

AUTHORIZING REPAYMENT OF EXCESS AMOUNTS PAID ON
CERTAIN LOTS IN THE TOWN SITE OF SANISH, N. DAK.

MAY 22, 1924.—Committed to the Committee of the Whole House on the state
of the Union and ordered to be printed

Mr. JOHNSON of South Dakota, from the Committee on Indian
Affairs, submitted the following

R E P O R T

[To accompany H. R. 3387]

The Committee on Indian Affairs, to whom was referred the bill (H. R. 3387) authorizing repayment of excess amounts paid by purchasers of certain lots in the town site of Sanish, formerly Fort Berthold Indian Reservation, N. Dak., having considered the same, report thereon with a recommendation that it do pass without amendment.

The merits of this measure are fully set forth in the letter of the Acting Secretary of the Interior, which is attached hereto and made a part of this report.

DEPARTMENT OF THE INTERIOR,
Washington, May 15, 1924.

HON. HOMER P. SNYDER,
Chairman Committee on Indian Affairs,
House of Representatives.

MY DEAR MR. SNYDER: I have your request for report on H. R. 3387, authorizing repayment of excess amounts paid by purchasers of certain lots in the town site of Sanish, former Fort Berthold Indian Reservation, N. Dak.

Pursuant to the provisions of the act of June 1, 1910 (36 Stat. 455), lands within the former Fort Berthold Indian Reservation, N. Dak., were reserved for the town site of Sanish; the tract was divided into lots, streets, and alleys; and the lots were appraised during the fall of 1916 by representatives from the Indian Service and the General Land Office at prices ranging from \$25 to \$90. The sale of the lots was held at the town of Sanish, beginning November 11, 1916, under regulations approved October 12, 1916. Such regulations provided for the cash payment of one-fourth or 25 per cent of the sale price of the lots at the time of purchase, the remaining portion of such purchase price to be divided into three equal annual installments, due, respectively, one, two, and three years, where the lots were sold for \$100 or more. No interest was chargeable on such deferred payments.

The sale was held shortly after the surrounding lands had been restored to settlement and followed two seasons of unusual crop production. Sanish is located on the Missouri River and is the terminus of one of the branch lines of the C. M. & S. Ste. M. Railroad. It was believed at the time of the sale that the railroad company would within a very short period build a bridge across the Missouri River, and that the workmen would be supplied from Sanish. Because of the temporary prosperity prevailing in the locality, and the prospect of further business activities which it was thought would follow the building of the bridge, the lots sold brought amounts very largely in excess of the values placed upon them by the appraisers only a short time before. For instance, no lot was appraised at a higher value than \$90, and yet, one upon which a valuation of \$50 was fixed sold for \$1,000. In all, 268 lots, appraised at \$10,355, sold for \$45,764, more than four times the appraised prices.

The bridge across the Missouri River was never built, and a number of almost total crop failures followed the sale. As a result, payments were completed on but few of the lots. The citizens of Sanish petitioned the department for a reduction in the price of such lots, representing that the purchasers could not make the required payments; that only a few of the lots had been patented; that taxes could not be levied on the unpatented lots; and the people of the town were unable to secure funds to maintain a school.

Upon consideration of such petition, the Acting Commissioner of the General Land Office and the Commissioner of Indian Affairs joined in recommending the approval of regulations reappraising all the lots sold, whether patented or unpatented, at an average of about one-half of the sale price, but considerably in excess of the original appraised values. The Acting Secretary, on August 11, 1922, approved such regulations, and the proposed reappraisal of the lots. The regulations provided that where the amount paid on the principal exceeded the reappraised price, the purchaser would be allowed repayment for the difference between the cash value of the lots as fixed by reappraisal and the amount paid. Copy of the regulations of August 11, 1922, and the list showing original appraisals, sale prices, and the reappraised values so fixed, herewith.

A small number of the purchasers at the sale in 1916 paid in full for the lots purchased, instead of taking advantage of the deferred payments, and a few others completed their payments and received patents prior to the business depression, and it is to this class of purchasers that the bill, if enacted, would extend relief.

Construing the provisions of the repayment act of December 11, 1919 (41 Stat. 366), the comptroller, on November 14, 1923, refused to allow applications for repayment for certain lots in the town of Sanish where such applications were not filed within two years from the date of the issuance of patent, and as a result of such decision, those who made full cash payments at the sale, or who thereafter promptly met the required payments and obtained their patents, can not secure the relief to which they are equitably entitled under the provisions of the regulations approved August 11, 1922.

I therefore recommend the enactment of the bill.

Very truly yours,

E. C. FINNEY, *Acting Secretary.*

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
Washington, August 11, 1922.

Reappraisement: Sanish town site, former Fort Berthold Indian Reservation, N. Dak.

