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E. B. MERITT,

Asst. Commissioner.

6-4345

45451-1915

CARLISLE

File No.

154

Inspection
45457-1915
J H D

APR 29 1915

My dear Mr. Lipps:

I am in receipt of a supplemental report from Special Agent Christie on your answer to the charges preferred by Mr. Murphy against you, in which he says that he considers it not only a convincing but a conclusive answer to the charges made against you and investigated by him.

I concur in this conclusion, and find these charges are not sustained.

Sincerely yours,

(Signed) Cato Sells.

4-ARB-28

Commissioner.

Mr. O. H. Lipps,
Supervisor in Charge,
Carlisle Indian School,
Carlisle, Pa.

INITIALING COPY - FOR FILE.

DEPARTMENT OF THE INTERIOR
UNITED STATES INDIAN SERVICE

April 12, 1915.

The Commissioner of Indian Affairs,
Washington, D. C.



Sir:-

I desire herewith to acknowledge receipt of your letter of February 20, 1915, enclosing affidavit of Supervisor O. H. Lipps, in answer to the charges founded on statements made by Mr. M. H. Murphy. This letter has just reached me, having made two trips across the continent.

Before making any other comment on the affidavit submitted by Mr. Lipps, I desire to say that I consider it not only a convincing but a conclusive answer to the charges made against him and investigated by me. I wish, however, to make a few remarks which I consider it proper for me to make in the circumstances.

In the first place, Mr. Lipps is in error when he assumes, as he evidently does, that the charges against him, were based on statements recently made -- or indeed made at any time -- by Mr. C. E. Monteith, who lives in Lewiston. The information on which Mr. Murphy based his charges was furnished to him while he was a resident of Orofina, Idaho, and reached him, I believe,

through the medium of a Mr. Jones, whose business partner had been in Mr. Monteith's office when he found the check, which is the only tangible evidence against Mr. Lipps in his connection with the Peterson and Hines land deal.

A glance at my report will show that Mr. Monteith declined to give testimony, stating that to do so would be a waste of time, since Mr. Lipps's explanation would eventually be accepted as satisfactory by the Indian Office, anyhow, and the fact that we have so accepted it will now doubtless be used by Mr. Monteith, if he learns of the fact, as he doubtless will, to make the trite remark "I told you so". Mr. Monteith was the last witness I saw in this case, and I only saw him as I was leaving Lewiston on my way to begin another investigation. Mr. Jones, at Orofina, told me that Mr. Monteith had had a long and serious sickness, and that he was under the impression that Mr. Monteith had died.

When Mr. Jones, at Orofina, informed me that the \$1000 check had been found by Mr. Monteith and had been seen by his business partner, I at once remarked that in that event, the check would doubtless have been returned to Mr. Blake, and would never have been used by Mr. Lipps. It was because I felt that that would be the only thing to do under the circumstances, even assuming that the transaction was irregular, that I did not consider Mr. Blake's statement that the check had been returned to him as a conclusive answer to the charge.

On Page 10 of his affidavit Mr. Lipps makes a statement to which I wish to call your attention, as it by inference suggests

that I did not conduct this investigation as Mr. Lipps feels I ought to have conducted it. He says:

"I wish also to state that Special Agent Christie might have cleared his mind of the charges as to my using undue influence to get these Indians to sell their land had he gone, as he was advised to do, to Mr. Eugene O'Neill, the U. S. Commissioner at Lewiston Idaho, who took the acknowledgments of both Peterson and Hines to the deeds they executed for the sale of their land."

In the first place, I have not the slightest recollection of any one advising me to go to Mr. Eugene O'Neill, and I would like very much if Mr. Lipps would inform me, through the Office, who gave me that advice. In the second place, to go to see Mr. O'Neill was such an obvious thing to do that I did not need any one's advice to do it. In the third place, I did go to see Mr. Eugene O'Neill, with the result that I found he had made no entry in his books as to his part in the transaction by which Peterson and Hines disposed of their lands. I found that while he remembered that an Indian and his wife had come to him about the time when this transaction was completed, he was not quite sure whether both Peterson and Hines had come to him or not. In short, his recollection of the transaction was so imperfect and his testimony generally would have been so inconclusive that I did not reduce it to writing., and I did not mention the fact that I had seen Mr. O'Neill in my report.

I take a great deal of satisfaction in being thorough in my investigations, whenever I consider that by thoroughness I can develop essential facts. For any one to assume that because I do not mention some things in my reports I have not done them, is to do an injustice to my reputation as an investigator.

Commr.-4.

As to the statements which Mr. Lipps makes about the confusion of ideas which evidently existed, and still exists, in the minds of both Peterson and Hines about the details of various transactions in which they were interested, I wish to say that I have a great deal of sympathy with Mr. Lipps's feeling in the matter. In my talks with Mr. Hines I got the impression, just as Mr. Lipps did, that Mr. Hines was trying to be truthful, but there is no doubt that he was greatly confused, as his statements were contradicted by the record in the case. I called attention to this fact in my report.

In conclusion, I desire again to say that I consider Mr. Lipps' answer to the charges both convincing and conclusive, and I desire that the Office so inform him.

Mr. Lipps, in his affidavit, makes a statement that I should have interviewed certain persons as to his character and his method of handling land affairs of the Indians. I wish to say that I did interview many persons as to these matters, and it was because of what I learned about Mr. Lipps' character and standing with the best people of the community that I did not go deeper into some of the things that were called to my attention.

Respectfully submitted,

S. M. Christie

Special Indian Agent.

SMC/R

AFFIDAVIT of O. H. LIPPS.



Regarding the charges made against me by Mr. Matthew M. Murphy relative to the sale of two Indian allotments on the Nez Perce reservation, in which it is alleged that I received a check from J. W. Blake for \$1,000 for negotiating the sale, I wish to make the following statement under oath:

STATEMENT.

Joseph Peterson and Benjamin Hines, two full blood Nez Perce Indians received patents in fee to inherited allotments in the year 1908. The patents in fee were issued to the heirs of the original allottees without naming the heirs. This was prior to the Act of 1910 providing for the holding of hearing and the determining of heirs of deceased allottees by the Secretary of the Interior.

J. W. Blake negotiated with Benjamin Hines and Joseph Peterson for the purchase of these lands and agreed with them as to the price. In order for the Indians to make a satisfactory deed it was necessary for them to have a copy of the affidavits of heirship on which patents were issued certified to by me, as

Superintendent, to file with the patents in the office of the County Recorder. They came to the Agency and asked me to go to Lewiston with them and assist them with the transaction.

In the meantime it had been reported to me that a man named Chandler and one named Jones had offered to plat the land into town lots and had told the Indians that they would make big money for them. In fact one man, whose name I can not now recall, came to me and complained that Chandler had sold him a small tract of Joseph Peterson's allotment - two or three acres - and he had also sold a portion of this same land to another man, and he asked protection, saying he had paid Peterson for the land and he wanted either his money back or a good title to his land.

I saw then that there was a scheme on to beat these Indians out of their land. I then advised the Indians to sell their land in a body; that those fellows would get them into all kinds of trouble and get them entangled in law suits and they would probably lose everything. In fact, soon after Peterson sold his land he was sued for specific performance of his contract to sell to the man before referred to, whose name I can not recall, and the case was tried in the local courts and at that trial the whole question of sale was threshed out. Not one bit of

evidence was produced to show that I did anything more in connection with it than was my official duty.

