

THE WHITE EARTH ANISHINABEG ECONOMY:
FROM SELF RELIANCE TO DEPENDENCE
AND BACK AGAIN

BY

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ABSTRACT

The White Earth Anishinabeg Economy: 'From Self Reliance to Dependence and Back Again

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The thesis illustrates the nature of the economy of the White Earth Indian reservation in northern Minnesota. Longitudinal analysis of shifts and continuum in economic sectors is presented and options are suggested for future community development work on the reservation. The thesis illustrates the continuity of traditional economic structures (household) and activities including the harvesting of wild rice, handcraft production and hunting, fishing and other activities in various time periods between 1879 and 1986. The thesis illustrates the lack of development within the cash economy on the reservation as indicated by chronic unemployment both historically and in the present period. The lack of development in the cash economy is also illustrated by the outward facing flow of capital.

Using review of literature, field work and analysis, the author undertook to document the present state of the White Earth economy. The review of literature includes harvester studies and flow of funds research in both the U.S. and Canada. As well, literature on economic development nationally and internationally, theories on dependency and underdevelopment are cited. Methodological work includes household cash and harvester survey samples of two villages on the reservation, valuation analysis and flow of funds analysis to illustrate the impact of the Indian dollar on the non-Indian economy.

In the final section, the author discusses the structural aspects of dependency and underdevelopment on the reservation, focusing on the loss of land and subsequent loss of control of natural resources as a significant impediment to development. Similarly, structural problems with the economy as related to the flow of funds and regulatory/governmental relations with the federal government are presented as structural barriers; concerns which need to be addressed to rebuild self reliant economic structures and increase wealth on the reservation. The author proposes policy options to White Earth band and members to enhance self-reliance in the White Earth economy and to rebuild the base of the Indian economy.

1989

Winona LaDuke Kapashesit

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For: My Family and the People of White Earth

PREFACE

Jacklight

The same Chippewa word is used both for flirting and hunting game, while another Chippewa word connotes both using force in intercourse and also killing a bear with one's bare hands.

-R.W. Dunning

(1959) Social and Economic Change Among the Northern Ojibwa

We have come to the edge of the woods,
out of brown grass where we slept, unseen,
out of knotted twigs, out of leaves creaked shut,
out of hiding.

At first the light wavered, glancing over us,
Then it clenched to a fist of light that pointed,
searched out, divided us.
Each took the beams like direct blows the heart answers.
Each of us moved forward alone.

We have come to the edge of the woods,
drawn out of ourselves by this night sun,
this battery of polarized acids,
that outshines the moon.

We smell them behind it
but they are faceless, invisible.
We smell the raw steel of their gun barrels,
mink oil on leather, their tongues of sour barley.
We smell their mothers buried chin-deep in wet dirt.
We smell their fathers with scoured knuckles,
teeth cracked from hot marrow.
We smell their sisters of crushed dogwood, bruised apples,
of fractured cups and concussion of burnt hooks.

We smell their breath steaming lightly behind the jacklight.
We smell the itch underneath the caked guts on their clothes.
We smell their minds like silver hammers
cocked back, held in readiness
for the fist of us to step into the open.

We have come to the edge of the woods,
out of brown grass where we slept, unseen,
out of leaves creaked shut, out of our hiding.
We have come here too long.

It is their turn now,
their turn to follow us. Listen,
they put down their equipment.
It is useless in the tall brush.
And now they take the first steps, not knowing
how deep the woods are and lightless.
How deep the woods are.

by Louise Erdrich
(reprinted with permission of author).

CHAPTER I
INTRODUCTION

Statement of Purpose

The purpose of this study is to document the White Earth economy and options for self-reliant development. The thesis examines the White Earth economy over time. Through this process, longitudinal shifts and continuums in the economic sectors become apparent. Thus, cultural similarity and continuity can be seen in a community faced with dramatic changes.

In a second segment, the study utilizes harvester studies to record aspects of the current subsistence or traditional economy at White Earth. This traditional sector, of hunting, trapping and other activities was previously undocumented in terms of economic value and household activity level.

In a third segment, the paper, through use of household and tribal flow of funds analysis documents the significance of the flow of resources in the cash, and subsequently harvesting sectors. This affords an opportunity to analyze the relationship of the Indian economy to the non-Indian economy.

In the final segment, the author utilizes these findings to analyze economic dependency and self reliance at

White Earth. The author is hopeful that this interdisciplinary analysis provides a more wholistic and accurate profile of the White Earth reservation economy. The author also hopes that this analysis can be useful in planning future economic development.

There are two separate motives for this kind of study. First, in response to anti-Indian sentiment in the White community, the study documents the value of the Indian economy to the economic well-being of the non-Indian economy. Second, in the desperate need to improve the economic and social well-being of the White Earth reservation, the study presents a distinct and fresh view of reservation development.

A notion commonly held by non-Indian White residents of the reservation and its adjacent northwestern Minnesota communities is that the Native people are a drain on taxes and social services. This argument is focused on what these individuals believe are "special programs" for Indians, and high levels of Indian economic dependency. There would be little concern about these assumptions if they were held by an impotent minority of the White population. However, these attitudes are held by the majority of non-Indians, and unfortunately, such views are often written into resolutions by County Commissioners. Political representatives who share these views subsequently help draft and enable

legislative policy which is biased and opinionated against the Indians.

A case in point was the 1986 passage of the White Earth Land Settlement Act or WELSA (PL 99-264, 100 Stat 61). Despite the legal and moral claims of tribal members, the interests of non-Indian property holders ultimately prevailed. The intent of this legislation was to terminate Indian title. Clear title allows for sale, mortgage and transfer of land. Groups like Totally Equal Americans, the White Earth Equal Rights Committee and the United Townships Association emerged and spread "anti-Indian" fervor to nourish the conflict. Their campaigns fed racist feelings about Indian people. The groups opposed transfers of land back to the White Earth band, or a "buy out program" for purchase of land from non-Indians. They argued that lands should not be taken off the tax roles since the counties were already heavily impacted by the reservation. They opposed, in many cases, the existence of the reservation as a legal entity in itself. (See Figure 1) In oral testimony at the November 1983 hearings on the WELSA bill, these points were voiced repeatedly. In the end, the act was, as some Congressional insiders referred to it, a "non-Indian relief act." It was designed primarily to appease non-Indian interests. On the other hand, the grievances and long-term land interests of the White Earth people were not addressed.

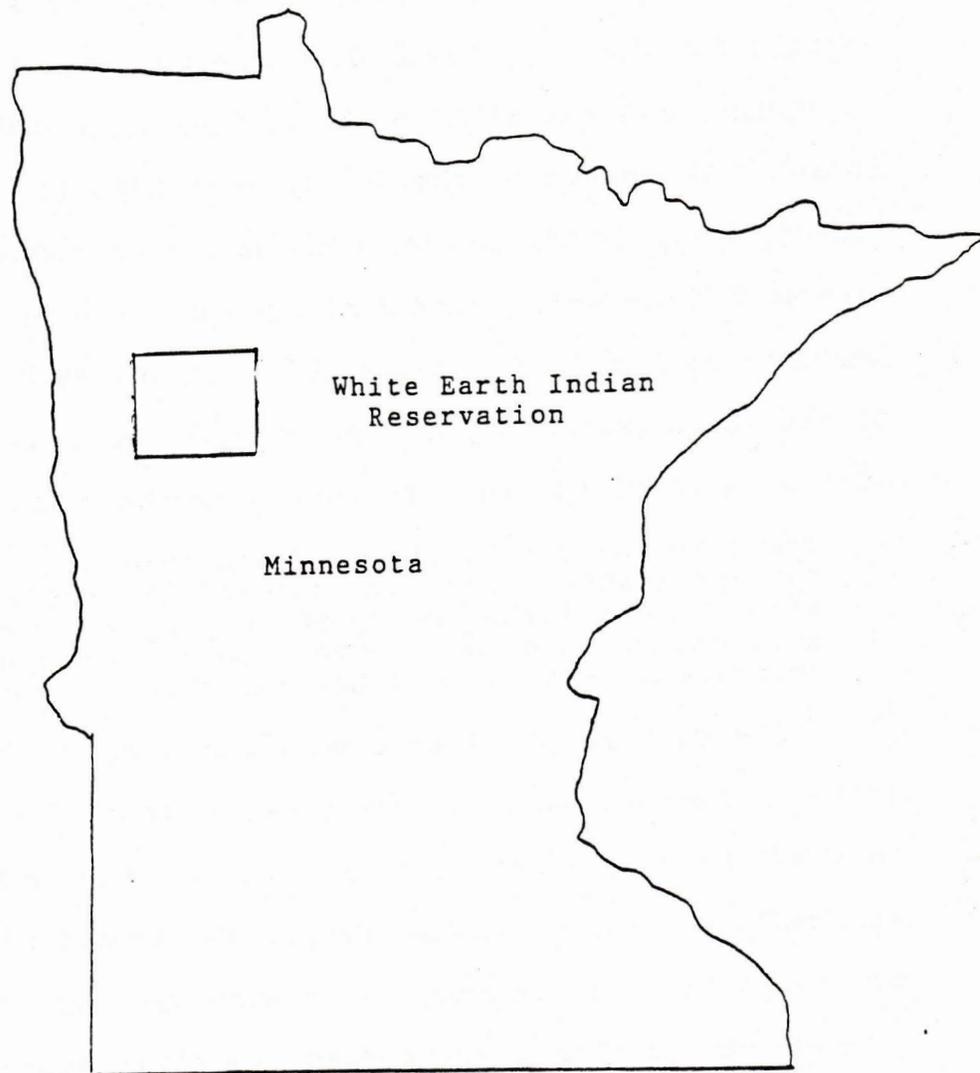


Figure 1. Location Map of White Earth Reservation

One would have hoped that the fervor would die down with the passage of the settlement bill. It has not. Now, spurred by the 1987 Doyle/Voight decision regarding Chippewa hunting and fishing rights in Wisconsin, the same ugly sentiments are resurfacing in northern Minnesota.

Individuals active in the United Townships Association, and Totally Equal Americans have aligned with other anti-Indian groups in Wisconsin. Their alleged mission is to "protect American rights." Their target, is once again, the rights of the White Earth people. In one recent letter to the editor, a vocal opponent of Indian rights commented,

The time for treaty abuse of fish and wildlife has long since vanished. Treaties enacted 125 years ago when wildlife and fisheries management were unknown concepts must not be used as an excuse to neglect conservation practices, or as a tool to raid state treasuries.¹

Clearly, as based on experience with the WELSA Act, there is concern over the continued impact of misinformed non-Indians on the reservation's development options. Misconceptions about Indian people and Indian rights sway public policy. It is because of such widespread misconceptions that a White Earth economic study is important.

It has never been documented that the White Earth tribe and its members have a positive economic impact on the non-Indian economy. It has not been documented that the

¹Bruce Berg, "Spring Rape," Letter to the Editor, Detroit Lakes Tribune, April 21, 1988.

Indian harvest of natural resources represents a minor portion of total harvest. Conversely, it has not been documented that Indian natural resources support a disproportionate number of non-Indian sports hunters and fisherman. If indeed the converse is true, then it is clear that community development on White Earth benefits non-Indians, and the expansion of the Indian economy and land base would not adversely effect the non-Indian economic system.

This study takes a pro-active position on increasing the economic wealth of the reservation. Statistics on the social, economic and health conditions of the White Earth people strongly indicate chronic poverty. Tribal labor force statistics show a 75% unemployment level and the 1980 census reveals that over half the population is below 150% of the poverty level.² Similarly, health statistics (1979) indicate that the diabetes death rate at White Earth is twice that of the adjacent non-Indian population, suicides in 1976 were 7.6 times that of the general population and in 1979, suicides were 2.3 times more frequent than in the general population. White Earth Indians were also six times

²White Earth Tribal Council, "Report on Service Population and Labor Force," 1976-1986.

more likely to be victims of a homicide or legal intervention than a non-Indian in the area.³

While the reports may change annually, the problems remain. The federal tendency is to mask the issues through prophylactic measures such as drug/alcohol programs, employment training programs, and other short term measures. Yet, over the long term the conditions change only minimally. In 1976, income and employment statistics were slightly higher than those in 1986.⁴ While Native health was improved somewhat, it still remains more precarious than the health of non-Indians in the adjacent area. In essence, the problems of poverty are symptomatic of a deeper problem.

A cursory look at the history of White Earth reservation helps illuminate some of the underlying problems. In 1867, the reservation was created under a treaty between the Mississippi Chippewa or Anishinabeg and the federal government (16 Stat. 719). The 1867 treaty set aside a homeland of 36 contiguous townships in northwestern Minnesota, to be preserved in perpetuity for the Anishinabeg. Passage of the 1889 Nelson Act (Ch. 24 Stat. 642) and several acts at the turn of the century facilitated the opening of reservation lands to non-Indian homesteading,

³Indian Health Service, Bemidji Program Area, Health Statistics 1976-1980, 1981.

⁴White Earth Tribal Council, "Report on Service Population and Labor Force," *ibid.*

and subsequently the removal of four timber-laden townships from Indian control. A metamorphosis overtook the community. Within a generation, almost all of the land was in non-Indian hands. The result was that each generation had less natural wealth on which to rely.

White Earth today is characterized by underdevelopment and dependency. In essence, robbed legally for generations of its wealth and resources, the community, has been made marginal. "That which we have" or the Indigenous economic system, was to be replaced with "that which they have," through a mysterious process called "civilization." Instead of the upward spiral towards "progress," White Earth entered several generations of a downward spiral towards entrenched poverty and dependency. The cash economy of today faces almost exclusively outward. Such an economy relies on resources from the outside and returns financial and natural resources back to the outside.

There is, however, in contrast to this, an economic sector which still produces internally and supplies domestic consumption and needs. This is the harvesting or traditional economy. In this analysis of the White Earth economy, an attempt is made to illuminate this sector, and view it as a component of the overall economy. The study also suggests that long term self reliance can be regained

through building on this economic sector, as well as the cash economic sector.

Background

The present conditions of Native or indigenous people are a result of a global process characterized by military, economic, cultural and religious expansion by some interests, and subsequent displacement of these populations. Indigenous people worldwide are faced with similar conditions of poverty, alienation of the land base and natural resources, and loss of meaningful control over their livelihood and continuity as nations of people. While the circumstances may differ, the results have been virtually the same. In the wealth of North America, in particular the United States, these conditions are particularly poignant.