THE SECRETARY OF THE INTERIOR.

SIR: Pursuant to the provisions of the act of June 1, 1910 (36 Stat., 455) lands were reserved for a town site at Sanish, N. Dak., within the former Fort Berthold Indian Reservation. The land was divided into lots, blocks, streets and alleys, and the lots were appraised at prices ranging from \$25 to \$90.

Under regulations approved October 12, 1916, the public sale of such lots was held at the town of Sanish, beginning November 11, 1916. The regulations provided for the cash payment of one-fourth, or 25 per cent, of the sale price of the lot at time of purchase, the remaining portion of such purchase price to be divided into three equal annual installments, due, respectively, one, two, and three years, where the lots were sold for \$100 or more. No interest was charge-

able on such deferred payments. The sale was held shortly after the surrounding lands had been restored to settlement and followed two seasons of unusual crop production.

Sanish is located on the Missouri River, and is the terminus of the C., M. & S. Ste. M. Railroad. It was believed at the time of the sale that the railroad would, within a very short period, build a bridge across the Missouri River and that the workmen would be supplied from Sanish. As a result of the temporary prosperity prevailing in the locality, and the prospects for further business activities, which it was thought would follow the building of the bridge, the lots sold brought amounts very largely in excess of the prices fixed by the appraisers. For instance, all the lots in block 28 were appraised at \$25 each; 6 of such lots were disposed of at \$65 each, 3 at \$100, 1 at \$125, 1 at \$130, and 1 at \$200. And in block 45 the lots were appraised at \$50 each; 5 sold at \$200 each, 4 at \$300, 1 at \$350, 1 at \$400, and 1 at \$1,000. In all, 268 lots, appraised at \$10,355, sold for \$45,764.

The bridge across the Missouri River has not been built, and a number of almost total crop failures followed the sale. As a result payments have been completed on but few of the lots. Extensions of time within which to make such payments have been granted, conditioned upon the payment of 5 per cent in advance on the amounts involved. It quite clearly appears that the purchasers were unable to make the payments, and that the extensions were necessary if forfeiture was to be avoided. Furthermore, it is manifest that it would be inequitable to require such purchasers to pay the excessive valuation placed on the lots during the "boom" tide of the town.

The citizens of Sanish petitioned the department for a reduction in the price of such lots, representing that the purchasers could not make the required payments, that only a few of the lots had been patented, that taxes could not be levied on the unpatented lots, and that, as a result, the people of the town were unable to secure funds to maintain a school. Upon such petition, the department, April 24, 1922, directed the superintendent of the Fort Berthold Reservation to reappraise the lots at their present cash value. The superintendent, instead of submitting a list of such lots, called attention to the original appraisals, which had received departmental sanction, and expressed the opinion that the lots were sold, in practically every instance, at an excess valuation of 50 per cent.

The purchasers can not and will not make payment of the lots at their inflated prices. Until full payments are made, such lots will not become subject to taxation, and the school at Sanish can not be maintained without such taxation. The law under which the sale was conducted requires the deposit of the proceeds in the Treasury of the United States to the credit of the Indians, and that they shall receive interest at the rate of 3 per cent on the moneys so deposited. An equitable adjustment of the matter, fair alike to the Indians and the lot purchasers, will be a reappraisal of the lots based on their present values—approximately 50 per cent of their sale price—but since the lots have been in the possession of the purchasers since the sale in 1916, the Indians should receive such cash value, plus the 3 per cent interest that would have been paid to them if cash had been required at the time of sale. The town of Sanish will receive no benefit from the adjustment unless the lot purchasers are required to make immediate payments, and it will not be a hardship for them to complete payments under the conditions above outlined, which contemplate the reduction of the total sale prices from \$45,764 to \$23,519. And, as \$11,441 was paid at the time of the sale, the remaining payments of principal under the readjustment will be only \$12,078. The interest payments required will be about offset by the amounts heretofore paid to secure extensions of time. The lots remaining unsold should also be disposed of at their present cash value at the earliest day practicable.

In order, therefore, that these lots may be rendered subject to taxation, and that the purchasers thereof may secure title upon the payment of a just and reasonable price, we recommend the following:

First. That no further extensions of time be granted.

Second. That the sale price of the lots be reduced practically 50 per cent, in accordance with the attached schedule, provided that each purchaser be required to pay in addition 3 per cent per annum from the time of purchase to the 1922 anniversary of the sale—six years—on the difference between the first or cash payment made in 1916 and the reappraised price of the lot, and that he be credited with all interest payments made; provided further, that full payment of principle and interest as fixed herein be made on or before November 11, 1922, and that all lots not fully paid for on that date be forfeited.