As to the question of Benjamin Hines' title as sole heir to the allotment for which he received a patent in fee, so far as I can now recall there had not at that time been any question raised on that point. I could not have, therefore, made any intimation as to others establishing a claim as heir. This matter has no doubt been confused in the mind of the Indian with the question of heirship of the Fanny Moody allotment. Fanny Moody was the wife of Hale Moody, and this was Hale Moody's allotment that Hines sold. There were several Indians claiming as heirs of Fannie Moody, Benjamin Hines claiming to be the sole heir.

As to the understanding which Hines claims he had for retaining his house and orchard, my recollection is that Blake was to let Hines keep three acres on which his house was located in the event when surveyed the street did not run through it, or he was to pay Ben an additional \$150. At any rate Blake deposited with me \$150 in cash at the time and that same day before leaving town, I went to Hines and asked him if he fully understood about the \$150. He replied that he did and that he believed he would take the \$150 as he thought the house would fall in the middle

of the street and he did not want to lose the \$150. I then handed him the money, \$150. Hines talked to me afterwards about this matter and acknowledged to having received the \$150, but claimed that he wanted to pay that back to Blake and get three acres near where the house stood. He also told me that the house burned down while he was still living in it and that the street ran right through where the house had stood.

As to the prices paid for these lands, I will state that it was common comment at the Agency office that these allotments had sold for a much higher price than any similarly large tracts had sold for prior to that time. It is true that 13 acres of the Hale Moody allotment was a short time before sold to the Home Land Company for \$150 an acre. This land was sold through the Office. The reason for the high price was the particularly favorable location, it being near the river, railroad and depot and was acquired for a bridge landing across the Clearwater River and for a power site.

I suppose Blake made a reasonable profit on both transactions. So far as I know both Peterson and Hines made their bargains with Blake, Mr. Blake acting for Mr. Mix in the purchase of the Peterson allotment.

Now as to the \$1,000 check made payable to my order

and signed by J. W. Blake and found by Mr. C. E. Monteith on his desk where I left it with some other papers: It is this check which appears to be the sole and only tangible evidence which, under all the circumstances, might lead one to conclude that it connected me up with the sale of Benjamin Hines' land and that it might represent a bonus to me. I admit that the statements of Mr. Monteith as to my having left such a check in his office is true; I admit that to him it may have looked suspicious, as I shall show presently. The plain, simple truth of the matter is that I went to Mr. Monteith's office, he being deputy clerk of the court at the time; I went with Benj. Hines for the purpose of receiving from the clerk of the court the sum of \$75 which had been paid to him by the school trustees at Orofino for 1-1/3 acres of land which had been condemned by the court for a school site. I had advised Benj. Hines not to accept the \$75, since this land was located in the middle of his tract; he should have more than at the rate of \$50 per acre for it. I saw the school directors and protested against them taking the land at that price. They finally consented to pay \$150, I think it was, for the land provided I would see that the \$75 they had paid into the court was returned to them. It was to get this \$75 from Mr. Monteith that I went to his office with Benj. Hines. Imagine my surprise when I was

told by Mr. Monteith that Benjamin had been there some time before and got the \$75 and that he (Mr. Monteith) had borrowed the money from Benjamin, giving him his note for it. All along Benjamin had assured me that he had not received this money from the clerk of the court. I never understood this matter as Benjamin was regarded as a truthful Indian, although hard to understand transactions of this nature.

While in Mr. Monteith's office I laid down on a table or desk an envelope containing some papers, among other things some duplicate bank deposit slips, for I had just come from the First National Bank where I had made a large deposit of rent money. Also in the envelope was a check for \$1,000, drawn to my order and signed by J. W. Blake. Mr. Monteith found this envelope, after I left his office, containing this check and other papers. There were in the envelope some papers pertaining to the sale of Benjamin Hines' land to Blake. The inference was plain to Mr. Monteith. He concluded at once that Hines had sold his land to Blake and that Blake had paid me \$1,000 to get the deal through. This was a rather reasonable inference. The simple truth of the matter is this:

Blake had been negotiating with an Indian named Cornelius Natsikum, who had received a patent in fee for

his land, for the purchase of the same. He told me that Natsikum wanted to see me before he sold. Blake said he told Natsikum that he would send me a check for \$1,000 and so Blake simply wrote the check and handed it to me, saying that Natsikum would be down to the Agency in a few days and see me about the matter. Natsikum did come to the Agency the next week and I told him that I had \$1,000 that Mr. Blake had given me to pay him for his land if he (Natsikum) should decide to sell it. I then asked Natsikum all about the location of his land and about other lands that he or his family owned. I found that the allotment Blake wanted to buy was in two separate tracts. I advised Natsikum not to sell his whole allotment but to sell only the smaller part, if he must sell, but that in my opinion he should not sell any of it at that time; that he would get a better price by holding it. Natsikum took my advice and declined to sell any part of his allotment. I immediately wrote a letter of transmittal to Blake, explaining to him that Natsikum had been to see me and had decided not to sell his land, and in this letter I returned to Blake the \$1,000 check. The carbon copy of this letter is no doubt on file at the Agency.

And this is all there is to the check about which Mr. Monteith has during the past two years tried to make so

much capital. It is strange that he has waited all these years to bring this matter to light. I have been right in that country for five years after the happening of the event. Mr. Monteith until two years ago, or a little over, was very friendly toward me. His wife frequently visited my house and was very friendly with my family. It is very strange that after six or seven years have elapsed that Mr. Monteith should suddenly conceive the idea that he had something on me that he should expose. But there is a very important reason why Mr. Monteith should feel unkindly toward me. To make this reason clear I quote the following letter written by me to the Office which explains the whole matter:

"DEPARTMENT OF THE INTERIOR
UNITED STATES INDIAN SERVICE
Chelan, Washington.
February 15, 1912.

Filing on waters
of Ft. Lapwai springs,
by C. E. Monteith.

Commissioner of Indian Affairs,
Washington, D. C.

Sir:

I inclose herewith clipping from the Lewiston Morning Tribune of February 13, 1912, showing the position that Mr. C. E. Monteith is taking regarding his intentions to appropriate the waters of the springs located on the Fort Lapwai school reserve, for the information of the Office.

When Mr. Monteith states that there are ten cubic feet of water per second flowing from these springs he displays gross ignorance. He evidently has the waters flowing from these springs

confused with the water flowing in the old military irrigation ditch which passes near them. This ditch carries 10 second feet of water, but the combined flow of the springs is only one and one-half cubic feet per second according to the measurements of various engineers whom we have had make wrier measurements of them. We can not afford to recede a single inch from the position we have taken regarding these springs and the waters of the Lapwai creek and its tributaries. We need these waters for the school and the Indians. In fact the waters from these springs are a valuable asset as they are the main dependence of the Indians living in the valley below the school for water during the low water season in the summer months.