Native people, including Native Hawaiians, Americans and Alaskans are economically the poorest people in the United States. Whether the population is rural or urban, by and large the population remains poor.⁵ Poverty is not unique to Native American-Black, Chicano, Asian, and other populations are also frequently found to be in poverty. What is unique, is that Native Americans legally own the resources to alleviate their poverty. Unfortunately, as

⁵U.S. Congress, American Indian Policy Review Commission (AIPRC) Final Report. Washington, D.C., Government Printing Office, 1977, 90.

Native Americans are denied control over their resources, and the wealth accruing from these resources, Native poverty remains.

Alienation of land and subsequent loss of land access or usufruct rights, was the primary cause of Native poverty and American wealth. In the 370 treaties between Indian nations and the United States, over 2 billion acres of land changed hands. By 1875, 15% of the U.S., or 166 million acres remained in Indian hands. Between 1815-1860, the period of greatest westward expansion, some 260 treaties were signed. These treaties, and unilateral acts of legislation embodied some 720 land seizures from 1784-1984. The U.S. did not claim its landholdings by conquest, but by treaty. This is how the U.S. came to "purchase" some 95% of its "public domain" for \$800 million. This is also what many have termed, the largest real estate transaction in history.⁶

With the changing hands of this wealth, many Indian nations preserved usufruct rights exterior to reservation borders. In turn, reservations were to be areas where Indian people could continue to live without foreign interference. These treaties are also the source of the federal trust relationship to Indian nations, wherein as a

⁶Winona LaDuke, "The Great Lakes Are Not For Sale." in Akwesasne Notes, Winter, 1984. AIPRC, Final Report, 308.

provision of the treaties and subsequent law, the U.S. provides certain services and protection to Indian nations.

The second phase of land alienation came with renewed American intervention into the reservations. In 1887, with the passage of the General Allotment Act (G.A.A.), further encroachment occurred. One hundred and eighteen reservations were opened to allotment under the G.A.A. and many reservations, like White Earth were similarly effected by different laws. Some 44 reservations were opened to homestead entry under public land laws. By 1934, Indian land holdings had diminished to 52 million acres.⁷

What followed land alienation was a "domestication" of Indian economic and political structures to better interface with American structures. While passage of the Indian Reorganization Act halted most land loss due to allotment, the IRA imposed a foreign system of government and economic programs, such as stock reduction on many reservations. This further destabilized communities. In the years that followed, the government programs became primary forces in reservation economies.

Solutions to poverty have created dependency. As the AIPRC reported in 1976,

Over the years, rather than encourage tribes to initiate tribal production activities, the federal government has increased dependency by encouraging the destruction of tribal social fabrics.

⁷AIPRC, 308, *ibid.*

Relationships between Indian nations diminished, and relations between Indian nations and the U.S. became primary. Increased dependency led to increased poverty, and a cycle began. As the situation worsened, the federal government put more money into the weak economies. And, in a review of one tribal economy, the General Accounting Office discussed the Gross Reservation Product (G.R.P.) in saying,

even though the GRP has increased by 89% from \$20.3 million in 1968 to \$38.5 million in 1972, the bulk of the increase was in government expenditures. Government expenditures increased from 34% of the GRP in 1968 to 50% in 1972, showing an increase in dependency.⁸

Indeed, the federal government had become the largest employer. Despite 25 years of job training programs and effort, as soon as the program ended, unemployment increased. From 1966-1973, the Bureau of Indian Affairs (BIA) reported that at least 60% of the labor force was in a job training program, and likely closer to 100%. Yet, when the program was curtailed, unemployment increased dramatically.⁹

White Earth remains somewhere in the middle of Indian tribal statistics. A median sized reservation, White Earth has the distinction of having the highest portion of land alienated to non-Indians. Some 94% of the reservation is

⁸ibid., p. .

⁹American Indian Policy Review Commission, 350-354.

held by interests other than the Tribe. Yet, natural resources, part-time employment, and various programs have, combined with chronic emigration, enabled the reservation economy to remain poor but intact. And while health, economic, and incarceration rates are relatively high, they are not as stark as in some communities.

Outline of Work

In this chapter, the author presented the mandate for the study, and background on relevant information in a larger perspective.

Chapter 2 surveys the methodology essential to a study of this type, provides terms of reference, and a review of the literature. Chapter 3 profiles White Earth economic history and offers analysis of the emergence and causes of dependency. Chapter 3 also looks at economic continuity on the reservation. In Chapter 4, the White Earth economy from 1986-87 is profiled, using primary data and secondary sources. This is complimented with analysis.

Chapter 5 is the concluding chapter. Herein, analysis of the results of the survey, and the trends of the reservation economy over time and generations are presented. Using this information, the author proposes implications for development and policy making options for this reservation.

CHAPTER II

REVIEW OF METHODOLOGY

Because the thesis examined the White Earth economy from a number of vantage points, it was necessary to employ a variety of analytical methods. In this chapter, the methods are profiled, as are the terms of reference, and the literature is summarized.

Analytical Methodology

Longitudinal Analysis

In longitudinal analysis, economic data is utilized from 1879-1886, 1914-1920, 1938, and 1976-1986 to compare trends that show change in relative wealth and activity of economic sectors. Because of the broad time span represented by the data, transitions over long periods of time can be seen. The earliest data represents the beginning of the reservation era, data from 1914-1920 is at the height of land alienation, data from 1938 is indicative of the New Deal era, and recent data reflects current economic conditions.

A graphic format is particularly useful in illustrating shifts and similarities in economic activity

over these time periods. Longitudinal graphics presented here were adapted from a similar format used by Pat Shifferd in her 1976 essay, "A Study of Economic Change, the Chippewa of Northern Wisconsin, 1854-1900."¹⁰ In the 1914-1920 time period, the study also reviewed primary documents from the White Earth Agency on the conditions of the population. This was augmented by the work of Melissa Meyers, whose dissertation is the most comprehensive work available.¹¹ The annual reports of the Commissioner of Indian Affairs become sporadic and insufficient in later years, however the research of Sister Inez Hilger provides vital information on the 1938 activities of the White Earth Chippewa.¹² Data from this era is also augmented by interviews with reservation elders.¹³ Finally, the latest data used in the longitudinal analysis originates from fieldwork undertaken by the author in 1986-1988 on the reservation. This research is complimented by materials from secondary sources. In each historical period, the data is limited,

¹⁰Patricia A. Shifferd, "A Study of Economic Change: the Chippewa of Northern Wisconsin, 1854-1900," Western Canadian Journal of Anthropology, Vol. VI, No. 4, 1976.

¹¹Melissa Meyers, "Tradition and the Market: The Social Relations of the White Earth Anishinabeg 1889-1920" (Ph.D. dissertation, University of Minnesota, 1985).

¹²Sister Inez Hilger, "A Social Study of One-Hundred Fifty Chippewa Indian Families on the White Earth Reservation" (Masters Thesis, Catholic University, 1939).

¹³White Earth Oral History Project interviews, tape recordings Bemidji State University, Indian Studies, 1983.

but the study does illustrate overall continuum and shifts in the economy of the reservation.

Fieldwork

To collect primary data on the White Earth economy, the author undertook a household survey of two reservation villages. The survey included some 75 questions and was developed utilizing previous income and harvest studies found in the review of literature. Survey was verbally administered with the assistance of the Ikwe Community Education Project on the White Earth reservation. Some 24 households in White Earth and 30 in Pine Point village were surveyed, asking information on 1986 economic activities. Collected data was computer tabulated by an intern from the Center for Urban and Regional Affairs at the University of Minnesota. Analysis and review of data was undertaken by the author with assistance from the computer programmer and academic advisors. Collected data was augmented by interviews with tribal officials and community households.

Formal and Cash Analysis

In analyzing the formal or cash economy and the relationship of this economy to the non-Indian economy, the author attempted to identify the flow of Indian funds and the impact areas for these funds. In studying the reservation economy, three kinds of buyers/consumers of goods and services were identified. These are: White Earth

households (of Pine Point and White Earth villages), the White Earth Tribal Council and Tribal industries, and the federal government on behalf of the White Earth Indians. The four types of vendors/suppliers are: (1) non-Indian firms, (2) non-Indian households, (3) tribal households, and (4) tribal firms.

Prior to this research, the Reservation Tribal Council has utilized data from Data Resources Inc., a consulting firm whose tabulations are based on 1980 census data.¹⁴ In general, the data over-estimates income levels for the households, and under-estimates Indian population figures in the villages. For instance, average household income in Pine Point was estimated at \$13,462. However, non-Indian employment levels were 92.5% and Indian employment levels were at 74%. Since the data is an aggregate of Indian and non-Indian people in the village, the non-Indian income figures raised the average.

The census did not ask how long people worked. Since most jobs lasted only a few months, Indian employment levels as reported in the census were exaggerated. Finally, although the census survey included households within a five

¹⁴Data Resources Incorporated, "CACI - Supersight Data," Arlington, VA, 1980.

mile radius of Pine Point, the Pine Point Indian community is a cultural unit. Round Lake and Ice Cracking Lake residents (as well as Shell Lake) are also part of the Pine Point Indian community. The result is that the Indian population of Pine Point is underestimated, and incomes are overestimated. The author believes that these problems are true of Data Resources Inc.'s tabulations from the reservation as a whole.

Similarly, while federal, tribal council and business data is representative and collected for much of the reservation, several other agencies did not participate in the data collection. The aggregate tribal data is collected from interviews and publications with tribal officials and tribal agencies. Finally, the data is used to estimate the impact of the Indian dollar on the Detroit Lakes impact area. This is only a partial impact area for the White Earth reservation dollar, since significant purchases are made in the Bemidji area and the entire state. For the purposes of this study, however, the data is sufficient to provide a reasonable estimate of the wealth of the economy, and the relationship of the tribal economy to the non-Indian economy.

Spending Units: Buyers of Goods and Services

White Earth Band and Businesses

White Earth Tribal government and various agencies/businesses administer numerous programs on the reservation. Expenditures by these agencies include payroll expenditures to both non-Indians and Indians and purchases of goods and services. Measurement of tribal payroll spending involved identifying Indian and non-Indian employees and deriving payrolls categorized by race. This data was provided by the Reservation Tribal Council agencies. In turn, vendor expenditures were aggregated by zip code and Indian vendors were subtracted from the total.

Households

Income and expenditures by White Earth households were recorded by the use of the household surveys. This data was augmented by interviews, and multiplied by household population of each village. The resulting figure is aggregate purchase estimates.

U.S. Government

Because of the federal trust relationship to the White Earth people, the U.S. government undertakes some expenditures on behalf of tribal members. These include Bureau of Indian Affairs and Minnesota Chippewa Tribe payroll and purchase expenditures. These are primarily in

the Cass Lake, Bemidji and Minneapolis areas. These are not included in the data. Other expenditures include Indian Health Service, federal impact monies to school districts containing federal facilities, and Johnson O'Malley monies. These represent direct payments on behalf of the White Earth people. While there are also indirect payments, these have not been documented in this study.

Recipients: Vendors of Goods and Services

White Earth tribal members provide labor services to the tribal council and various agencies on the reservation. The receipts of those households are part of the total flow of funds to the non-Indian economy, and as such are not counted. Anishinabeg owned businesses in the Pine Point and White Earth areas are limited to five retail or entertainment establishments. Household surveys did not indicate that major food or other purchases were made at these establishments, although clearly, the Indian population is the primary market. However, over time, their income also becomes part of the flow of funds to the non-Indian economy and comparatively (to non-Indian funds) the business is insignificant. No household listed food purchases from an Indian business as their greatest source.

Non-Indians sell their labor to the tribe, federal government and tribal enterprises. They also provide some goods and services to these agencies. The receipts of these

wages and payments becomes income to the non-Indian economy. While non-Indian payroll receipts are not overwhelming, income from purchases of goods and services was substantial. Over \$5.7 million was purchased from the non-Indian vendors.

The Concept of Impact

The region is defined by the Detroit Lakes Planning Department as the "Detroit Lakes Impact Area." The majority of the White Earth reservation is within this area. Park Rapids was added to the impact area, because of the expenditures by Pine Point residents, which are divided between Park Rapids and Detroit Lakes. (See Figure 2)

While White Earth reservation is an important part of the Detroit Lakes impact area, it is possible to speak of an Indian and a non-Indian economy. Indian and non-Indian economic activities are almost completely segregated. Non-Indians are employed by White Earth enterprises, but very few Indians are employed by non-Indian enterprises. While there are a few Indian retail establishments, their market is almost exclusively Indian, and it is small. The reservation, therefore, depends on the Detroit Lakes area for many goods and services. Once the spending leaves the reservation, however, almost none of it returns to the community. The non-Indian economy is separate in terms of payments to labor and capital and payments to wholesalers. The concept of impact in the cash portion of this study