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Third. That any lot canceled for nonpayment of the purchase price may be reinstated on or before November 11, 1922, upon compliance with the foregoing conditions.

Fourth. That where the amount paid on the principal exceeds the reappraised price, the purchaser, if he is now the owner of the land, be allowed repayment for the difference between the cash value of the lot as indicated in such schedule and the amount paid, but that no payment be granted on account of interest paid to secure extension of time.

Fifth. That the sale of the lots adjourned without day, October 8, 1917, be reopened at Sanish November 11, 1922, under the regulations of September 10, 1917, and that the superintendent of sale, in addition to the authority conferred by the aforesaid regulations of September 10, 1917, be authorized, in his discretion, to require full cash payment.

Very respectfully,

GEORGE R. WICKHAM,
Acting Commissioner of the General Land Office.

CHAS. H. BURKE,
Commissioner of Indian Affairs.

Approved, August 11, 1922.

E. C. FINNEY,
First Assistant Secretary.

Schedule of lots in the town of Sanish, N. Dak.

[Showing original appraisals, sales prices, and the reappraised, or 1922, values of the lots, accompanying and made a part of the recommendations of the Acting Commissioner of the General Land Office and the Commissioner of Indian Affairs. The reappraised, or 1922, values to be effective only under the conditions set forth in such letter of recommendation approved Aug. 11, 1922]

Lot No.	Original appraisal	Sale price	1922 re-appraisal	Lot No.	Original appraisal	Sale price	1922 re-appraisal
Block 15:				Block 27—Contd.			
11.....	\$25	\$100	\$50	4.....	25	65	30
12.....	25	75	40	5.....	25	65	30
13.....	25	75	40	6.....	25	65	30
14.....	25	75	40	7.....	25	100	50
15.....	25	75	40	8.....	25	100	50
16.....	25	75	40	9.....	25	100	50
17.....	25	75	40	10.....	25	100	50
18.....	25	75	40	11.....	25	100	50
19.....	25	75	40	12.....	25	100	50
20.....	25	100	50	Block 28:			
Block 18:				1.....	25	65	30
7.....	25	100	50	2.....	25	65	30
8.....	25	100	50	3.....	25	65	30
9.....	25	100	50	4.....	25	65	30
Block 16:				5.....	25	65	30
7.....	25	100	50	6.....	25	65	30
8.....	25	100	50	7.....	25	125	60
9.....	25	100	50	8.....	25	100	50
10.....	25	100	50	9.....	25	100	50
11.....	25	100	50	10.....	25	100	50
12.....	25	130	60	11.....	25	130	60
Block 22:				12.....	25	200	100
7.....	25	65	35	Block 29:			
8.....	25	65	35	9.....	25	100	50
9.....	25	65	35	10.....	25	100	50
10.....	25	65	35	11.....	25	100	50
11.....	25	65	35	12.....	25	125	60
12.....	25	65	35	Block 30:			
Block 23:				7.....	40	200	100
9.....	25	75	40	8.....	40	125	65
Block 25:				9.....	40	125	65
4.....	25	60	30	10.....	40	125	65
5.....	25	60	30	11.....	40	125	65
6.....	25	60	30	12.....	40	150	80
Block 26:				Block 32:			
7.....	25	125	60	7.....	50	50	50
8.....	25	100	50	8.....	50	50	50
9.....	25	100	50	9.....	50	51	51
10.....	25	100	50	10.....	50	200	100
11.....	25	100	50	11.....	50	250	125
12.....	25	125	60	12.....	50	300	150
Block 27:				Block 33:			
1.....	25	65	30	7.....	50	200	100
2.....	25	65	30	8.....	50	51	51
3.....	25	65	30	9.....	50	51	51