In this connection I desire to call the attention of the Office to the fact that Mr. Monteith is not representing the city of Lewiston. His sole aim is to acquire title to these springs in order that he may then sell the water to the city. Even if we had more water than is needed for the school and the Indians, it would not be right to permit Mr. Monteith, or any other private individual, to acquire title to these springs for speculative purposes. I am a resident of the city of Lewiston; I own my home there, and I am interested in the city securing a good and pure water supply, yet I know that Mr. Monteith is wrong in attempting to take these springs away from the Nez Perce Indians. Besides, as I have before stated, there is nothing like the amount of water in them that Mr. Monteith thinks there is. I am just as greatly interested in the welfare of the city of Lewiston as is Mr. Monteith, and aside from my official duty in the matter, I am very much opposed to the Government granting any right whatever to any private individual or corporation to appropriate any of the waters of these springs for any purpose.

Very respectfully,

O. H. Lipps

Supervisor

OHL
Incl."

I simply blocked Mr. Monteith's plans to steal the only sure and never failing water supply the Indians in the Lapway Valley have. Mr. Monteith appealed to one of the U. S. Senators from Idaho. I stood firm. He argued and pleaded with me to relent, but in vain. All at once he changed his attitude toward me and his tactics. He had received a letter which the Office had written to Senator Borah, in which letter portions of my letter to the Office were quoted. He remembered about this \$1,000 check. If he couldn't coax me or persuade me, or otherwise influence me, he would scare me. Hence this story about the check at this late date.

I wish also to state that Special Agent Christie might have cleared his mind of the charge as to my using undue influence to get these Indians to sell their land had he gone, as he was advised to do, to Mr. Eugene O'Neill, the U. S. Commissioner at Lewiston, Idaho, who took the acknowledgement of both Peterson and Hines to the deeds they executed for the sale of their land. Mr. O'Neill is regarded as one of the most conscientious, reliable and painstaking U. S. Commissioners in the country and a great friend of the Indian. I cautioned Mr. O'Neill at the time to examine these Indians very carefully and to assure himself that they were signing the deeds of their own free will and that they understood

them. I was not present in the room when the deeds were signed, but I could hear Mr. O'Neill reading and explaining the deeds to the Indians.

Regarding my alleged large property holdings around Lewiston, Idaho, and the mystery as to how a man with a large family and on a salary of \$1,600 could legitimately accumulate such large holdings of valuable property, I will state that these vast holdings I am said to possess consist of one single house and lot in Lewiston, Idaho. The house contains at the present time all of my furniture and my library, and I am receiving the sum of \$25 per month as rent for this furnished house. This is the only piece of property I own or have ever owned in the town of Lewiston, or in the State of Idaho, and the only other piece of property I own in the world is 160 acre timber tract in Eastern Washington which I purchased from the Government under the old Timber and Stone Act at \$2.50 per acre, in 1907.

Now where did I get the money? I think it was in 1907 that I sold a tract of land in California for \$3,200, part cash and balance in notes. In 1908 I sold my old home in Andersonville, Tenn. for \$1,800 cash. I paid \$4,650 for my house and lot in Lewiston, purchasing the same from Mr. C. H. Lingenfelter, at that time U. S. Attorney

for Idaho. The house and lot and the 160 acres of timber lands represent the sum total of all my earthly possessions with the exception of a few hundred dollars cash in bank. I am past 43 years of age. In the past 20 years I have, by economical living, managed to own a modest home and 160 acres of cheap land. As to whether or not I live extravagantly, ask any of my neighbors in Lewiston, or any of the good people at the Carlisle Indian School. I have always lived within my income and saved just a little each year.

I have been in the Indian Service 17 years. I believe I have had more experiences in fighting bootleggers and grafters than ordinarily comes to the average Superintendent. When I took charge of the Nez Perce reservation in 1906 I found 30 saloons on the reservation; white men were running over the Indians rough shod; were fencing their lands and claiming them; were farming them without leases in many cases; were stealing their timber; were selling them whiskey. I made up my mind that I would improve these conditions no matter what the cost. I put every saloon out of business; I secured large numbers of indictments against white men for selling liquor to Indians; I stopped trespassing on Indian lands and ejected some trespassers by force. I left sore spots in many places

but at all times received the support of the better class of people and the local press. I can see how an investigating official might go to that reservation and find persons who would be willing witnesses against me; if such inspector happened to be without large experience in Indian matters he would hear much plausible criticism of my administration that on its face, and without a clear knowledge of former conditions and an understanding of the motives behind the complaints, would be very misleading. Such seems to be the case in this instance.

Mr. Monteith told the Special Agent that a great many Indians had complained to him that they could never get the full amount of their lease money from the Agent; that they would sign a lease for \$380 and would receive only \$180, the inference being that I kept the \$100 difference.

This charge is preposterous on its very face. These leases are audited with the Superintendent's accounts, and if an Indian did not receive all the money his lease called for the Auditor would detect it, especially since all payments are made by check drawn to the order of the Indian lessee.

In the three years I was Superintendent of the Nez Perce Agency, I must have received and disbursed more than

\$500,000. My accounts have always been straight. In fact the Indian Office sent, in 1908, expert accountants to all Agencies handling individual Indian money. My accounts were examined by one of these experts and found correct to a cent. At that time the Indian Office had no record of the disbursements of land sales money at Agencies after the approval of the sales. My land sales accounts checked out exactly and every item was accounted for without the least delay or trouble. Also, when I turned over the Agency to my successor my accounts checked out to a cent and I never had the least trouble in making my final settlement with the Auditor. All of these statements are easily verified by the records.

I conducted many land sales on the Nez Perce reservation and had business dealings with hundreds of farmers and business men. The Special Agent might have secured important information by looking into other land sales and interviewed a number of prominent business men who are well acquainted with me and my methods, such men as Hon. C. H. Lingenfelter, Boise, Idaho, Eugene O'Neill, U. S. Commissioner, Lewiston, Idaho, Eugene Earhardt, Pres. Empire National Bank, Lewiston, Idaho, T. B. Bartlett, Register U. S. Land Office, Lewiston, Idaho, Mr. Van Ostrand, Pres. Craig Mountain Lumber Co., Winchester, Idaho.

All of these, and dozens of other prominent and highly respected business men and farmers have had dealings with me in the matter of the purchase of Indian lands, and they certainly must have formed some opinion as to my integrity and sense of right and justice.

In conclusion I wish to call attention to the fact that the chief witness as to what I said to Joseph Peterson and Benjamin Hines regarding the sale of their lands was the Agency Interpreter, Edward Roboin, and he is now dead. If he were alive he would say that the only urging I did and the only advice I gave these two Indians was to sell their land in a body and not let Chandler or anyone else persuade them into acting as their agent to plat the few acres of bottom land and leave them all the rough hillsides and bluffs which were worthless. I also pointed out that Dave McFarland, a Carlisle graduate, had been cheated out of a large part of a tract of land that he had platted into town lots, and that they, who had little or no education, would be at the mercy of the sharks into whose hands I was sure they would fall. This is the influence I used and the advice I gave them, and if it were to do over again I could not do differently.

The foregoing statements are true and correct to

the best of my recollection and belief.

A. H. Lipp

Subscribed and sworn to before me, this the 28th
day of January, 1915.