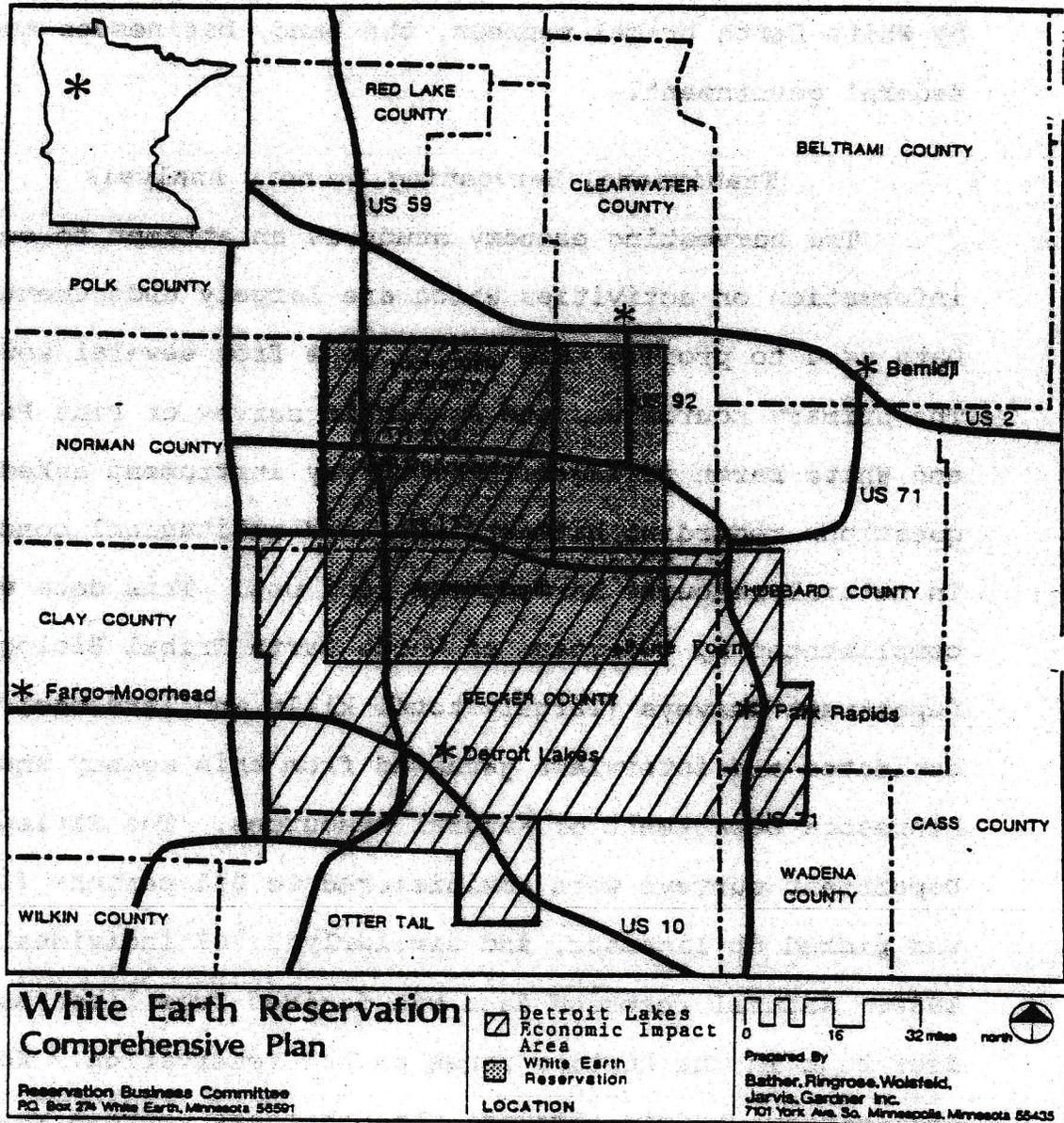


Figure 2. Detroit Lakes Impact Area

involves the effect on incomes and retail sales in the non-Indian economy of the Detroit Lakes impact area of spending by White Earth tribal members, the band, businesses and the federal government.

Traditional Harvesting Economy Analysis

The harvesting economy study is an attempt to collect information on activities which are largely undocumented. Data used to profile this sector came from several sources. The primary source was the household survey of Pine Point and White Earth villages. The survey instrument asked questions regarding harvest, use, and attitudinal concerns in natural resource harvest and land use. This data was complimented by two years of White Earth Tribal Biology Department surveys (largely total kills and land use) and estimates and interviews gathered from this agency and the Minnesota Department of Natural Resources. The Biology Department surveys were administered to 261 persons (1984) who picked up licenses, and similarly 1,907 individuals in 1986. Natural resource data was derived from licenses and deer tags in the hunting zones on the reservation. Non-Indian harvest data obtained through these sources was utilized to illustrate the flow of resources from the reservation to the non-Indian harvesting economy.

In analyzing the economic value of the harvest, the author utilized valuation methodology based on replacement

value analysis. In this method, a price of selected foods in the store is used to determine the cost of replacing the harvest. While the results are crude, it provides some rough economic estimate of harvest value.

In turn, this analysis is used to document the flow of resources domestically, and as exports and expropriation by the non-Indian economy. An aggregate of this data for each selected species indicates total wealth retained and the leakage of wealth to the outside/non-Indian economy. However, as in the case of the formal economy, the analysis is limited by the availability of data. Since the author did not record in areas such as leech harvest and trap lines (both of which represent significant wealth in some families), the total estimate is conservative.

Similar to the cash economy analysis, we are finally interested in the flow of resources from the White Earth Anishinabeg economy. In this case, the issue of impact is defined by the borders of the 1867 treaty reservation. Those natural resources which lie within the borders of the reservation are classified as Anishinabeg or Indian. The harvest of these resources by non-Indians is recorded as leakage. From this harvest data, a clear distinction between the Indian and non-Indian economy and resource base can be estimated.

Definition of Terms

Formal and Informal Economies

Economic terminology is often marred by trendiness. In particular, the areas under observation in this study have been named and renamed by virtually every scholar or economist with an interest in the subject. Hence, the cash economy is referred to as the formal economy, dominant economy, and by other terms in the literature. The terms formal or cash economy are used somewhat interchangeably in this thesis to refer to earned wage income, transfer payments, and expenditures on goods and services by the White Earth band, households and the federal government on behalf of the Anishinabeg. The non-Indian economy, as referred to in this thesis is comprised largely of these activities. This economy is also referred to as a foreign economy in the largest sense.

Economic exchange, however, is not limited to the flow of capital. The cash economy also refers to the systems, rationale and institutions of the economy. The most commonly accepted structural unit is the firm or corporation, essentially the building block of American capitalism. Production relations are largely undertaken by these units of production using formal contracts to secure agreements. The primary rationale of the cash or formal economy is the accumulation of wealth.

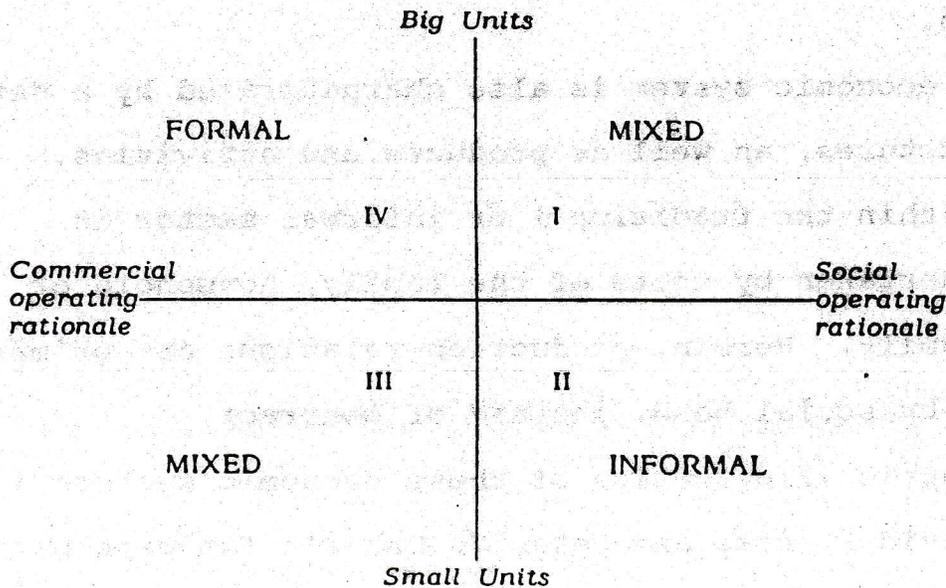
The informal economy suffers similarly from multiple names: Again terms like the Anishinabeg' economy, traditional, indigenous bush, harvest, subsistence, invisible, or micro economy all appear in the literature. While these terms are used somewhat interchangeably, the term "traditional economy" conveys more of the philosophical and cultural implications of this sector. As becomes evident from the longitudinal analysis, the sector is a continuum, and as such has always been a source of wealth and sustenance for the Anishinabeg people. This economy produces for both domestic consumption (in the household or inside the reservation community), and for export off the reservation.

This economic system is also characterized by a set of social structures, as well as products and activities. Activity within the traditional or informal sector is usually undertaken by units of the family, household or extended family. Herein, production relations are primarily determined by social bond, instead of contract.

A graphic illustration of these economic sectors is found in David P. Ross and Peter J. Usher's landmark book on community development entitled, From the Roots Up: Economic Development as if Community Mattered.¹⁵ In their analysis,

¹⁵David P. Ross and Peter J. Usher, From the Roots Up: Economic Development as if Community Mattered, Toronto, James Lorimar Publisher, 1986, 71-72.

they suggest that scale of operation and rationale are good indices for differentiating formal and informal activity. As such, these indices occupy quadrants that are separated by axis on the graphic. The horizontal axis serves to measure the operating rationale. The vertical axis designates the scale of operation. Hence, extremely commercial activities are opposite extremely social economic activities, and single self-employed enterprises are at one extreme of an axis also occupied by multinational corporations or the federal government. (See Figure 3)



From: Ross and Usher, 71.

Using this format, it is then possible to allocate economic structures (see Figure 4) according to the criteria

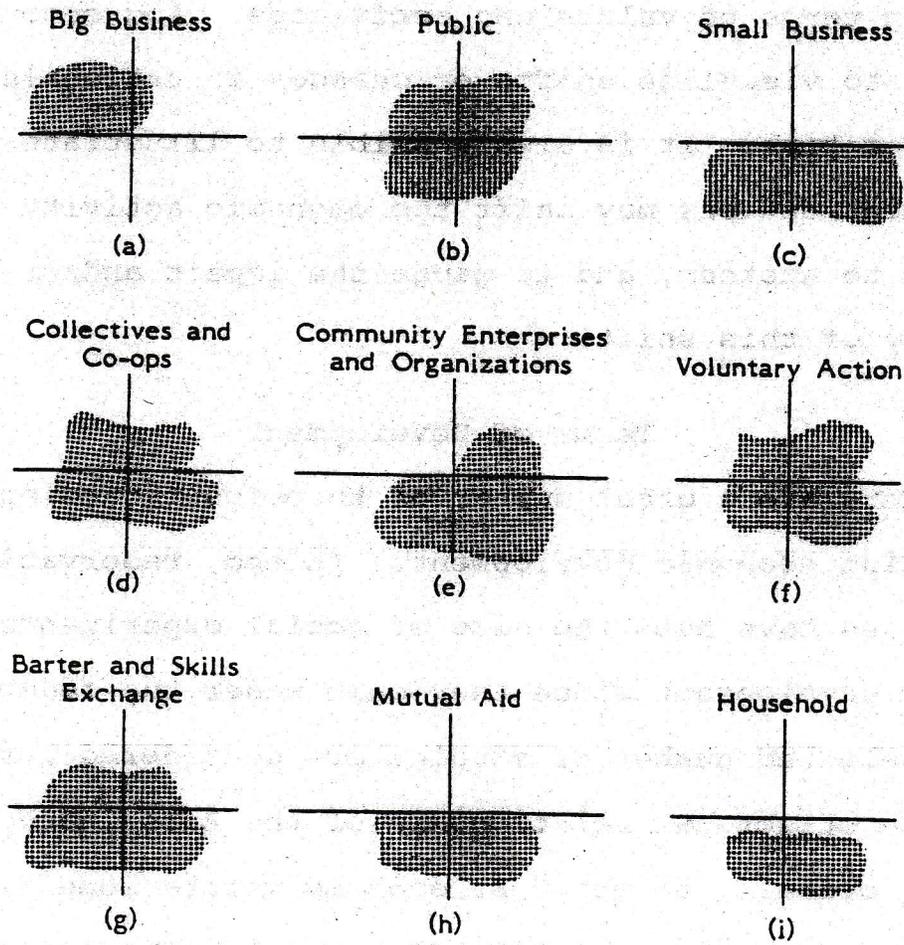


Figure 4. Configuration of Economic Activities in formal and informal Activities

From: Ross and Usher, p. 72.

of the configuration. (See Figure 4). While the criteria are not appropriate in every case, the format is useful in presenting the multidimensional aspects of the economy. This affords two distinct opportunities. First, it is possible to illustrate the distinction between the cash/formal economy and the traditional or informal economic system in terms of values and activities. And second, it is possible to visualize shifts or changes in rationale and scale over time. It is also possible to illustrate that new development options may shift the economic activity from one quadrant to another, and to gauge the impact and/or viability of this shift.

Terms of Development

There are a great number of theories regarding reservation economic development. Indeed, reservation communities have been the site of social experiments in economic development since they came under the federal wing. Only a selected number of studies are considered here.

The structural relationship of the Anishinabeg economy, overall, to the U.S. economy merits some discussion in order to lay the analytical framework. The Anishinabeg economy existed centuries before the U.S. economy. However, in the relationship or intersection between these two economies, both have changed over time. Some of the best discussions of the interaction between capitalist economic

systems and tribal economic systems have been undertaken , with a view to Africa and Latin America. Scholars like Lorraine Turner Ruffing, Louise Lamphere and Roxanne Ortiz have furthered these discussions in the North American context.¹⁶ The terms which are most prevalent in the discussion are: center/periphery economic relations, dependency, underdevelopment, and finally, self-reliance. These terms are discussed for this analysis.

Center-Periphery Relations

Center-periphery analysis describes relations between the decision making center of the dominant economy and the producing area-usually of raw materials. This framework is delineated geographically and demographically, wherein the center is frequently an urban area, and in the U.S. context usually the east or west coast. The periphery is rural, or in an international context, a "Third World" area. The classic model of this in the 19th century was the colonial relations maintained by the British Empire. In the 20th century, the best example is of multinational corporations in the Third World. The key determinants are where decisions are made, the terms of relationship, who controls production, what is the directional flow of resources and profits. While this format is most clearly illustrated with

¹⁶Roxanne Dubar Ortiz, ed., Economic Development in American Indian Reservations (Albuquerque, Native American Studies, University of New Mexico Press, 1979).

a "staples economy" (i.e., natural resource intensive), it is also applicable in the case of White Earth.

Johan Galtung encapsulates the discussion as he argues that western capitalism and civilization are at the center in a world formation of "center periphery relations." In the penetration of the periphery, the center has expanded through:

(1) Cultural practice through the spread of Christianity, and later on western science and other forms of western thought; (2) socio-economic practice through capitalism, and into (3) military political practice through colonialism.¹⁷

At White Earth, there is a multi-dimensional penetration by the center. Economically this is represented through the flow of funds, culturally this is represented through both science and Christianity, and colonialism is represented by land-tenure patterns on the reservation today. Nor is this condition isolated to White Earth, as will be discussed in greater detail later, the linkages between reservations are minimal, while reservation-federal or (periphery-center) relations are significant.

¹⁷Johan Galtung, et al., eds., Self-Reliance: A Strategy for Development, London, Bogle-L'Ouverture Publications Ltd., 1980, 20.