Schedule of lots in the town of Sanish, N. Dak.—Continued

Lot No.	Original appraisal	Sale price	1922 re-appraisal	Lot No.	Original appraisal	Sale price	1922 re-appraisal
Block 33—Contd.				Block 54—Contd.			
10.....	50	51	51	4.....	25	100	50
11.....	50	51	51	5.....	25	100	50
12.....	50	325	160	6.....	25	100	50
Block 34:				7.....	25	100	50
1.....	25	150	75	8.....	25	100	50
2.....	25	100	50	9.....	25	100	50
10.....	25	100	50	10.....	25	100	50
11.....	25	100	50	11.....	25	100	50
Block 38:				12.....	25	100	50
8.....	40	175	80	Block 55:			
9.....	40	100	50	1.....	25	200	100
10.....	40	100	50	2.....	25	200	100
11.....	40	100	50	3.....	25	200	100
12.....	40	100	50	4.....	25	200	100
13.....	40	100	50	5.....	25	315	160
14.....	40	100	50	6.....	25	400	200
15.....	40	175	80	Block 57:			
Block 39:				1.....	25	440	220
11.....	40	100	50	2.....	25	300	150
12.....	40	100	50	3.....	25	325	160
Block 41:				4.....	25	400	200
15.....	40	150	80	5.....	25	475	235
16.....	40	150	80	6.....	25	500	250
17.....	40	150	80	7.....	25	35	35
18.....	40	150	80	8.....	25	35	35
Block 42:				9.....	25	125	65
1.....	50	275	140	10.....	25	25	25
2.....	50	125	65	11.....	25	25	25
3.....	50	125	65	12.....	25	25	25
4.....	50	125	65	Block 58:			
5.....	50	200	100	1.....	50	550	275
8.....	50	100	60	2.....	50	400	200
9.....	50	150	80	3.....	50	400	200
Block 44:				4.....	50	375	190
1.....	50	350	200	5.....	50	400	200
2.....	50	175	90	6.....	50	450	225
3.....	50	150	75	7.....	50	275	140
4.....	50	200	100	8.....	50	275	140
5.....	50	500	250	Block 59:			
6.....	50	450	225	1.....	50	450	225
7.....	50	500	250	2.....	50	225	115
8.....	50	410	200	3.....	50	225	115
9.....	50	600	300	4.....	50	150	75
Block 45:				5.....	50	225	115
1.....	50	200	100	6.....	50	125	65
2.....	50	200	100	7.....	50	125	65
3.....	50	200	100	8.....	50	150	75
4.....	50	200	100	9.....	50	200	100
5.....	50	200	100	Block 60:			
6.....	50	300	150	1.....	50	150	75
7.....	50	400	200	2.....	50	130	65
8.....	50	300	150	3.....	50	130	65
9.....	50	300	150	4.....	50	125	65
10.....	50	300	150	5.....	50	400	200
11.....	50	350	175	6.....	50	110	60
12.....	50	1,000	500	7.....	50	100	50
Block 46:				8.....	50	125	65
5.....	40	150	80	9.....	50	200	100
6.....	40	200	100	Block 61:			
7.....	25	600	300	1.....	50	200	100
8.....	25	400	200	2.....	50	150	75
9.....	25	365	180	3.....	50	150	75
10.....	25	360	180	4.....	40	150	75
11.....	25	300	150	5.....	40	150	75
12.....	25	400	200	6.....	40	150	75
Block 47:				7.....	40	150	75
6.....	25	200	100	Block 64:			
7.....	25	300	150	1.....	50	100	50
8.....	25	200	100	2.....	50	100	50
9.....	25	125	65	3.....	50	100	50
10.....	25	125	65	4.....	50	100	50
11.....	25	125	65	Block 65:			
12.....	25	200	100	1.....	60	100	60
Block 53:				5.....	90	200	100
7.....	25	125	60	Block 66:			
8.....	25	100	50	5.....	75	200	100
Block 54:				6.....	90	450	225
1.....	25	100	50	Block 67:			
2.....	25	100	50	11.....	40	200	100
3.....	25	100	50				

Schedule of lots in the town of Sanish, N. Dak.—Continued

Lot No.	Original appraisal	Sale price	1922 re-appraisal	Lot No.	Original appraisal	Sale price	1922 re-appraisal
Block 68:				Block 73—Contd.			
1.....	50	425	200	3.....	25	75	40
2.....	50	150	75	4.....	25	100	50
3.....	50	150	75	5.....	25	75	40
4.....	50	100	50	6.....	25	100	50
5.....	50	100	50	Block 74:			
6.....	50	100	50	1.....	25	100	50
7.....	40	125	60	2.....	25	75	40
8.....	40	100	50	3.....	25	75	40
Block 69:				4.....	25	75	40
1.....	50	300	150	5.....	25	75	40
2.....	50	275	140	6.....	25	75	40
3.....	50	250	125	Block 75:			
4.....	50	250	125	1.....	25	100	50
5.....	50	250	125	2.....	25	51	51
6.....	50	300	150	3.....	25	51	51
7.....	50	300	150	4.....	25	51	51
8.....	50	210	105	5.....	25	51	51
9.....	50	200	100	6.....	25	100	50
10.....	50	200	100	Block 83:			
11.....	50	330	165	1.....	25	125	65
Block 70:				2.....	25	100	50
3.....	50	150	75	5.....	25	125	65
4.....	50	150	75	6.....	25	175	80
5.....	50	175	100	Block 84:			
6.....	50	325	200	1.....	40	100	80
7.....	50	200	125	2.....	40	100	80
8.....	50	150	80	3.....	100	200	125
9.....	50	150	80	Block 85 (not subdivided)			
Block 73:					500	500	300
1.....	25	125	65	Total.....			
2.....	25	100	50		10,355	45,764	23,519