
SURVEY OF CONDITIONS AMONG THE INDIANS OF THE UNITED STATES

ON THE DEVELOPMENT AND LEASING OF THE FLATHEAD POWER SITES, FLATHEAD INDIAN RESERVATION, MONT.

JANUARY 4, 1934

Mr. WHEELER, from the Committee on Indian Affairs, submitted the following

PARTIAL REPORT

[Pursuant to Senate Resolution 79, Seventieth Congress, and subsequent resolutions]

The subcommittee consisting of Senators Burton K. Wheeler (chairman), Elmer Thomas, Lynn J. Frazier, and Robert M. La Follette, Jr., in pursuance of said resolutions has held hearings and conducted examinations with respect to the development and leasing of the Flathead power site belonging to the Flathead Indians, Montana. Hearings on the above topic have been held both in Washington and at the Flathead Reservation. Recently, on October 21, 1933, the subcommittee visited the Flathead Reservation and the Flathead power site; the state of facts on that date being as follows:

The Rocky Mountain Power Co., a subsidiary of the Montana Power Co., had obtained on May 23, 1930, a license for the development of site no. 1.

The Rocky Mountain Power Co., to the date of the subcommittee's hearing at the Flathead Reservation, October 21, 1933, had expended a large sum of money on prelicense costs, construction costs, and other costs. Construction work had been stopped since the early part of 1933, and the licensee had applied for extensions of the license with modification of its terms adverse to the interests of the Indians.

If the extension be not granted by the Federal Power Commission and the Secretary of the Interior, the license will be forfeited. The licensee is asking for an indefinite extension, and there is no apparent

likelihood of an early development of the site under the terms of the existent or of a new license to private parties.

Under these conditions, the subcommittee strongly recommends that the Government should take over the Flathead project and complete the development with funds from Public Works. The completed development would entail an additional investment slightly in excess of \$5,000,000. The committee is advised that the production cost of power at the switchboard, without charging interest on the investment, would be not in excess of six tenths of 1 mill per kilowatt-hour, including payment of rental to Indians at the same rate as was proposed by the present licensee and embodied in the existing license. The production cost would be extraordinarily low—probably lower than that of any large site in the world. The potential industrial market for electric power in Montana is practically limitless. The already accessible domestic market is not negligible. The development at the Columbia River Basin would not render unnecessary the development of the Flathead site, because of the factor of the transmission costs. The construction of the site by the Government would have an effect upon the rate structure of Montana highly favorable to the revival of industry in that State and to the increase of domestic market and the well-being of the people of Montana.

The situation is called to the attention of the Secretary of the Interior and the Commissioner of Indian Affairs and the Federal Power Commission, as well as of the Congress.

Respectfully submitted.

B. K. WHEELER,
Chairman.

ELMER THOMAS.

LYNN J. FRAZIER.

DECEMBER 16, 1933.



The subcommittee consisting of Senators Burton K. Wheeler (chairman), Elmer Thomas, Lynn J. Frazier, and Robert M. La Follette, in pursuance of said resolution has held hearings and conducted examinations with respect to the development and leasing of the Flathead power site belonging to the Flathead Indians, Montana. Hearings on the above topic have been held both in Washington and at the Flathead Reservation. Recently on October 21, 1933, the subcommittee visited the Flathead Reservation and the Flathead power site; the state of facts on that date being as follows: The Rocky Mountain Power Co., a subsidiary of the development of site no. 1. The Rocky Mountain Power Co., to the date of the subcommittee's hearing at the Flathead Reservation, October 21, 1933, had expended a large sum of money on preliminary costs, construction costs, and other costs. Construction work had been stopped since the early part of 1933, and the license had applied for extensions of the license with modification of its terms adverse to the interests of the Indians. If the extension be not granted by the Federal Power Commission and the Secretary of the Interior, the license will be forfeited. The license is asking for an indefinite extension, and there is no apparent