Theories of Underdevelopment

If development is designated as the process through which the economic wealth of a community is increased, underdevelopment is the condition wherein the wealth diminishes. Samir Amin and others discuss further the nature of underdevelopment as a structural condition of the economy or society which restricts an increase in wealth throughout all sectors of the society. "Underdeveloping is also the process by which the economy both loses wealth and undergoes the structural transformation which accentuates the institutionalizes this process."¹⁸ In this thesis, the author argues that the reservation has undergone an underdevelopment process, and because of the present structure of relations with the dominant economy or non-Indian economy, this process continues.

Theories of Dependency

Dependency is a condition of underdevelopment. The term describes a specific set of relations with a more dominant foreign economy. Scholar Theotonio Dos Santos explains,

By dependence we mean a situation in which the economy of certain countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies and between these and world trade, assumes the form of dependence when some countries (the

¹⁸Samir Amin, "Unequal Development: An Essay on the Social Formations of Peripheral Capitalism" (New York, Monthly Review Press, 1976).

dominant ones) can expand and can be self-starting, while other countries (the dependent ones) can do this only as a reflection of that expansion, which can have either a negative or positive effect on their immediate development.¹⁹

Theories of Self Reliance

A clear enunciation of the term "self reliance" is found in Johan Galtung's essay, "Self Reliance: Concepts, Practice and Rationale." Galtung quotes from a translation of the August 1945 speech of Mao Tse Tung. Tung uses the phrase "tzu li keng sheng," or "regeneration through our own efforts."²⁰ While the origin is from the Chinese, the implications for White Earth are necessarily Anishinabeg. The meaning is to change the structure of economic and social relations by our own efforts, to a local priority. Community participation is an essential ingredient in the process as is use of local resources. Diversified development options are sought, as are diversified relations. In self reliant development, the primary objective is to meet the needs of one's own community.

Review of the Literature

No precedent was found for this study. However, many reservation communities, including White Earth have embarked

¹⁹Theotonio Dos Santos, "The Structure of Dependence" in Readings in U.S. Imperialism, K.T. Fann and Donald C. Hodges, ed. (New York, Monthly Review Press, 1971).

²⁰Johan Galtung, *ibid.*, 19.

on Overall Economic Development Plans, and comprehensive plans, in accordance with federal program requirements. These are similar in scope, but differ in analysis. The last comprehensive plan for White Earth was prepared in 1979 under a PL 93-638 grant, Self Determination in Education from the Bureau of Indian Affairs.²¹

Literature on the White Earth Economy

Historic literature on the Anishinabeg economy is from a variety of sources, and is abundant. Of particular use is Ronald Janke's doctoral dissertation on the relationship between land tenure and economic changes.²² Harold Hickerson's essays and testimony at the Indian Claims Commission is also invaluable for data on the traditional Anishinabeg economy.²³ In terms of the relative significance of economic sectors on the reservation, the various reports to the Commissioner of Indian Affairs, and special reports from the White Earth agency provide much information on an annual basis. And, the previously cited

²¹Bather, Ringrose, Wolsfeld, Jarv is Gardner, Inc., White Earth Reservation Comprehensive Plan (White Earth Tribal Council, October 1979).

²²Ronald Janke, "Persistence of Indian Land Problems" (Ph.D. dissertation, University of Wisconsin, Madison, 1975).

²³Harold Hickerson, "The Southwestern Chippewa: An Ethnohistorical Study," memoirs of the American Anthropological Society, No. 92, Vol. 64, No. 3, Part 2 (Washington, D.C., 1962).

work of Meyers and Hilger is essential in documenting change over the years.

Finally, the analytical framework of the two authors: Shifferd and White is essential in understanding changes in the context of cultural continuity and adaptation within the society. Shifferd's previously cited work is on the Chippewa of northern Wisconsin. White reaffirms Shifferd's longitudinal analysis in three case studies of the Pawnee, Choctaw and Navajo through environmental and economic transition.²⁴

Literature on Native Economic Development

Very few economists have focused on reservation economies. The most relevant and innovative collection of literature is found in Economic Development in American Indian Reservations, as edited by Roxanne Dunbar Ortiz. In this work, essays by various authors are presented.

In addition, a growing number of doctoral dissertations are beginning to address the issues of reservation economies. Of particular note are Lorraine Turner Ruffings, "Economic Development and Navajo Social

²⁴Richard White, The Roots of Dependency (Lincoln, University of Nebraska Press, 1983).

Structure," and Ronald Trosper's, "The Economic Impact of the Allotment Policy on the Flathead Indian Reservation."²⁵

Finally, the most comprehensive analysis of reservation development and federal policy is contained in the final report of the American Indian Policy Review Commission. This report is a compilation of research from 34 reservations, from data provided by tribal councils and various agencies. The report also includes on-site research.²⁶

Some of the most innovative and current development work and analysis is, as yet, only available as research for foundations or public interest groups. Of particular relevance to this study is work by the Cal-Meadows Foundation (Toronto, Ontario), on Wikwemikong reserve, at Manitoulin Island, Ontario, and that by First Nations Finance (Falmouth, Virginia) on the Pine Ridge Reservation in South Dakota.²⁷ "Literature" from these sources is

²⁵Lorraine Turner Ruffing, "Economic Development and Navajo Social Structure" (Ph.D. dissertation, Columbia University, 1976); Ronald Trosper, "The Economic Impact of the Allotment Policy on the Flathead Indian Reservation (Ph.D. dissertation, Harvard University, 1974).

²⁶AIPRC, American Indian Policy Review Commission, *ibid.*

²⁷Cal-Meadows Foundation of Toronto is engaged in micro enterprise development in Third World countries and has recently undertaken a pilot project on Wikwemikong reserve. The project consists of a revolving loan fund for household entrepreneurs. The loans are guaranteed by other people in the community. The Lakota fund is a project of the First Nations Finance. The Lakota Fund is investigating similar options on Pine Ridge reservation.

minimal, but the work is particularly innovative in the area of wholistic analysis of development options for reservation communities.

Literature on the Cash Economy

Literature on the cash economy of reservations predominates in the United States. Regionally, the most significant piece of work is the Yankton Flow of Funds Study. This study traces the impact of the tribal and household dollar on the regional economy. Authors Kent and Johnson undertook this study by collecting data from various departments on the reservation, and then with the use of an expenditure survey of tribal members, this information allowed them to aggregate total tribal income and individual spending for the reservation. Subsequently they calculated the impact of this on the non-Indian regional economy, and then utilized the non-Indian multiplier figure to estimate total impact.²⁸

Similar work was undertaken, on a smaller scale, at the Navajo reservation. This was done with the assistance of Brigham Young University. The purpose of this study was to illustrate the trade area of a village on the reservation for the planning department of the Navajo Nation. A

²⁸Jerry Johnson and Calvin Kent, "Flow of Funds on the Yankton Sioux Indian Reservation" (Minneapolis, MN: Ninth District Federal Reserve Bank, 1976).

questionnaire was presented to shoppers to determine preference, characteristics and domicile. The results of the domicile question were interpreted through a mathematically developed model of a trade area. In turn, this was used to illustrate leakage data and provided information for reservation development.²⁹

The final, and most significant piece of literature used is Stillwaggon's Ph.D. dissertation on the Ute economy. Her objective was to document the impact of the Indian economy on the local non-Indian economy, and to dispel rumors that the Indian economy was a drain on the non-Indian economy. Stillwaggon's methodology was very useful in the work at White Earth. Her methodology, similar to that of the Yankton study, was to research secondary sources, conduct a survey, and aggregate income and spending by Ute buyers, including the tribe, households and federal government on behalf of the Utes. She calculated the flow of funds and multiplier in the non-Indian economy. In turn, she calculated average tax-expenditure by non-Indian households in the area, and the percentage of this that accrued to the Ute programs directly. She then offered a comparison of the benefit to Utes from non-Indians and to non-Indians from Utes.³⁰

²⁹Unpublished research, Navajo Department of Economic Development, 1976.

³⁰Stillwaggon, *ibid.*

The author also interviewed a number of tribal planners and Indian economists on various methodological options for this survey and research. Chuck Jacobs of the First Nations Finance Project at Pine Ridge reservation should be included as having some of the most insightful material and thoughts on flow of funds research. Jacobs' work is in a draft masters thesis form, at this point, but includes information on the impact of the Pine Ridge reservation dollar on the non-Indian economy of western South Dakota.³¹

Harvesting Economy Literature

The subsistence harvesting literature is primarily from Canada and Alaska. An overview of methodology and literature is found in "An Evaluation of Native Harvest Surveys Methodologies in Northern Canada" (1985) by Peter Usher and associates.³² This report profiles the mandates, methodology and recommendations from some 48 studies of this type completed since 1952. A second, perhaps the most well known book on the subject is Maps and Dreams, by Hugh Brody.

³¹Chuck Jacobs, "Indian Country Pseudo-Economies" (National Rural Fellows Program, Amherst University of Massachusetts, 1983).

³²Peter J. Usher and Associates, "An Evaluation of Native Harvest Survey Methodologies in Northern Canada," Environmental Studies Revolving Funds Report No. 004 (Ottawa, Ontario, Peter J. Usher Consulting Services, 1985).

Brody's work profiles the way of life on the land for a band of Beaver Indians in northeastern British Columbia.³³

After a review of Usher's material, and some interviews, the author selected two studies on which to base this survey. The Pine House Planning Study (Draft Technical Appendix: Bush Harvest Studies) from the Metis village of Pine House in northern Saskatchewan provided much of the information for the basic research and methodological development of the survey. Through a site visit to the village in the fall of 1986, the author was able to interview community members, Band counselors and researchers on the logistics and methodology of the study. The mandate of the study was to develop, from the community, a document of their economy, from their definition, as opposed to a "southerners" definition of development in the North. From this, they also propose land use planning and jurisdiction for the community, much of which is fraught with controversy over lumber and uranium interests.

In Pine House the harvesters household survey provided the basis for gathering information. The household format was selected because the domestic mode of production is the primary unit for both harvesting and cash activities. The researchers utilized comprehensive, verbally administered surveys of all households. The researchers also conducted

³³Hugh Brody, Maps and Dreams: Indians and the British Columbia Frontier (New York, Penguin Books, 1981).

longitudinal studies of harvests to document between seasons the flow of resources. Pine House researchers also utilized the replacement valuation methodology the author has selected for this study.³⁴

The second survey program which was reviewed was undertaken in four coastal villages in Alaska by the state. While the methodology was of less interest, the assumptions and objectives were quite applicable to the White Earth survey work. In this study, researchers sought to determine the relationship between cash and cash participation and the traditional patterns of economy and social life in the village. In general, they found that the increase of cash relative activities in the villages were not transforming agents in subsistence based economies. Indeed, cash generation could be compatible with subsistence harvesting. The key issue in the Alaskan study was the structure of the economic activity. Specifically, the authors found that the industrial structures (wage/hierarchy, etc.) had a greater impact on transforming the community, than cash. And, that economic activities, whether cash or subsistence, which

³⁴ Northern Village of Pine House, "Draft Technical Appendix Bush Harvest Studies," unpublished materials, 1936.

continued in the domestic mode of production (social bonds, etc.) were consistently more viable operations in the Native village.³⁵

³⁵Robert J. Wolfe, et al., Subsistence Based Economies in Coastal Communities of Southwest Alaska, Juneau: Division of Subsistence, Alaskan Department of Fish and Game, Technical Paper No. 89, February 1984.

CHAPTER III

WHITE EARTH ANISHINABEG ECONOMIC HISTORY

The Anishinabeg nation encompasses people and land within four Canadian provinces and five American states. This nation historically functioned in a decentralized economic and political system. Much of the governance was left to local bands, through clan, extended family and other systems. Because of the vast natural wealth of the region, and the resource management structures of the Anishinabeg, the people were able to prosper for many generations on this land. These systems provided for a sustainable harvest, and have been the subject of much study:

Economically, these family territories were regulated in a very wise and interesting manner. The game was kept account of very closely, so that the proprietors knew how abundant each kind of animal was, and hence could regulate killing and not deplete the stock. Beaver were made the object of the most careful "farming", the numbers of occupants, old and young to each cabin being kept count of. The killing of game was regulated by each family."³⁶

Anishinabeg and other resource management systems were merged with techniques for sustained yield. In fact, this unification of conception and execution for resource

³⁶F.G. Speck, "Family Hunting Territories and Social Life," American Anthropologist, Spring 1915.

management is still viewed as one of the most advanced in the world. There has only been limited duplication by the scientific profession.

In turn, this system enabled the economy to prosper. Conceptually the system enabled both domestic production and production for exchange or export. Hence, whether the resource was white fish or wild rice, the extended family as a production unit harvested within a social and resource management code that ensured sustained yield. At perhaps the center of this code were the concepts of respect and reciprocity. Simply stated, the resources of the economic system, whether rice or deer, were recognized as animate, and gifts from the Creator. As such, one could not take life without a reciprocal offering, usually tobacco, or other recognition of the reliance of the Anishinabeg on the Creator. This relationship ensures a system wherein you take only what you need, and you use what you take.

Colonialism and Europeans

At the outset of European contact, there was a catastrophic destabilization of the Anishinabeg community. This was caused by epidemics. Many villages disappeared almost completely. This was combined with population and political pressure from the East. The Anishinabeg, armed with guns from the fur trade, were able to move the Dakota to the West and gain control over the western portion of the

nation. Later, in treaty negotiations these western bands were called the Mississippi and Pembina, and lived primarily in northwestern Minnesota.

At the center of European-Anishinabeg relations was the transferring of usufruct rights from the Anishinabeg to the Americans, British and French. To the Anishinabeg, treaty negotiations meant a recognition of American rights to use land. To the Americans, treaty negotiations meant public domain, and eventually the concept of American "private property" for new settlers. There were 44 treaties negotiated between the Anishinabeg and U.S.. The fur industry became a mechanism through which to exploit the newly accessed resources and generate wealth for entrepreneurs and trading companies in the New World. To the Anishinabeg, the fur trade was a way to continue production for local use (i.e., food consumption of small game) and formalize trade for exchange value or export through access to trade goods. In this light, the fur trade was an extension of both economies.

The fur trade was simply one of a number of economic activities of the Anishinabeg. Disruptions in this rather precarious ecological/economic balance of the traditional economy were a result of many factors. The introduction of both liquor and debt enabled the fur companies to change, in some cases, the terms of relations in the trade. Equally important in the disruption process was the emergence

through the European-U.S. political system (complimented by economic system) of so-called "good Indians," or those who would serve the interests of the foreign governments. These factors disrupted the institutions and regulatory processes of the Anishinabeg economy, and made the economy more susceptible to colonial intervention.