E. J. Simmen
Chief Inspector.

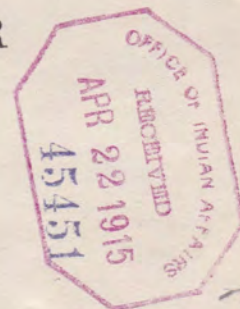


DEPARTMENT OF THE INTERIOR
UNITED STATES INDIAN SERVICE

SALEM INDIAN TRAINING SCHOOL

CHEMAWA, OREGON

April 12, 1915.



The Commissioner of Indian Affairs,
Washington, D. C.

Sir:-

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Respectfully submitted,

S. M. Christie

Special Indian Agent.

SMC/R

Cushman Indian School,
Takoma, Wash., 216, 1915.

Hon. Cato Sells,
Commissioner of Indian Affairs,
Washington, D.C.

Sir:

In compliance with your instructions issued to me on November 17th, 1914, I obtained from Special Agent, Fred S. Cook, the papers which he had, relating to charges made by Matthew M. Murphy, which seemed to reflect on the official conduct of Mr. Oscar H Lipps, and which suggested that injustice had been done to Joseph Peterson and Benjamin Hines, full blood Nez Perce Indians, in a land deal whereby their land was transferred to the Home Land Company, of Orofino, Idaho, and the Orofino Improvement Company of the same place.

As the land transfers referred to took place in the late fall of 1908, it can readily be understood that the intervening six years have resulted in the scattering of material witnesses and in befogging the memories of persons who, if they had been seen sooner, might have given evidence which would have corroborated the testimony of the principal witnesses.

As soon as it was possible to do so, I went to Orofino, Idaho, and over the telephone requested Joseph

Peterson, of Ahsahka, Idaho, and Benjamin Hines, of Lenore, Idaho, to come to Orofino. They both came to Orofino the following day, and I examined them through an interpreter, Amos Powake. It was evident that both of those men were considerably muddled as to the details of the transaction, but they were both firmly convinced that Mr. Oscar H Lipps had urged them to dispose of their land. One of them stated that Mr. Lipps informed him that if he did not sell his land at that time that he (Mr. Lipps) would not help him again in the management of his business affairs, and the other Indian, Benjamin Hines, stated that Mr. Lipps had told him that there were other heirs to the property and that if he did not dispose of it at that time they might succeed in establishing their claims to at least a share of the property.

Mr. Hines was also insistent on the fact that when he did finally dispose of his land he did so with the distinct understanding and agreement that he should be allowed to retain possession of his house and orchard, consisting altogether of three or four acres of land.

The price paid to Joseph Peterson, he informed me was \$6500, and on investigation I concluded that while this price may not have been all that could have been realized for the land at that time, it was still a reasonably fair price considering conditions. Benjamin Hines seemed to be considerably at sea as to the price he had obtained for his land and as to

other material facts concerning the sale. He was positive, for example, that he had sold all of this particular land at one time, whereas, as a matter of fact, he had sold 12.85 acres on June 22d through the Department for \$1927.50, and had sold the rest of it on November 25th of the same year, 1908.

It should be understood that the lands sold at this particular time by Joseph Peterson and Benjamin Hines were for Crofine townsite purposes. On the one hand, there was doubtless a possibility that if they refused to sell, the land would have been condemned for that purpose, and on the other hand, of course, there was the possibility that if they themselves had subdivided, or if they had held out a little longer, they would have received a higher price.

In looking over the papers in this case, I observed that there was a statement to the effect that it was understood Mr Lipps had been given a fee of \$1000 for his services in influencing the Indians to dispose of their land to the other parties in interest. Eventually, it reached my ears that the basis for this story was a \$1000 check made by James W. Blake, President of the Goma Lane Company, made payable to the order of Oscar H. Lipps. One morning, Benjamin Hines came to me with the information that if I wanted to, he could take me to a white man who knew about that check. I went with him, and he introduced me to a man, Mr. Frank A. Jones, and responsible of Crofino, who is a store-keeper there, a highly respectable/man of considerable means. Mr. Jones informed me that he had taken

interest in this particular deal, because of the fact that he had made a contract with Benjamin Hines to buy his land from him as soon as he received his patent in fee. He entered into this contract with Benjamin Hines as soon as Benjamin Hines received notification from Washington that his application for a patent in fee had been approved. His impression was that as soon as James W. Blake, who is also the President of the Fidelity State Bank, located at Orofino, learned that Benjamin Hines had made a contract to dispose of his land to Mr. Frank A. Jones, he redoubled his efforts through Mr. Lipps to obtain possession of the land. Mr. Jones informed me that on the occasion when Benjamin Hines, Mr. Lipps, and Mr. Blake went to Lewiston to complete the purchase of the land by Mr. Blake, Mr. Lipps, after the transaction closed, went into the office of a Mr. Monteith, at that time Deputy Auditor of Nez Perce County, and took out some papers there, and on leaving left on Mr. Monteith's desk an unaddressed envelope. The envelope had lain on the desk for some time before Mr. Monteith picked up the envelope to see whether there was anything inside to indicate its ownership and found a check for \$1000, payable to the order of Oscar H. Lipps and made by James W. Blake. Mr. Jones stated that he learned about this matter from his partner in business, Mr. Hinckley, who was at that time State Treasurer. Mr. Hinckley happened to be in the office at the time and saw the check. Mr. Jones stated that all this had happened about six years ago and that the details were no longer so fresh in his mind that he would care to make affidavit to any of

them, but he said he expected his partner, Mr. Hinckley, that day or the next day, that he was sure Mr. Hinckley would remember the facts. I waited for a day or so, but Mr. Hinckley did not return home.

The details given by Mr. Jones convinced me that his statement was true as far as it went, and I came to the conclusion that the best way to close up the incident definitely would be to go directly to Mr. Blake. I did so, and after talking over the incident of the land deal with him at some length, I put to him, point blank, the question whether or not he had at that time issued a check to Oscar H Lipps for \$1000. He said that he had done so, and was very anxious to "explain" all the circumstances connected with the issuance of the check. I made arrangements to see Mr. Blake at his home that evening and there obtained his sworn testimony. In this testimony, he states that he bought Benjamin Hine's land, a total of about 77 acres, on November 25, 1908, for about \$4100. He also testified that he had given this \$1000 check to Mr. Lipps so that Mr. Lipps could use the \$1000 in the purchase of land from an Indian named Natskeum. He also swore that in addition to retaining possession of five or six acres of Benjamin Hines' land, he had made a profit of only two or three hundred dollars in cash. He also testified that there had not been any verbal or written agreement that Benjamin Hines should retain possession of his house and orchard.

I had informed Mr. Blake that my reason for going directly to him was to avoid the necessity of running all around

Idaho looking for information which he himself could give me if he so desired. I asked him if he would give me a list of all checks made by him to the order of Oscar H Lipps, and he said that he would do so. I went to his office several times to obtain those checks but each time he excused himself on the ground that it was almost impossible for him to get at that job, since so many persons were continually coming to the bank to see him. When I finally made up my mind to leave Orofino, and told him I was going to leave on the following morning at 7:00 o'clock, he said he would send this list of checks and some other papers around to the hotel at 7:00 o'clock that night. At 7:00 o'clock that night he did send a clerk around with one paper which is a copy of the contract between Frank A. Jones and Benjamin Hines, but he did not send a list of the checks requested. He had already shown me two checks given by him in payment of the Benjamin Hines land, one check for \$1927.50, and the other check for \$3841.00.

