lines being to Muskogee and Oklahoma City.

Some few leases have been made covering deposits of clay and shale for the manufacture of brick, tile, and cement. The large

supply of natural gas already developed, providing an unlimited quantity of cheap fuel, has attracted more than ordinary attention to these industries.

ROYALTY DIVISION.

Oil, gas, and other royalties (individual).—Royalties due under oil, gas, and other mineral leases made by individual Indians with the approval of the Department are collected by this office and disbursed direct to the various Indian lessors, except in cases of minors and incompetents, when the moneys are deposited in designated national banks, which give bonds for the faithful accounting of the funds intrusted to them. These deposits draw interest at the rate fixed by the bonds of the bank. These funds may be withdrawn only by guardians or curators in sums not to exceed \$50 for any one month with the approval of the agent, and in larger sums only upon order of court.

Under the terms of each lease the monthly royalty due on account of oil or other mineral is payable on or before the 25th day of the next month. As soon as the payments are properly audited and credited in this office vouchers are prepared and mailed to the adult Indians for their signatures, upon the return of which, properly executed, they are paid by official check drawn by the agent.

The handling of these individual royalties requires a large amount of bookkeeping and careful accounting. The increase in this class of moneys collected during the year just closed, as compared with the previous years, is shown by the following statement:

Fiscal year 1904	\$1,300.00
Fiscal year 1905	91,624.40
Fiscal year 1906	323,555.40
Fiscal year 1907	775,489.15

In addition to the collection of royalties due on the actual production of oil, coal, and other minerals, the annual advanced royalties, rentals, or penalties for failure to drill, and annual payments on gas wells necessitate many checks and a careful watch to keep all of the leases in good standing and to see that the sums due the Indians are promptly paid.

The following statement gives the names of the depositories in which moneys of minors and incompetents have been placed during the fiscal year and the amount which was deposited during that year, as well as the balances on hand on June 30, 1907:

Depositories for money of minors and incompetents.

Name of bank.	Location.	Deposited during year.	Balance on hand.
Bartlesville National Bank	Bartlesville	\$13,336.74	\$48,969.10
The First National Bank	do	37,687.56	24,938.49
The American National Bank	do	14,398.82	9,280.11
The First National Bank	Tulsa	43,227.73	47,565.97
The Commercial National Bank	Muskogee	23,646.50	14,219.78
The First National Bank	do	44,594.71	39,799.50
The First National Bank	Tahlequah	26,522.20	22,298.97
The First National Bank	Vinita	32,516.27	23,535.35
The First National Bank	Nowata	22,832.60	23,989.23
The Nowata National Bank	do	28,548.42	24,947.53

Coal and asphalt royalties (Choctaw and Chickasaw).—Of the coal and asphalt segregation in the Choctaw and Chickasaw nations, 101,360 acres are under lease for coal mining purposes and 6,400 acres for asphalt. Royalties due under these leases are paid to the Union Agency. The sum of \$237,385.03 was received for coal and \$2,814.20 for asphalt, making a total of \$240,199.23 for the fiscal year that was deposited for the benefit of the Choctaw and Chickasaw tribes.

Below is a tabulated statement showing the amounts received by fiscal years since these collections have been made under the supervision of the office:

Fiscal year ended June 30—		Fiscal year ended June 30—	
1899.....	\$110, 145. 25	1904.....	\$277, 811. 60
1900.....	138, 486. 40	1905.....	248, 428. 36
1901.....	199, 663. 53	1906.....	251, 947. 02
1902.....	247, 361. 36	1907.....	240, 199. 23
1903.....	261, 929. 84		

Very respectfully,

DANA H. KELSEY,
United States Indian Agent.

The COMMISSIONER OF INDIAN AFFAIRS.

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