Not surprisingly, a number of treaties were signed in quick succession -- 1847, 1854, 1855 -- largely in response to these complications in economic relations. In response, leadership of the Mississippi band saw the need to reserve a land base where the Anishinabeg could be free from further encroachment. White Earth was this reservation. An ecological mix of pine, hardwoods, and prairie made White Earth an ideal location for the people to continue their way of life. The lakes provided fish, turtles, wild rice and basket materials. The hardwoods provided habitat for deer and moose, and small game. The pine forests were habitat for other animals, and on the prairies was the eastern range of the northern buffalo herd, and vast stores of medical herbs.

With the treaty of 1867, this land was set aside. The first people came from Gull Lake, and by 1875, some 800 individuals had moved from there to White Earth. With them came their entire social systems -- both native resource/economic management systems, and the fur/commodity traders who had come to live with these people. This group

was joined by other Mississippi Anishinabeg, and later; Ottertail Pillagers, who settled into different areas of the reservation.

By and large two social systems came to exist on the reservation. One was the more traditional interior Anishinabeg bands, and a second was innovative ex-fur traders and their off-spring, who had interacted with the Mississippi band for years. As Melissa Meyers would note, these groups even separated graphically, with the traditionals remaining in the eastern woodlands, and the mixed blood fur traders living for the most part near White Earth village to the west. In turn, two economies emerged. The traditional Anishinabeg economy of land based subsistence and production for exchange continued, largely, in the traditional villages of the East. The economy was represented by the harvesting of foods, occasional part-time or seasonal wage work (for the "other economy"), annual or semi-annual injections of cash from treaty annuity payments, and, of course, some production for trade (the debt/credit system) at the local trading posts.³⁷

In 1911 Report to the Commissioner of Indian Affairs, the traditional economy was well recorded;

Fullbloods hold tenaciously to customs...His chief source of sustenance is still derived from the forests and the lakes. These still supply him with game, furs...and wild rice...and while his once great storehouse has been diminished in size and

³⁷ Meyers, op cit., 134.

productiveness, he is still singly dependent...he exchanges his wild food...for tea, pork, flour, clothing, etc.'

In contrast, the second cash economy was essentially an extension of the European economic system. This economy involved government service, trading and retail sector, farming and development along the lines designed by the government in the allotment program. The Agency office was set at White Earth, and while there was outside recruitment of physicians, and minimally teachers, most Indian Service farmers, policeman, laborers, etc., came from "local stock," primarily the more educated "mixed bloods." The retail businesses of the trading posts, stores, banks, lawyers, and later land speculators were operated by the descendants of the French fur traders. Finally, in what Meyers would call a "socially engineered assimilation experiment," agriculture was also under the domain of this "innovative" group of mixed bloods. The government hoped to turn the western part of the reservation into an example of the merits of agricultural development and the Indians into "yeoman farmers." However, as Gus Beaulieu (White Earth historian, activist, and attorney) would comment, of the 52,000 bushels of wheat raised in 1887, 46,000 was raised by the mixed bloods.³⁸

³⁸ Commissioner of Indian Affairs Report, 1911, White Earth Agency, and Commissioner of Indian Affairs Report, 1887, White Earth Agency.

Indeed as Indian Affairs Inspector Oscar Lipps would note, in 1912,

There is as much difference between this portion of the reservation (eastern townships) and that portion contingent to the agency as there is between Minnesota and Mexico."³⁹

The Anishinabeg economy grew and prospered in the early years of White Earth. Not only was the land bountiful, but the agency offices, annuity payments, and blooming business sector provided ample opportunity for cash or wage income to contribute to the diversified economic base of the Anishinabeg. This combined with production from the land for domestic consumption and exchange, was a diversified, and wealthy economy.

Land tenure patterns at White Earth remained essentially the same as those prior to coming to the reservation. The Anishinabeg simply transplanted the institutions to new grounds. This was possible for two reasons. First, the traditional regulating and governmental institutions had moved intact to White Earth. Second, the domestic mode of production, the family unit, had also moved intact. This contrasts significantly with many other "reservation removals." The result was that the rice chiefs, hunting bosses and other regulatory authorities were

³⁹Oscar Lipps, "Report of Inspector Oscar Lipps on the Industrial, Economic and Home Conditions of the Chippewa Indians of Minnesota," October 12, 1912, as quoted in Meyers, *ibid.*, 374.

able to continue their tasks of controlling harvest. As Reverant Gilfillian noted,

Very often a family claims a certain part as their hunting territory, and they go to it year after year. It is understood that no other family is to intrude on their territory.⁴⁰

Similarly, wild rice was harvested under the supervision of rice chiefs, and different families harvested at different beds. Later carry-overs of this, of course, are the landings at Rice Lake, Big Bear Landing, Ponsford Landing, and others. As Charlotte Jackson, Joe Bellcourt, Dave Annette, and others would say in interviews, families would go to maple sugar camp, at the same place, and stay for the duration.⁴¹ Consequently, although the people had relocated from a different place, to White Earth, the institutions and economic system remained intact. Perhaps the only distinction would be that the villages became more permanent year round villages; meaning that people would not move from one camp to another and then back to the village; but from the village to the camp, to the village, and so forth. So we may say that the pattern of settlement changed in terms of territory covered and range, but the basic pattern remained the same.

⁴⁰ Meyers, op cit., 134.

⁴¹ White Earth Oral History Project, tape recordings, Bemidji State University, 1983.

Agricultural records of gardens in the eastern portion also indicate substantial domestic production. And finally, as indicated in Meyers' dissertation, and in diagrams on fluctuations in economic sectors (Figures 5-11), other sources of income were sporadic, hence the domestic or traditional economy continued to provide the backbone for cash income.

Wage labor became more prevalent at the turn of the century, particularly in terms of short-term or seasonal employment for those who were not so educated or "privileged." Construction, repair of buildings, dams, roads, cartage and other tasks could be accomplished by any person, and these jobs became more abundant, as indicated in the 1914-1920 employment levels. However, as is also evidenced, full-time wage work, did not, in any case employ more than 5% of the estimated labor force during this period. Fluctuations and shifts in the Anishinabeg economy are graphically represented for two periods -- 1879-1887 and 1914-1920. In total, the data indicates continuity, and in some instances, a return to the traditional harvesting economy in times of stress. There was not an assimilation into the cash economy at this time.

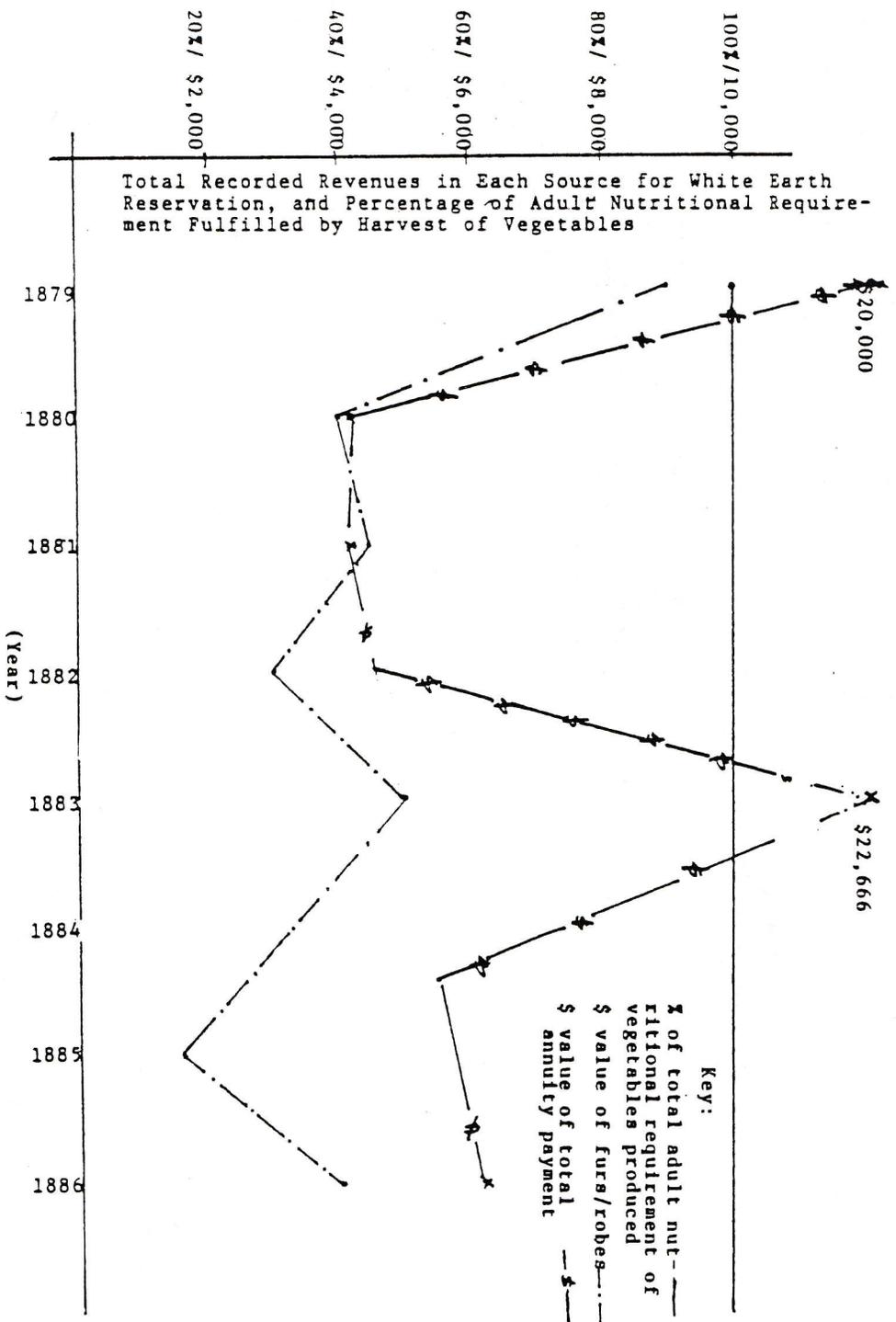


Figure 5. Recorded Economic Activities 1879-1887: Gardening, Annuities and Furs (Percentage or Value of Each Activity in Recorded Labor and Value Production)

Source: Annual Reports of the Commissioner of Indian Affairs (1879-87), Weddl, Basic Existence Requirements for Harvest of Natural Resources. Compilations by author.

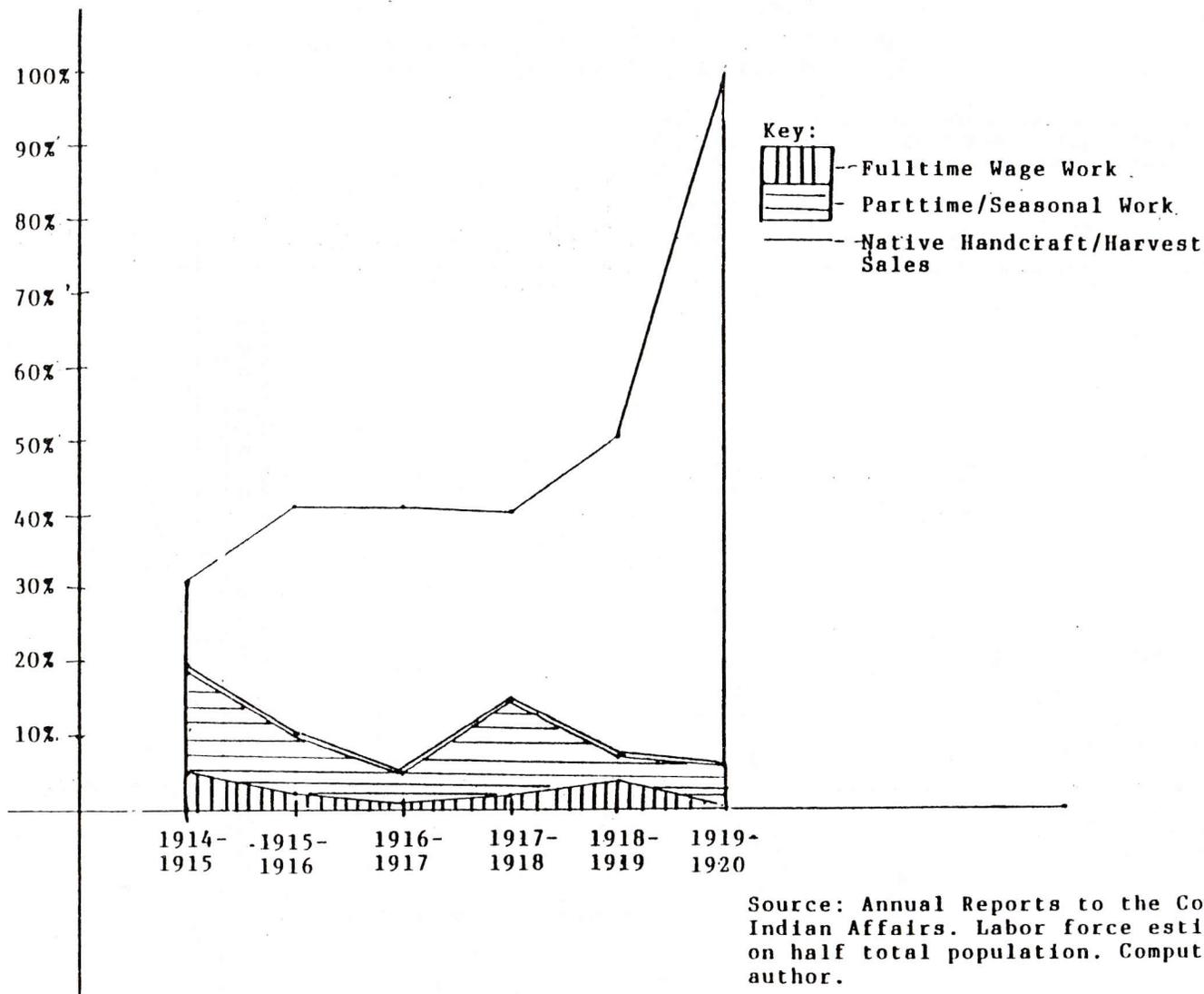
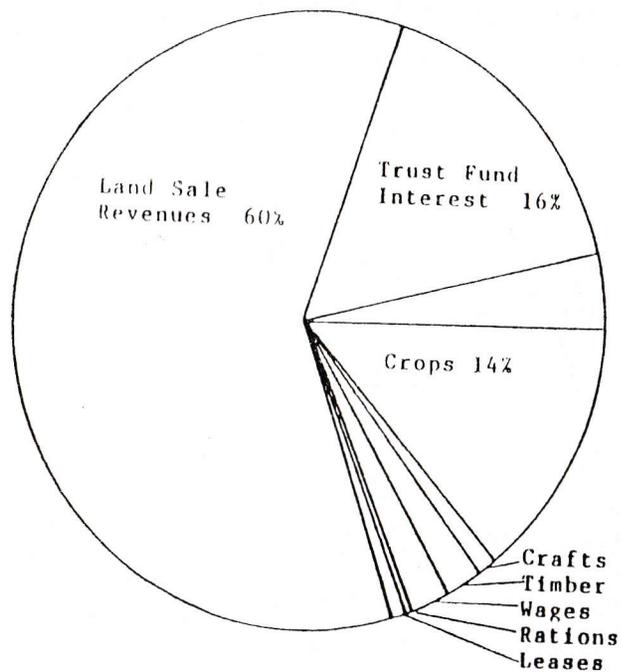
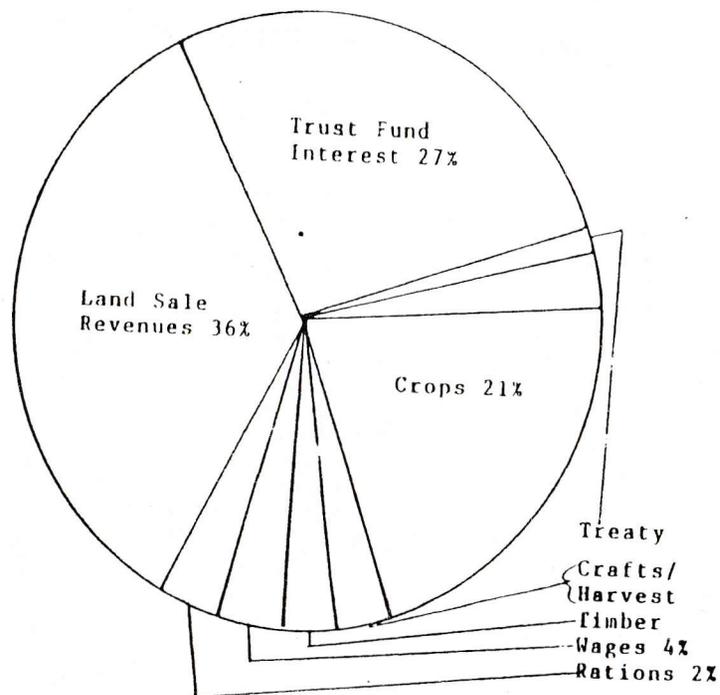