The Home Land Company and the Orofino Improvement Company are in no way connected. At the time when those land deals were made, six years ago, the persons interested in the Orofino Improvement Company had considerable cash at their command, and I believe there was some merit in Mr. Blake's claim that one of his reasons for trying to induce the Indians to dispose of their land was to get moneyed men interested in the development of the town.

The first purchase of land, that of Joseph Peterson, was decided directly to John P Mix, the Secretary of the Orofino Improvement Company. The second allied purchase of land was decided by Benjamin

Hines to the Home Land Company, of which James W Blake is president.

It was evident, of course, that if Mr. Blake were telling the truth, there was no margin of profit by the Home Land Company which would have justified a payment to Mr. Lipps or to any one else of a fee of \$1000 for services in bringing about the transfer of the land.

I succeeded in locating John P Mix, Secretary of the Orofino Improvement Company, and saw him at his home. I spoke to Mr. Mix about the transaction, and asked him if he remembered the price which his company had paid for the Benjamin Hines' land. He said he could not remember exactly, but his impression was that the price paid by his company was over \$8000. I told Mr. Mix it was important that I should know exactly, and in company with him we went to the office of the Orofino Land Company. He showed me the entry in the books which indicated that the price paid by his company for the land was \$8850. Benjamin Hines sold the land to Mr. Blake on November 25, 1908, and Mr. Blake sold out to the Orofino Improvement Company on January 8, 1909. So that, remembering that the land and house retained by Mr. Blake were worth about \$1000, there was a gross profit on the deal of about 135 per cent in six weeks, which would seem to justify a fee of \$1000 to any person who was instrumental in facilitating the transaction. I submit herewith the affidavit of Mr. Mix. Mr. Mix has an excellent reputation in the community.

As to that part of the transaction which had to do with the retention by Benjamin Hines of his house and orchard, Mr. Blake makes affidavit that there was no verbal or written agreement to the

effect that Benjamin Hines should retain possession of them. On the other hand, Corbett Lawyer, who was employed at the Lapwai Agency at the time, remembers very distinctly and swears to the fact that \$150 was deposited by Mr. Blake in Mr. Lipps' hands, as security to guarantee that Mr. Blake would keep a verbal promise to deed back to Benjamin Hines his house and the land surrounding it. Other circumstances corroborated the testimony of Corbett Lawyer. Since this house and orchard were worth about \$1000, \$150 was a ridiculous sum to be used as a guarantee. Other persons at Orofino told me that they understood there had been some such agreement but I did not find any one else who knew the facts in the case. One or two witnesses who might have given me such information were not to be found while I was at Orofino.

I visited Mr. Monteith at Lewiston and asked him what he remembered about the finding of this check. He told me he did not believe anything was to be gained by going into that matter. He said that, so far as he was concerned, he would give no testimony in the case without a written request from the Secretary of the Interior and a guarantee from the Secretary that he would not be injured because of giving this testimony. He said he had had considerable experience with the Indian Service, and was thoroughly convinced that the Indian Office did want to get the facts in such cases. He said that for him to give such testimony and for me to submit it to the Indian Office would only result in getting us both into trouble, since Mr. Oscar H Lipps was a man who, meritoriously or otherwise, had succeeded in ingratiating himself into the confidence and friendship of influential persons in

the Indian Office, and any statement or explanation which he might make would be accepted in preference to sworn testimony by any one else.

I informed Mr. Monteith that I had no interest in the matter except to obtain the facts as well as I could and present them to the Indian Office, and that there my responsibility ended. I told him I already knew such a check had been issued, and that all I wished him to do was to tell me the circumstances under which it came into his possession.

Mr. Monteith said that on the afternoon of the day when this Orofino land deal had gone through, or on the morning afterward, Mr. Lipps had called at his office, and on leaving had left a plain Interior Department envelope on his desk. It lay there during most of the day. Finally, Mr. Monteith had picked it up and examined the contents to determine the ownership. He had found in this envelope certificates about the land deal in which Joseph Peterson and Benjamin Hines disposed of their lands, and he also found in it a certified check made by James W. Blake to the order of Oscar H Lipps. Shortly after, he had looked at the contents of the envelope, Mr. Lipps called him on the telephone and asked him if he had found such an envelope, and he replied that he had. Mr. Lipps said "It contains some certificates about the sale of some Indian land in Orofino." Mr. Monteith said, "Yes, and it also contains a check by Mr. James W Blake made to your order for \$1000." Mr. Lipps said, "Yes, oh yes", and immediately hung up the receiver. He afterwards came to Mr. Monteith's office to obtain

the envelope and its contents, and this is Mr. Monteith's comment: "If ever I saw guilt on a man's face, it was written on the face of Oscar H Lipps when he entered my office that day".

It will be noted, in looking at the contract between Benjamin Hines and Frank A Jones for the sale of the land already referred to, that this contract was not recorded until after the sale had taken place, and also that in this contract Benjamin Hines reserves the dwelling then occupied by him and one and one-half acres surrounding same. This is further proof of Benjamin Hines' intention to withhold from sale his dwelling house and orchard.

I found that the James W Blake referred to has a somewhat undesirable reputation as a man who gets the best of every deal into which he goes. In my first conversation with him, he intimated to me that Senator Borah had interested himself somewhat in facilitating the sale of the land, and that the Senator was now in possession of some papers and letters dealing with the matter.

These things are definitely established by the testimony in possession.

That James W Blake swore that he made only a nominal profit on the sale of Benjamin Hines' land, whereas the records show that he made a gross profit of about 135 per cent in six weeks.

That on the day when the transfer of land from Benjamin Hines to James W Blake of the Home Land Company was consummated, James W Blake gave to Oscar H Lipps a certified check for \$1000.

That Mr. Blake's explanation of the purpose for which this check was given "explains" that Oscar H Lipps, Superintendent of the Ft. Dapwai Indian School, was acting as the confidential and trusted agent of James W Blake in the purchase of Indian lands.

That the Joseph Peterson land, the Benjamin Hines land, and the Natskeum land, were all patented holdings and that there was, therefore, no reason why Mr. Lipps should have interested himself in the matter to the extent of going to Lewiston and engineering the two sales which actually took place. It is customary, I believe, even where the agent feels under obligation to protect Indians by scrutinizing the sale of their patent in fee lands, to transact such business at the agency.

The question whether or not James W Blake entered into an agreement to deed back to Benjamin Hines his house and orchard can be determined, it would seem, only by obtaining the testimony of Mr. Lipps, who can doubtless recall the circumstances under which he paid over to Benjamin Hines the \$150 deposited in his hands by Mr. Blake to guarantee this transfer. Mr. Blake recalls the fact that he gave Benjamin Hines some other money in addition to the check for \$3841.00, although in conversation and in his testimony he denied absolutely having entered into any such agreement as is testified to by Corbett Lawyer.

I should suggest that Mr. Lipps be asked as soon as possible to give his detailed version of those various transactions and should also be asked to produce his bank books and other papers which would tend to establish his guilt or innocence of the offense

charged. It should be noted, of course, that since this was a sale of patented land, the transaction was not, strictly speaking, under the jurisdiction of the Indian Office.