Figure 6. Comparison of Participation Levels in Full Time Wage Work, Part time Wage Work, Subsistence Harvest/Sales in the 1914-20 period. (Percentage of Labor Force in Each Catagory)



Total Value Reported: \$944,000

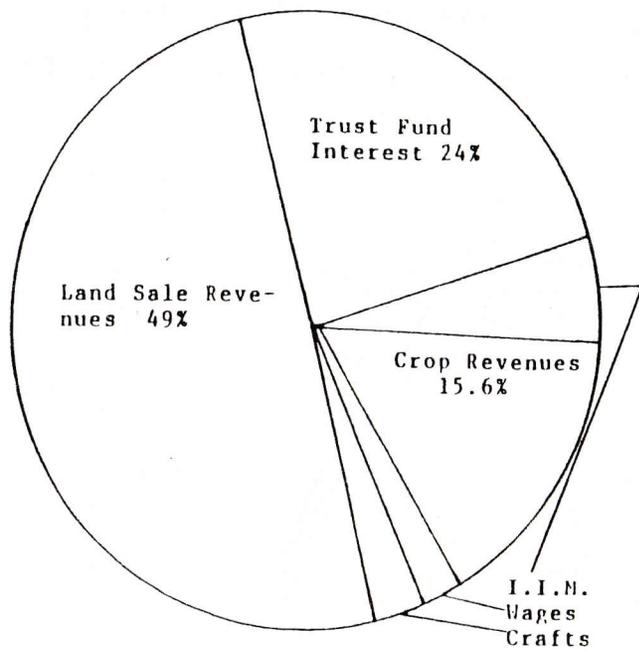
a. 1914-1915 Gross Reservation Product



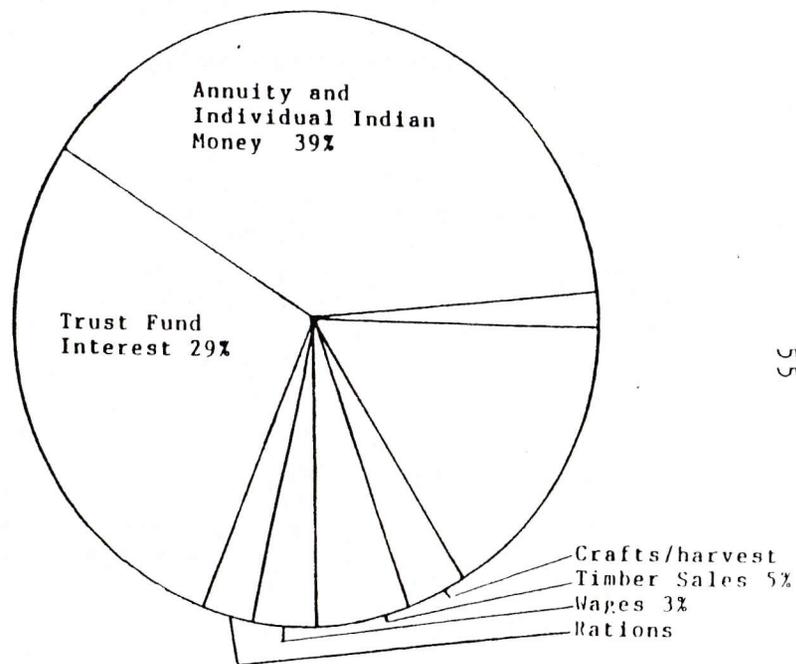
Total Value Reported: \$581,292

b. 1915-1916 Gross Reservation Product

Figure 7. Gross Reservation Product as reported by the Commissioner of Indian Affairs in 1914-1915 and 1915-1916.

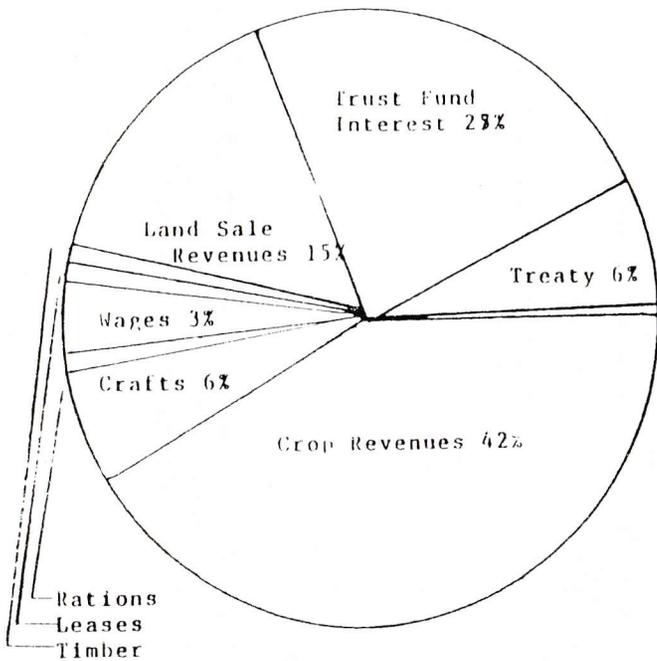


Total Value Reported: \$639,929
 a. 1916-1917 Gross Reservation Product



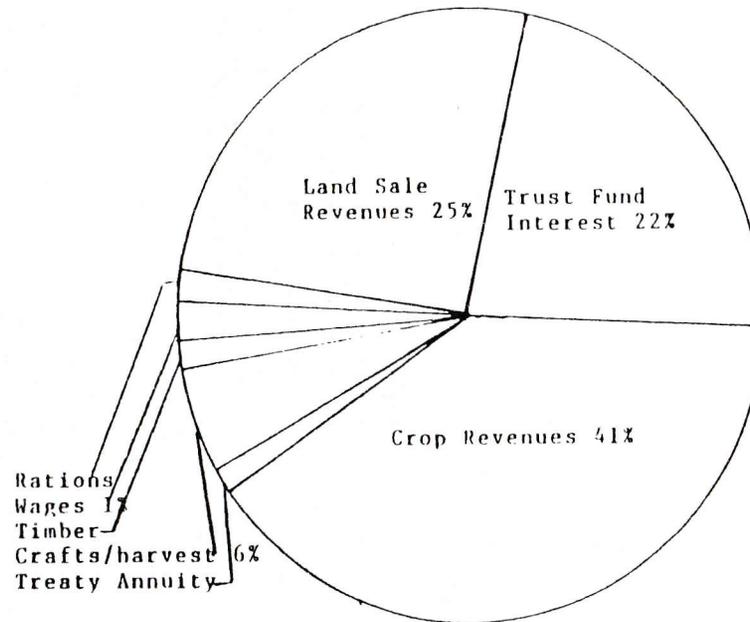
Total Value Reported: \$574,219
 b. 1917-1918 Gross Reservation Product

Figure 8 . Gross Reservation Product as reported by the Commissioner of Indian Affairs in 1916-1917 and 1917-1918.



Total Value Reported: \$690,039

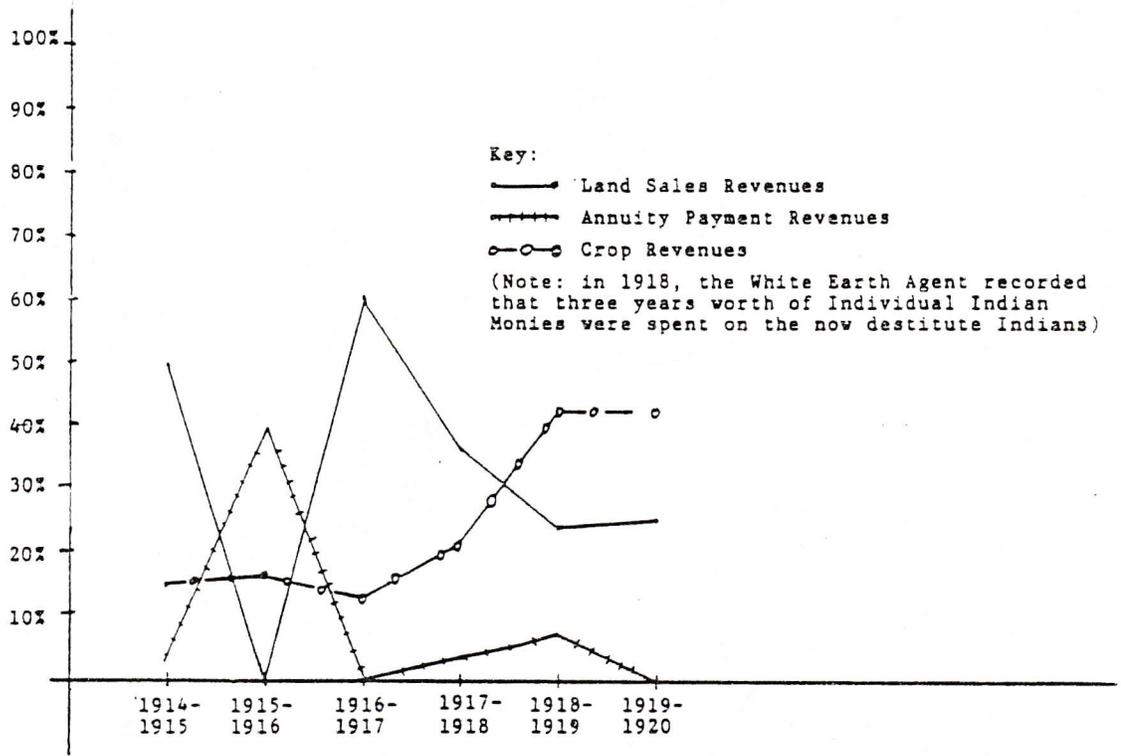
a. 1918-1919 Gross Reservation Product



Total Value Reported: \$722,198

b. 1919-1920 Gross Reservation Product

Figure 9. Gross Reservation Product as reported by the Commissioner of Indian Affairs in 1918-1919 and 1919-1920.



Source: Annual Reports to the Commissioner of Indian Affairs.

Figure 10. Comparison of Income Sources on the White Earth Reservation-1914-1930. Land Sales, Annuities, Crop Revenues. Total Revenue for Reservation.

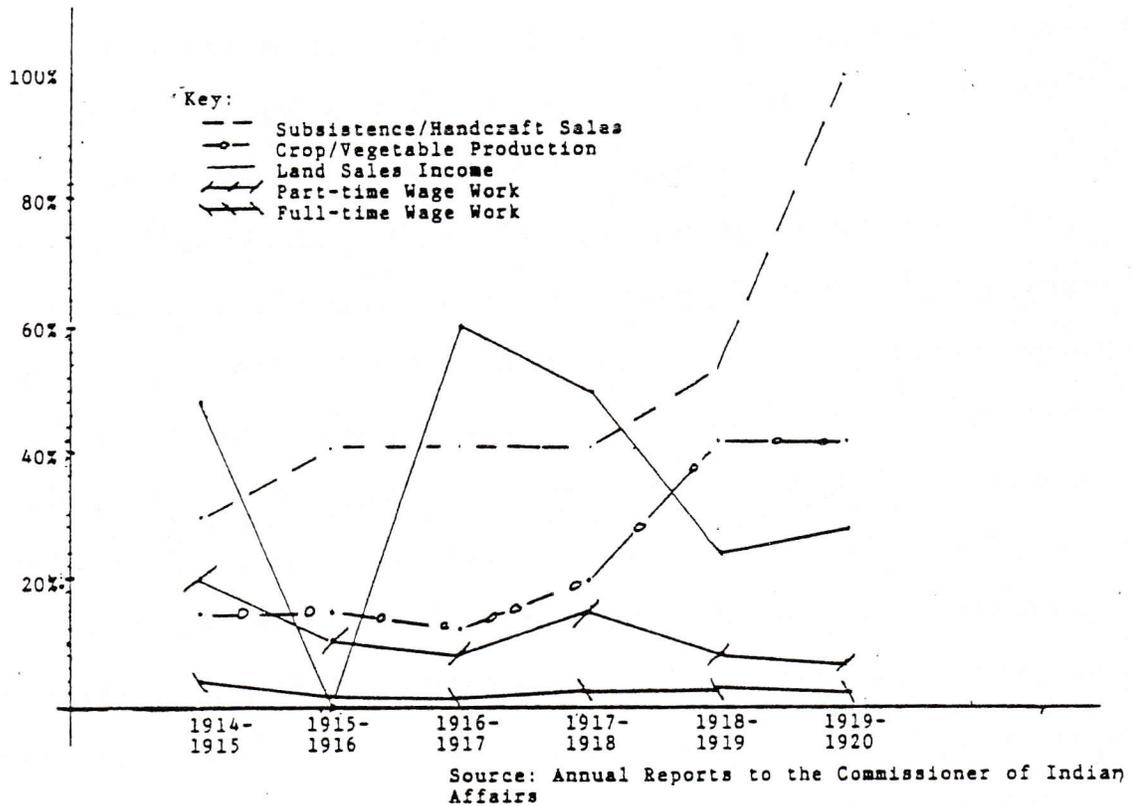


Figure 11. Fluctuations of Economic Sectors on the White Earth Reservation 1914-1920. Percentage of Labor Force in Each Sector

Land Alienation - The Loss of Land
and Loss of Livelihood

The Anishinabeg economy of this period benefited both the Indian and the non-Indian of the area. Not only were a number of trading enterprises born, but American and other fur producing nations profited heavily from the Anishinabeg fur trade. With the installation of the agency at White Earth, government dollars and contracts spread through the region. The towns of Ogema, Callaway, Mahnomen, Waubun, Ponsford and others sprang up to service the Indian market. The government business was an outpost in the region, and a golden opportunity for the immigrant businessman. And the economies of Detroit Lakes, Park Rapids, and Bemidji were fed by the reservation. These towns grew even more with the expropriation of Anishinabeg resources. For instance, the 1889 Nelson Act removed four pine-laden townships from White Earth reservation. Subsequently, the timber on this portion was auctioned off at prices well below market value. Timber and land speculators were born in the era, and many a dollar was made on the Indian.

This relationship became more chaotic after the passage of the Nelson Act (Ch. 24, 25, Stat. 642). An atmosphere of capitalist euphoria settled on the non-Indian border towns, and betrayal and disruption permeated the Anishinabeg community. Political struggles between the mixed blood traders, or so called "progressives" and the

fullblood or "traditionals" fermented; and for the next 40 years would be at the center of conflict over issues of loyalty, political alliance, economic policy and cultural practices. This was fueled by government agents who, as in many other reservation communities, dealt preferentially with the "progressives," who responded, in many cases, with accommodating politics. Indeed, as Meyers would note, the "progressives" were, in some cases, very close to traitors to the Anishinabeg cause;

They made no nationalistic plans to conserve lands or timber resources, or to use tribal funds for reservation development. If federal officials had followed the framework suggested by the mixed bloods, the Chippewa or Minnesota as a political, economic and diplomatic entity would have cased to exist.⁴²

Their tendencies towards assimilation and private property were congenial with the passage of the Clapp Amendment and subsequently the Steenerson Act. These allowed mixed bloods to sell their allotments, and for all Anishinabeg to receive a second pine allotment on the reservation.

What followed was wholesale mayhem. By 1904, 99.5% of the reservation was allotted, and ten years later, 14% of it was still in Indian hands. In 20 years, some 701,572 acres of the reservation was in White hands, and by 1934, only

⁴²Meyers, 341.

7,890 acres of the reservation was held by Indians.⁴³ Some lands were taken for taxes as the state of Minnesota tax-forfeited approximately 250,000 acres of the reservation. In other cases, minors allegedly sold land; some 700 persons whose names had previously appeared on a list of fullbloods, became "mixed bloods." Through almost every conceivable mechanism, the land changed hands. Most of these transactions were later found to be illegal in the 1978-1981 federal USC 25, sec. 2415 Land Claims research at White Earth.⁴⁴

In the non-Indian this time was an economic bonanza. A Minneapolis Tribune article in 1907 quotes of a common saying in Detroit Lakes as "fleecing the Indian." Land companies emerged overnight, fly by night mortgage outfits held deeds for thousands of acres of Indian lands, and timber companies closed in on leases to clear cut almost entirely one-third of the reservation. (See Figure 12).

The alienation of land, over time changed the complexion of the reservation, the structure of resource management and the flow of wealth in the economy. Alienation of land caused emigration of the White Earth people. At the outset, people simply crowded together in houses, as one family was pushed off the land, into another

⁴³Ronald Janke, "Persistence in Indian Land Problems" (Ph.D. dissertation, University of Wisconsin, 1975), 206-230.

⁴⁴Manypenny v. USA, pending case, Civil #4-86-770.

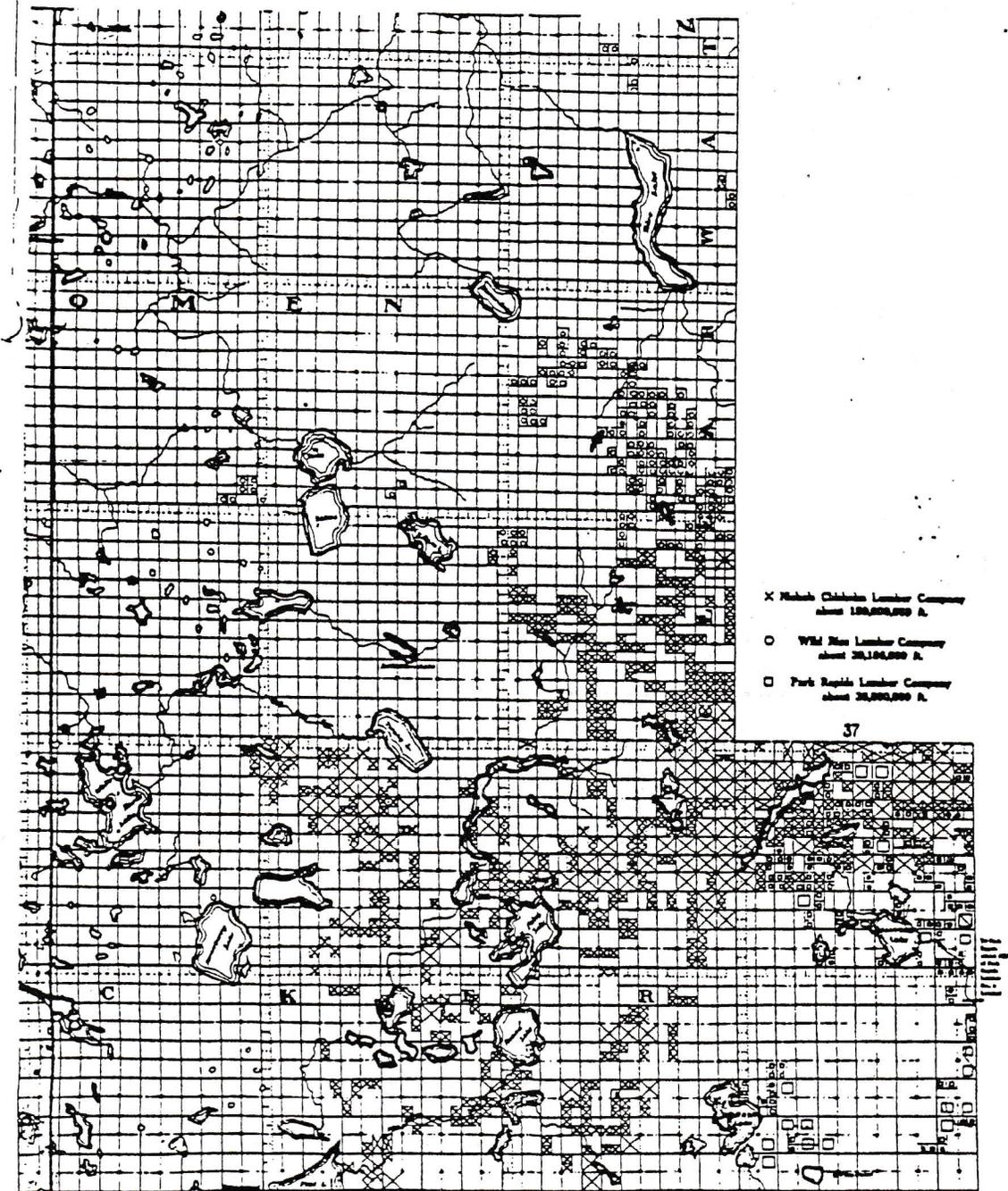


Figure 12. Location of Clearcutting in Twelve Eastern Townships of White Earth Reservation (Not including the townships effected by the Nelson Act).

Source: Archives of the Newberry Library, Chicago, IL.

house. This adaptation was not without impact, as the newly traumatized population was susceptible to health problems and in the 1910-1920 period, epidemics of trachoma and tuberculosis plagued the villages. Every family was effected, and some families disappeared entirely. In turn, as leadership died in epidemic proportions, government and economic systems were disrupted permanently.

Within a few short years, the government came to view the social experiment at White Earth as a failure, and sought, instead to relocate the people to urban areas. This was to be a final assimilation, and the end of a long road for the White Earth people. By 1930, of the total enrolled population (8,584), only 4,628 remained on the reservation.⁴⁵

Underdevelopment at White Earth

In 1889-1890, 11 million board feet of timber was taken from the White Earth reservation. The next year, 15 million board feet was cut, followed by 18 million in the 1891-1892 season. In 1897, 50 permits had been issued for 70 million board feet. By 1900, an excess of 76 million board feet was taken annually.⁴⁶ The reservation was being stripped of natural resources for the non-Indian economy.

⁴⁵Commissioner of Indian Affairs Report, April 1, 1930.

⁴⁶William Folwell, A History of Minnesota (St. Paul: Minnesota Historical Society, 1969), 238-244.

house. This adaptation was not without impact, as the newly traumatized population was susceptible to health problems and in the 1910-1920 period, epidemics of trachoma and tuberculosis plagued the villages. Every family was effected, and some families disappeared entirely. In turn, as leadership died in epidemic proportions, government and economic systems were disrupted permanently.

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⁴⁵Commissioner of Indian Affairs Report, April 1, 1930.

⁴⁶William Folwell, A History of Minnesota (St. Paul: Minnesota Historical Society, 1969), 238-244.

However, the entire Anishinabeg economy was not destroyed. The Gross Reservation Product and Relative Importance of Economic Sectors graphs from 1914-1920 (Figure 5-11) indicate that while each year revenue from land sales represented a source of economic wealth, Native handcrafts and subsistence continued to provide a critical source of food and income to the people of White Earth.

Only in later years did the non-Indian control over the land begin to translate into non-Indian control of land use. In the 1930s, the emergence of state game wardens (and for instance the 1935 Collier agreement wherein the Tamarac Wildlife Refuge was transferred to the National Wildlife Service) meant an infringement on Anishinabeg harvesting regulations. Skirmishes became common, as did "violations" of the White man's law. There was also great frustration over the new laws. And, as Sister Inez Hilger would record in 1938, many whites had begun to forbid access to "their land," although Indian families had always hunted, or harvested there. Prime examples were restriction of lakeshore, rice beds, maple sugar camps, and the metamorphosis of family hunting territories into non-Indian sports hunting camps.

While Higer found relatively successful Works Progress Administration (W.P.A.) and Civilian Conservation Corps programs at White Earth, (from available data, the highest cash employment levels ever recorded on the reservation) she

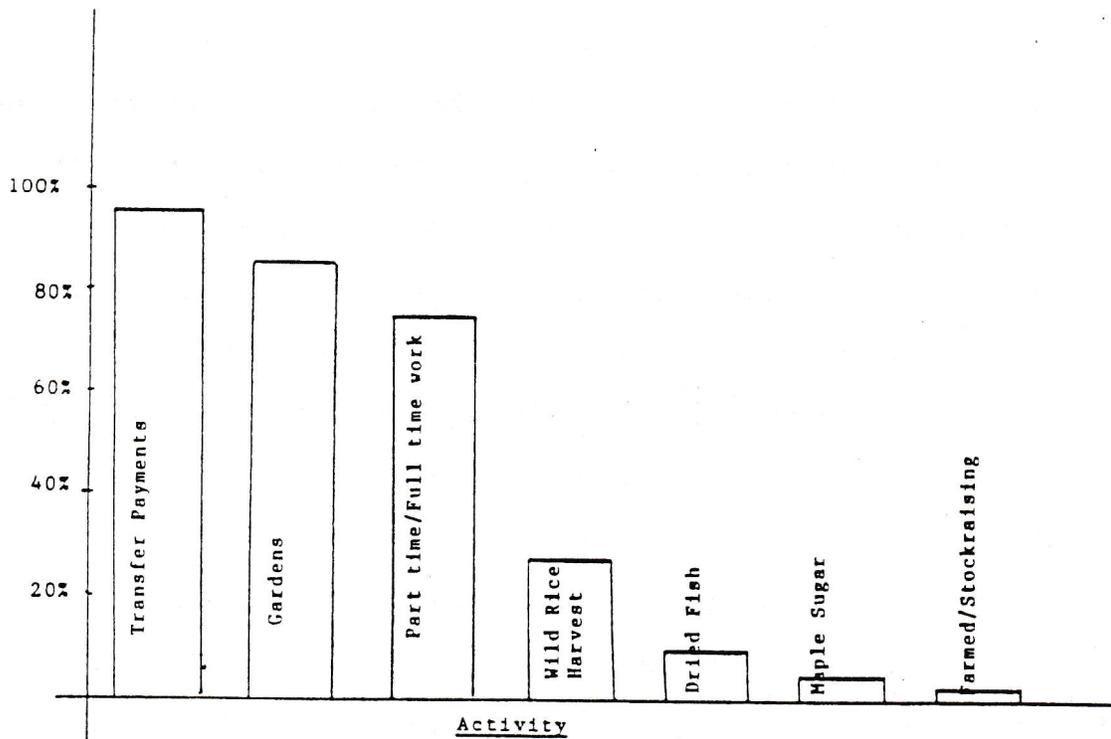
found perhaps the lowest recorded levels of traditional activities. Her survey of 150 families indicated that 80% had gardens, but less than 30% harvested wild rice. She did not record game harvests; almost 100% of the people received transfer payments, and 78% were employed full or part-time in any number of job programs.⁴⁷ (See Figure 13) What Hilger found was a shift in the White Earth economy towards wage work. And, she also found a community that, after the trauma of epidemic and cultural shock of losing a subsistence base, was desperately trying to adapt and survive.