In discussing the manner in which land sales were conducted at the Ft. Lapwai Indian School, Mr. Sharp, who is now superintendent there, succeeding Mr. Lipps I believe, told me that on one occasion shortly after he became Superintendent, James W Blake brought to the agency office, Joseph Peterson, and also brought with him all the papers regularly drawn up by which Joseph Peterson was to transfer to James W Blake certain land. Mr. Sharp informed Mr. Blake that the transaction could not properly be handled that way, but must be advertised and then sold only to the highest bidder. The land was subsequently advertised and a bid considerably in excess of the price at which Mr. Blake had planned to buy it was given for the land. Joseph Peterson, however, refused to sell it even at the advanced price.

In talking with Mr. Monteith, he told me that a great many Indians had complained to him about the fact that they could never get the full amount of their lease moneys from the agent. He said that some times an Indian would come to him and tell him that he knew exactly what his land was leased for, and that it was leased for \$280, or some similar sum, but that he could get from the agent only \$180. I asked Mr. Monteith how long it was since an Indian had made such a complaint. He replied that the last complaint of that sort that he remembered was made about three and one-half years ago. He intimated that he did not believe any such complaints

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had been made to him since Mr. Sharp became Superintendent.

Mr. Frank A Jones, at Orofino, suggested that the people in that section could never understand how Mr. Lipps, on a salary of \$1600 could bring up a family of seven children and incidentally acquire the amount of property which he had acquired around Lewiston.

It is worthy of note that Mr. Blake did not transfer to the Orofino Improvement Company Benjamin Hines' house and orchard and did not build on it himself until some years afterwards. This will indicate either that he wanted that piece of land for his own home,- he built a home there two or three years ago,- or else that he was doubtful about his ability to give the Orofino Improvement Company a clear title to that piece of land.

I would suggest that I - or any one else who might be detailed to continue this investigation - should at once examine Mr. Oscar H Lipps and obtain from him detailed testimony as to the various activities which have been suggested by the testimony submitted herewith.

After obtaining Mr. Lipps' testimony, it might then be possible, by scrutinizing the records at the Fort Lapwai Indian School, to determine whether or not there is any merit in other suggestions of improper conduct. It is so difficult to obtain, from Indian witnesses, direct and positive testimony that I feel doubtful if any results can be obtained by examining them on incidents which occurred there four to six or seven years ago.

If I do not receive further instructions from the Indian

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Office, I shall permit this investigation to rest, so far as I am concerned, at the point which it has reached in the report which I have the honor to submit herewith.

Very respectfully,

S. M. Christie

Special Indian Agent.

E.H.L.

Inspection-
J H D

February 1, 1915.

Mr. Commissioner:

We have carefully examined the report of Special Agent S. M. Christie on the charges preferred by Matthew M. Murphy, a farmer in the Service, alleging that Supervisor O. H. Lipps, while Superintendent of the Fort Lapwai School in charge of the Nez Perce Indians, received a check from one J.W. Blake for negotiating a sale of two Indian allotments. This allegation is based upon occurrences which happened in 1908, at least seven years ago, told apparently to Mr. Murphy by one Monteith, who had been cognizant of it for years, but maintained his silence until Supt. Lipps was compelled to balk his scheme for defrauding the Indians out of their rights in an important spring. Having found a check to Supt. Lipps from Mr. Blake in an envelope which Lipps left by accident in his office, he refrained from saying anything of his find or his inference that a wrong had been committed, until after Supt. Lipps disapproved of one of his plans. Then the inference speedily became public, and finally reached the Indian Office through Mr. Murphy.

As narrated by Mr. Monleith, the check incident did look suspicious, but a careful reading of Supervisor Lipps' answer, makes it very clear that no fraud was committed on the Indians or the Government, and fully explains the incident. He also clears up the statement made to the Special Agent concerning the amount and value of his real estate holdings, and the consequent inference that he had received other "rake offs" than the alleged Blake one.

From a careful analysis of the report and answer of Supervisor Lipps we are satisfied that he has given the true version of the check incident, on which the charges are based and therefore recommend that they be dismissed and Mr. Lipps exonerated.

E. J. Simmen
J. H. Donohue

Repts of Christie on
Lipps Charges

AFFIDAVIT of O. H. LIPPS.

Regarding the charges made against me by Mr. Matthew M. Murphy relative to the sale of two Indian allotments on the Nez Perce reservation, in which it is alleged that I received a check from J. W. Blake for \$1,000 for negotiating the sale, I wish to make the following statement under oath:

STATEMENT.

Joseph Peterson and Benjamin Hines, two full blood Nez Perce Indians received patents in fee to inherited allotments in the year 1908. The patents in fee were issued to the heirs of the original allottees without naming the heirs. This was prior to the Act of 1910 providing for the holding of hearing and the determining of heirs of deceased allottees by the Secretary of the Interior.

J. W. Blake negotiated with Benjamin Hines and Joseph Peterson for the purchase of these lands and agreed with them as to the price. In order for the Indians to make a satisfactory deed it was necessary for them to have a copy of the affidavits of heirship on which patents were issued certified to by me, as

Superintendent, to file with the patents in the office of the County Recorder. They came to the Agency and asked me to go to Lewiston with them and assist them with the transaction.

In the meantime it had been reported to me that a man named Chandler and one named Jones had offered to plat the land into town lots and had told the Indians that they would make big money for them. In fact one man, whose name I can not now recall, came to me and complained that Chandler had sold him a small tract of Joseph Peterson's allotment - two or three acres - and he had also sold a portion of this same land to another man, and he asked protection, saying he had paid Peterson for the land and he wanted either his money back or a good title to his land.

I saw then that there was a scheme on to beat these Indians out of their land. I then advised the Indians to sell their land in a body; that those fellows would get them into all kinds of trouble and get them entangled in law suits and they would probably lose everything. In fact, soon after Peterson sold his land he was sued for specific performance of his contract to sell to the man before referred to, whose name I can not recall, and the case was tried in the local courts and at that trial the whole question of sale was threshed out. Not one bit of

evidence was produced to show that I did anything more in connection with it than was my official duty.

As to the question of Benjamin Hines' title as sole heir to the allotment for which he received a patent in fee, so far as I can now recall there had not at that time been any question raised on that point. I could not have, therefore, made any intimation as to others establishing a claim as heir. This matter has no doubt been confused in the mind of the Indian with the question of heirship of the Fanny Moody allotment. Fanny Moody was the wife of Hale Moody, and this was Hale Moody's allotment that Hines sold. There were several Indians claiming as heirs of Fannie Moody, Benjamin Hines claiming to be the sole heir.

As to the understanding which Hines claims he had for retaining his house and orchard, my recollection is that Blake was to let Hines keep three acres on which his house was located in the event when surveyed the street did not run through it, or he was to pay Ben an additional \$150. At any rate Blake deposited with me \$150 in cash at the time and that same day before leaving town, I went to Hines and asked him if he fully understood about the \$150. He replied that he did and that he believed he would take the \$150 as he thought the house would fall in the middle

of the street and he did not want to lose the \$150. I then handed him the money, \$150. Hines talked to me afterwards about this matter and acknowledged to having received the \$150, but claimed that he wanted to pay that back to Blake and get three acres near where the house stood. He also told me that the house burned down while he was still living in it and that the street ran right through where the house had stood.

As to the prices paid for these lands, I will state that it was common comment at the Agency office that these allotments had sold for a much higher price than any similarly large tracts had sold for prior to that time. It is true that 12 acres of the Hale Moody allotment was a short time before sold to the Home Land Company for \$150 an acre. This land was sold through the Office. The reason for the high price was the particularly favorable location, it being near the river, railroad and depot and was acquired for a bridge landing across the Clearwater River and for a power site.

I suppose Blake made a reasonable profit on both transactions. So far as I know both Peterson and Hines made their bargains with Blake, Mr. Blake acting for Mr. Mix in the purchase of the Peterson allotment.

Now as to the \$1,000 check made payable to my order

and signed by J. W. Blake and found by Mr. C. E. Monteith on his desk where I left it with some other papers: It is this check which appears to be the sole and only tangible evidence which, under all the circumstances, might lead one to conclude that it connected me up with the sale of Benjamin Hines' land and that it might represent a bonus to me. I admit that the statement of Mr. Monteith as to my having left such a check in his office is true; I admit that to him it may have looked suspicious, as I shall show presently. The plain, simple truth of the matter is that I went to Mr. Monteith's office, he being deputy clerk of the court at the time; I went with Benj. Hines for the purpose of receiving from the clerk of the court the sum of \$75 which had been paid to him by the school trustees at Orofino for 1-1/2 acres of land which had been condemned by the court for a school site. I had advised Benj. Hines not to accept the \$75, since this land was located in the middle of his tract; he should have more than at the rate of \$50 per acre for it. I saw the school directors and protested against them taking the land at that price. They finally consented to pay \$150, I think it was, for the land provided I would see that the \$75 they had paid into the court was returned to them. It was to get this \$75 from Mr. Monteith that I went to his office with Benj. Hines. Imagine my surprise when I was

told by Mr. Monteith that Benjamin had been there some time before and got the \$75 and that he (Mr. Monteith) had borrowed the money from Benjamin, giving him his note for it. All along Benjamin had assured me that he had not received this money from the clerk of the court. I never understood this matter as Benjamin was regarded as a truthful Indian, although hard to understand transactions of this nature.

While in Mr. Monteith's office I laid down on a table or desk an envelope containing some papers, among other things some duplicate bank deposit slips, for I had just come from the First National Bank where I had made a large deposit of rent money. Also in the envelope was a check for \$1,000, drawn to my order and signed by J. W. Blake. Mr. Monteith found this envelope, after I left his office, containing this check and other papers. There were in the envelope some papers pertaining to the sale of Benjamin Hines' land to Blake. The inference was plain to Mr. Monteith. He concluded at once that Hines had sold his land to Blake and that Blake had paid me \$1,000 to get the deal through. This was a rather reasonable inference. The simple truth of the matter is this:

Blake had been negotiating with an Indian named Cornelius Natsikum, who had received a patent in fee for

his land, for the purchase of the same. He told me that Natsikum wanted to see me before he sold. Blake said he told Natsikum that he would send me a check for \$1,000 and so Blake simply wrote the check and handed it to me, saying that Natsikum would be down to the Agency in a few days and see me about the matter. Natsikum did come to the Agency the next week and I told him that I had \$1,000 that Mr. Blake had given me to pay him for his land if he (Natsikum) should decide to sell it. I then asked Natsikum all about the location of his land and about other lands that he or his family owned. I found that the allotment Blake wanted to buy was in two separate tracts. I advised Natsikum not to sell his whole allotment but to sell only the smaller part, if he must sell, but that *in my opinion he should not sell any of it at that time;* that he would get a better price by holding it. Natsikum took my advice and declined to sell any part of his allotment. I immediately wrote a letter of transmittal to Blake, explaining to him that Natsikum had been to see me and had decided not to sell his land, and in this letter I returned to Blake the \$1,000 check. The carbon copy of this letter is no doubt on file at the Agency.

And this is all there is to the check about which Mr. Monteith has during the past two years tried to make so

much capital. It is strange that he has waited all these years to bring this matter to light. I have been right in that country for five years after the happening of the event. Mr. Monteith until two years ago, or a little over, was very friendly toward me. His wife frequently visited my house and was very friendly with my family. It is very strange that after six or seven years have elapsed that Mr. Monteith should suddenly conceive the idea that he had something on me that he should expose. But there is a very important reason why Mr. Monteith should feel unkindly toward me. To make this reason clear I quote the following letter written by me to the Office which explains the whole matter:

"DEPARTMENT OF THE INTERIOR
UNITED STATES INDIAN SERVICE
Chelan, Washington.
February 15, 1912.

Filing on waters
of Ft. Lapwai springs,
by C. E. Monteith.

Commissioner of Indian Affairs,
Washington, D. C.

Sir:

I inclose herewith clipping from the Lewiston Morning Tribune of February 12, 1912, showing the position that Mr. C. E. Monteith is taking regarding his intentions to appropriate the waters of the springs located on the Fort Lapwai school reserve, for the information of the Office.

When Mr. Monteith states that there are ten cubic feet of water per second flowing from these springs he displays gross ignorance. He evidently has the waters flowing from these springs

*See I.O.
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confused with the water flowing in the old military irrigation ditch which passes near them. This ditch carries 10 second feet of water, but the combined flow of the springs is only one and one-half cubic feet per second according to the measurements of various engineers whom we have had make wiew measurements of them. We can not afford to recede a single inch from the position we have taken regarding these springs and the waters of the Lapwai creek and its tributaries. We need these waters for the school and the Indians. In fact the waters from these springs are a valuable asset as they are the main dependence of the Indians living in the valley below the school for water during the low water season in the summer months.

In this connection I desire to call the attention of the Office to the fact that Mr. Monteith is not representing the city of Lewiston. His sole aim is to acquire title to these springs in order that he may then sell the water to the city. Even if we had more water than is needed for the school and the Indians, it would not be right to permit Mr. Monteith, or any other private individual, to acquire title to these springs for speculative purposes. I am a resident of the city of Lewiston; I own my home there, and I am interested in the city securing a good and pure water supply, yet I know that Mr. Monteith is wrong in attempting to take these springs away from the Nez Perce Indians. Besides, as I have before stated, there is nothing like the amount of water in them that Mr. Monteith thinks there is. I am just as greatly interested in the welfare of the city of Lewiston as is Mr. Monteith, and aside from my official duty in the matter, I am very much opposed to the Government granting any right whatever to any private individual or corporation to appropriate any of the waters of these springs for any purpose.

Very respectfully,

O. H. Lipps
Supervisor

OHL
Incl."

I simply blocked Mr. Monteith's plans to steal the only sure and never failing water supply the Indians in the Lapway Valley have. Mr. Monteith appealed to one of the U. S. Senators from Idaho. I stood firm. He argued and pleaded with me to relent, but in vain. All at once he changed his attitude toward me and his tactics. He had received a letter which the Office had written to Senator Borah, in which letter portions of my letter to the Office were quoted. He remembered about this \$1,000 check. If he couldn't coax me or persuade me, or otherwise influence me, he would scare me. Hence this story about the check at this late date.

I wish also to state that Special Agent Christie might have cleared his mind of the charge as to my using undue influence to get these Indians to sell their land had he gone, as he was advised to do, to Mr. Eugene O'Neill, the U. S. Commissioner at Lewiston, Idaho, who took the acknowledgement of both Peterson and Hines to the deeds they executed for the sale of their land. Mr. O'Neill is regarded as one of the most conscientious, reliable and painstaking U. S. Commissioners in the country and a great friend of the Indian. I cautioned Mr. O'Neill at the time to examine these Indians very carefully and to assure himself that they were signing the deeds of their own free will and that they understood

them. I was not present in the room when the deeds were signed, but I could hear Mr. O'Neill reading and explaining the deeds to the Indians.

Regarding my alleged large property holdings around Lewiston, Idaho, and the mystery as to how a man with a large family and on a salary of \$1,600 could legitimately accumulate such large holdings of valuable property, I will state that these vast holdings I am said to possess consist of one single house and lot in Lewiston, Idaho. The house contains at the present time all of my furniture and my library, and I am receiving the sum of \$25 per month as rent for this furnished house. This is the only piece of property I own or have ever owned in the town of Lewiston, or in the State of Idaho, and the only other piece of property I own in the world is 160 acre timber tract in Eastern Washington which I purchased from the Government under the old Timber and Stone Act at \$2.50 per acre, in 1907.

Now where did I get the money? I think it was in 1907 that I sold a tract of land in California for \$3,200, part cash and balance in notes. In 1908 I sold my old home in Andersonville, Tenn. for \$1,800 cash. I paid \$4,650 for my house and lot in Lewiston, purchasing the same from Mr. C. H. Lingenfelter, at that time U. S. Attorney

for Idaho. The house and lot and the 160 acres of timber lands represent the sum total of all my earthly possessions with the exception of a few hundred dollars cash in bank. I am past 43 years of age. In the past 20 years I have, by economical living, managed to own a modest home and 160 acres of cheap land. As to whether or not I live extravagantly, ask any of my neighbors in Lewiston, or any of the good people at the Carlisle Indian School. I have always lived within my income and saved just a little each year.

I have been in the Indian Service 17 years. I believe I have had more experiences in fighting bootleggers and grafters than ordinarily comes to the average Superintendent. When I took charge of the Nez Perce reservation in 1906 I found 30 saloons on the reservation; white men were running over the Indians rough shod; were fencing their lands and claiming them; were farming them without leases in many cases; were stealing their timber; were selling them whiskey. I made up my mind that I would improve these conditions no matter what the cost. I put every saloon out of business; I secured large numbers of indictments against white men for selling liquor to Indians; I stopped trespassing on Indian lands and ejected some trespassers by force. I left sore spots in many places

but at all times received the support of the better class of people and the local press. I can see how an investigating official might go to that reservation and find persons who would be willing witnesses against me; if such inspector happened to be without large experience in Indian matters he would hear much plausible criticism of my administration that on its face, and without a clear knowledge of former conditions and an understanding of the motives behind the complaints, would be very misleading. Such seems to be the case in this instance.

Mr. Monteith told the Special Agent that a great many Indians had complained to him that they could never get the full amount of their lease money from the Agent; that they would sign a lease for \$280 and would receive only \$180, the inference being that I kept the \$100 difference.

This charge is preposterous on its very face. These leases are audited with the Superintendent's accounts, and if an Indian did not receive all the money his lease called for the Auditor would detect it, especially since all payments are made by check drawn to the order of the Indian lessor.

In the three years I was Superintendent of the Nez Perce Agency, I must have received and disbursed more than

\$500,000. My accounts have always been straight. In fact the Indian Office sent, in 1908, expert accountants to all Agencies handling individual Indian money. My accounts were examined by one of these experts and found correct to a cent. At that time the Indian Office had no record of the disbursements of land sales money at Agencies after the approval of the sales. My land sales accounts checked out exactly and every item was accounted for without the least delay or trouble. Also, when I turned over the Agency to my successor my accounts checked out to a cent and I never had the least trouble in making my final settlement with the Auditor. All of these statements are easily verified by the records.

I conducted many land sales on the Nez Perce reservation and had business dealings with hundreds of farmers and business men. The Special Agent might have secured important information by looking into other land sales and interviewed a number of prominent business men who are well acquainted with me and my methods, such men as Hon. C. H. Lingenfelter, Boise, Idaho, Eugene O'Neill, U. S. Commissioner, Lewiston, Idaho, Eugene Earhardt, Pres. Empire National Bank, Lewiston, Idaho, T. B. Bartlett, Register U. S. Land Office, Lewiston, Idaho, Mr. Van Ostrand, Pres. Craig Mountain Lumber Co., Winchester, Idaho.

All of these, and dozens of other prominent and highly respected business men and farmers have had dealings with me in the matter of the purchase of Indian lands, and they certainly must have formed some opinion as to my integrity and sense of right and justice.

In conclusion I wish to call attention to the fact that the chief witness as to what I said to Joseph Peterson and Benjamin Hines regarding the sale of their lands was the Agency Interpreter, Edward Roboin, and he is now dead. If he were alive he would say that the only urging I did and the only advice I gave these two Indians was to sell their land in a body and not let Chandler or anyone else persuade them into acting as their agent to plat the few acres of bottom land and leave them all the rough hillsides and bluffs which were worthless. I also pointed out that Dave McFarland, a Carlisle graduate, had been cheated out of a large part of a tract of land that he had platted into town lots, and that they, who had little or no education, would be at the mercy of the sharks into whose hands I was sure they would fall. This is the influence I used and the advice I gave them, and if it were to do over again I could not do differently.

The foregoing statements are true and correct to

the best of my recollection and belief.

W. H. J. J. J.

Subscribed and sworn to before me, this the 28th
day of January, 1915.

E. J. Timmer
Chief Inspector.

EPL

Inspection-
J H D

February 1, 1915.

Mr. Commissioner:

We have carefully examined the report of Special Agent S. M. Christie on the charges preferred by Matthew H. Murphy, a farmer in the Service, alleging that Supervisor O. H. Lipps, while Superintendent of the Fort Lapwai School in charge of the Nez Perce Indians, received a check from one J.W. Blake for negotiating a sale of two Indian allotments. This allegation is based upon occurrences which happened in 1908, at least seven years ago, told apparently to Mr. Murphy by one Monteith, who had been cognizant of it for years, but maintained his silence until Supt. Lipps was compelled to balk his scheme for defrauding the Indians out of their rights in an important spring. Having found a check to Supt. Lipps from Mr. Blake in an envelope which Lipps left by accident in his office, he refrained from saying anything of his find or his inference that a wrong had been committed, until after Supt. Lipps disapproved of one of his plans. Then the inference speedily became public, and finally reached the Indian Office through Mr. Murphy.

As narrated by Mr. Monleith, the check incident did look suspicious, but a careful reading of Supervisor Lipps' answer, makes it very clear that no fraud was committed on the Indians or the Government, and fully explains the incident. He also clears up the statement made to the Special Agent concerning the amount and value of his real estate holdings, and the consequent inference that he had received other "rake offs" than the alleged Blake one.

From a careful analysis of the report and answer of Supervisor Lipps we are satisfied that he has given the true version of the check incident, on which the charges are based and therefore recommend that they be dismissed and Mr. Lipps exonerated.

E. J. Finnen

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