Summary

In summary, White Earth was an ideal place for the Anishinabeg economy to flourish, and the White Earth people to build a strong community. The reservation was often viewed as a "social experiment" by the federal interests in Washington. And, during the early years, despite divisions of loyalty and economic interest, the economy flourished.

However, what Minnesota historian Folwell would call the "immemorial greed of the White man," came to White Earth. Land alienation meant the wholesale transfer of Anishinabeg wealth to non-Indians. This underdevelopment

⁴⁷Sister Inez Hilger, "A Social Study of One-Hundred Fifty Chippewa Indian Families of the White Earth Reservation of Minnesota" (Masters thesis, Catholic University, 1939).



Source: Data from Sister Inez Hilger, "Social Study of One-Hundred Fifty Chippewa Indian Families on White Earth Reservation" (Masters Thesis, Catholic University, Washington DC 1939)

Figure 13. Participation of Households in Various Economic Activities in 1938 (reservation-wide). Percentage of respondents in each activity.

process fueled social and human devastation. The result was massive shifts in the entire economic, political and social structure of the community.

With these shifts was a change in the relations of the Anishinabeg economy to the American economic and political system. This also created change in Anishinabeg government. After forty years of factional fighting between the traditionals and progressives, the so-called progressives were institutionalized with the formation of the Indian Reorganization Act (IRA) government, locally known as the Minnesota Chippewa Tribe and the Business Committee form of government on the reservation. This put political power squarely into the federally dominated realm. This also led to a consolidation of economic power, with political power, as the emergence of federal programs (signalled by the W.P.A. era) meant that wage-employment complimented the political system of the IRA government. For the next fifty years, the structure, now set in place, would emerge as the central relationship in the White Earth community, and center-periphery relations vis a vis the federal government would be firmly entrenched.

CHAPTER IV

THE ANISHINABEG ECONOMY AT WHITE EARTH, 1986-1987

This chapter discusses both the traditional and the cash economy. While the White Earth economy, as a whole is more complicated than this, the discussion is intended to augment total economic analysis. There is a mixed economy on the reservation. The units of production in each differ from tribal enterprise to household unit, the rationale for each differs, and the relationship of each to the dominant economy is distinct.

In this chapter, there are three necessary components: to identify the nature of the White Earth economy, to trace the flow of funds and resources of this economy, and finally, to initiate a discussion on the methodological options for continued community based planning work on the reservation.

The first objective is to compile a more accurate profile of the economy. In light of tribal labor force estimates of 75% unemployment, it is natural to wonder what constitute the activities of the chronically unemployed, and what they do for a living. In short, the White Earth economy is not composed solely of income and employment.

The informal economy consists of supplementary food harvests and income generated from excess harvests. However, between census bureau, tribal labor force and biology department data, there remains a critical gap in the economic activity data at the household level. This study attempts to span the gap.

The second objective was to track the flow of resources and wealth in the economy. Seemingly between Tribal Council generated wealth and individual generated income, both the standard of living and income levels on the reservation should be relatively high. Instead, 1980 income statistics from the U.S. Census Bureau indicate that 31% of the Indian population is below the poverty level, and over half are below 150% of the poverty level. Not surprisingly, the White Earth economy overall is not in much better shape. On-reservation retail sales (1976) are at \$14 million, of which \$9 million was in the city of Mahnomen. These sales, for the most part, represent sales in non-Indian owned businesses within the border of the reservation. In comparison, Detroit Lakes had \$57 million worth of retail sales, and Bemidji had some \$75 million worth of sales.⁴⁸ Both these cities are major retail centers, and, in effect, absorb the White Earth dollar. Finally, in terms of natural resource wealth, the reservation is host to among other

⁴⁸"Survey of Retail Data in the Detroit Impact Area," City of Detroit Lakes Department of Planning, 1980.

resources, great stands of wild rice and a substantial deer herd. As a final component of this section, an attempt is made to trace the flow of these resources, and what benefit these resources are to the Indian population of the reservation.

In this flow of resources study, it was found that the Indian dollar migrates to non-Indian hands. Although the Indian harvest of natural resources is substantial, the non-Indian population (from both on and off the reservation) harvests an even greater amount of these resources. This chapter documents that the Indian does not have the full benefit of the Indian resources.

The total information available in this chapter is limited. Surveys of two villages were completed recognizing them as the largest population centers (with over half of the on-reservation population residing in these villages), and as geographically proximate to the Detroit Lakes Impact area. Hence, the third objective of this chapter was to provide some methodological background for future planning work on the reservation. Perhaps the clearest message from this study is that secondary data does not tell an accurate or full story of the reservation. To undertake any comprehensive plan or analysis of development options, it is necessary to ask the people about their activities and their attitudes. Without this input, the human factor, there is no economy, and there is no economic participation.

Household Data

The survey instrument was verbally administered to 30 Pine Point households and 24 White Earth Households, representing approximately one-third and one-eighth of total households respectively. The households were surveyed in the summer and fall of 1987 asking questions for 1986. Secondary information was collected in the fall of 1987 and the spring of 1988.

In the survey, Pine Point median family income was at \$6,721 to \$8,460, and mean household income was at \$8,461 to \$10,200. However, six households (20%) surveyed had income over \$17,160. Primary sources of personal income were (1) wage labor, (2) AFDC, and (3) Social Security. Employment statistics indicate that employment is generally short term. There is a disenchantment with working. The majority of the jobs were terminated by the 8th month, but those who survived the first full year of employment were able to keep working. At the time of the author's survey only 48% were employed in full-time or part-time wage work. This, combined with the short duration of employment appears in line with a reservation wide labor force unemployment level of 75%. Finally, the survey indicated that the Pine Point labor force was disenfranchised from the labor market. Some 70% of those surveyed indicated that they had applied for one job or less at the Reservation Tribal Council (R.T.C.) in the past five years, and 80% had applied for one job or

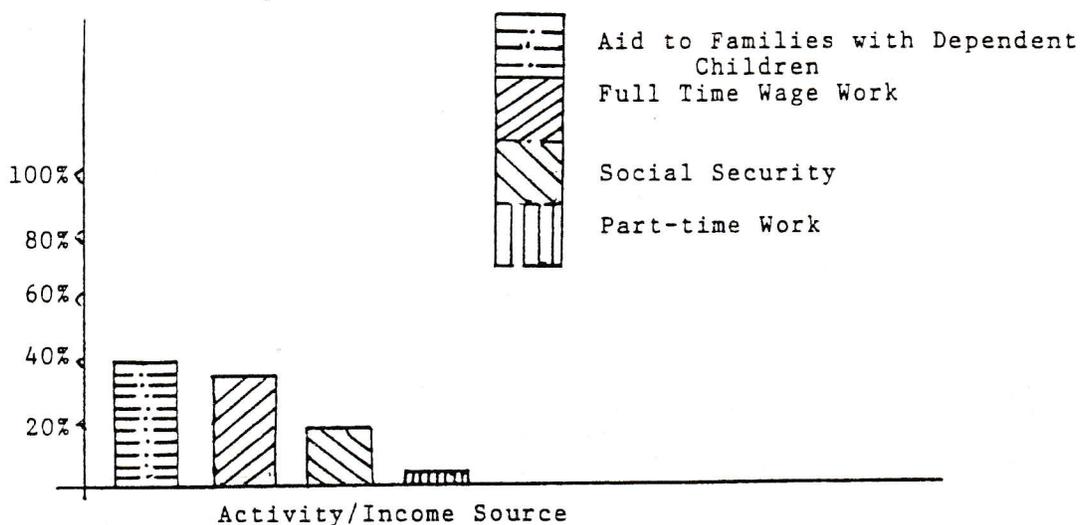
less with a non-Indian employer in the last five years. In general, this would indicate that for those unemployed, they remained chronically unemployed over a great period of time.

Similar to Pine Point, White Earth income statistics recorded in the author's survey were lower than those recorded by the census bureau. (See Figure 14) While 29% of those surveyed had income over \$17,160, some 45% had incomes

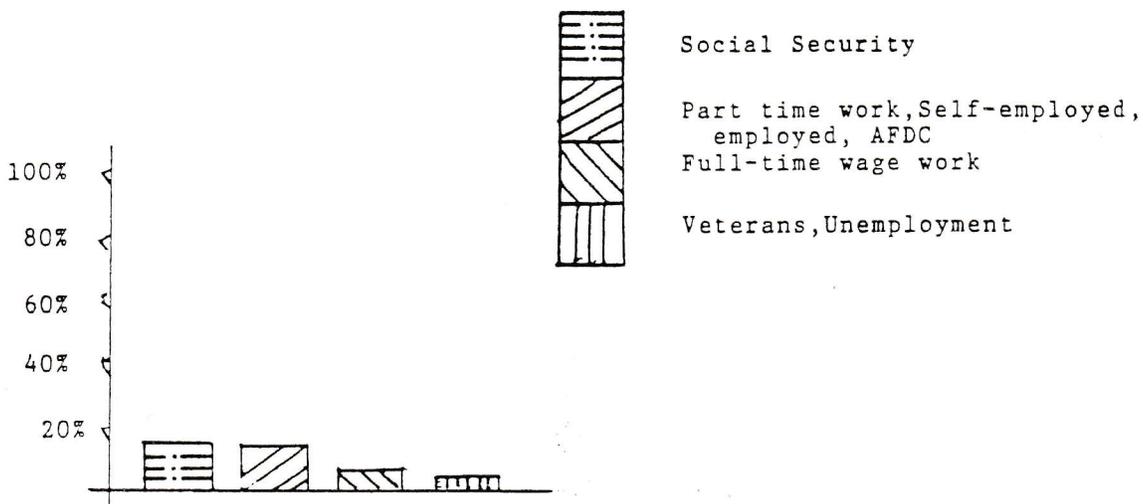
Figure 14

Sources of Income in 1986
Both Villages

a. Primary Income Sources



b. Secondary Income Sources



under \$8,460 per annum. As a result, both median and mean income levels were between \$8,461 and \$10,200 per annum.

Primary income sources in White Earth were Aid to Families with Dependent Children (AFDC), full-time wage work and Social Security. Only 30% of those surveyed listed full-time wage work as the primary source of household income. However, while full-time wage work participation was significantly lower than Pine Point data, some 16% listed self-employment as a significant source of additional income.

White Earth employment statistics also indicated a breakdown in the employment/opportunity cycle. Fifty percent of those surveyed applied for one job or less with the Reservation Tribal Council and 66% had applied for one job or less with a non-Indian employer. Since 47% had applied for no job whatsoever with the Reservation Tribal Council and 58% had never applied for work with a non-Indian employer, it appears that many people do not work at all.

These figures may be attributed to a number of factors. Low hiring rates in both the Indian and non-Indian employment sectors have a potentially discouraging impact on the potential workers. In White Earth, one-third of the sampled households had a member hired by the Reservation Tribal Council or non-Indian employer in the past five years. In Pine Point, only 26% had a member hired by the Reservation Tribal Council in the past five years, while 40%

had been hired by a non-Indian employer. Finally, similar to Pine Point, statistics for those who did work were employed for a short period of time. Some 55% of the jobs with any employer lasted four months or less.

In general, these statistics are in line with the "Report on Service Population and Labor Force" of the Minnesota Agency. In the labor force statistics, some 27% of the population was employed in either full-time or part-time work (17% of whom earned more than \$7,000 per annum), and some 73% of the population was unemployed at the time of the survey.

The study estimates total household income for Pine Point and White Earth villages for the purpose of calculating the spending dollars available to these tribal members. Total income estimates are derived from both Data Resources data and the survey estimates, largely for comparison purposes. In 1986, Data Resources Inc. estimates indicate that \$3.19 million was available for total White Earth village Indian income. This figure is derived from the 55% of the total population estimated to be Indian and the \$5.8 million in total income available. Comparatively, \$1.2 million was available for Pine Point Indians.

The author's study estimates the number of Pine Point households at 110 and the number of White Earth Indian households to be 200. This is derived from interviews with tribal officials and members for these areas. If Pine Point

income is estimated at \$10,488 (mean of sample) and White Earth income is estimated at \$10,826, we can derive estimates of total household income for each village.* Total Pine Point Indian income would be \$1,153,688, and White Earth Indian income would be \$2,165,233. In total, income for both villages would be \$3,318,921.

Tribal Income and Expenses

Tribal income was estimated from interviews with Reservation Tribal Council officials, directors of various programs on the reservation, and interviews with non-Indian school district employees in the Detroit Lakes impact area. There was no attempt to derive income sources for each program, except for an estimate of total income derived from federal spending in each program, and income generated on behalf of White Earth Indians in the school districts. In general, income is calculated for programs, the tribal government, and for federal spending on behalf of tribal members in the school districts. (See Figure 15)

*Estimate based on income ranges of \$0-\$20,000 in survey sample.

FIGURE 15

1986 TRIBAL GOVERNMENT: AGENCY INCOME

<u>Tribal Agency</u>	<u>Total Income</u>	<u>Federal Income As A Part</u>
Reservation Tribal Council	\$6.5 million	\$3,146,465 (48%)
Pine Point School	\$430,000	\$110,090 (25%)
Circle of Life	\$666,296	\$593,296 (89%)
Indian Health Service	\$1.5 million	\$1,500,000 (100%)
Federal Spending:		
Detroit Lakes School District		\$65,700
Park Rapids School District		\$49,556
Waubun School District		\$412,699
Mahnomen School District		\$519,601

Data from Ojibway Building Supply was not included since the data collected is for expenditures. However, federal allocations and budgets for this agency, Ojibway Forest Products, and White Earth Housing Authority are substantial. The result is that the overall impact is underestimated.

While Figure 15 outlines total budgets and federal allocations, a great portion of this money is spent outside the region, hence having a minimal impact on the Detroit Lakes area. Consequently, the expenditure data for these agencies is utilized as the information base from which to calculate impact on the non-Indian economy.

Herein, the economy is divided into two major categories, Buyers and Sellers. These are further delineated as:

Buyers

Indian Households
White Earth Tribe/
Enterprises
Federal Government

Sellers

Indian Households
Indian Businesses
Non-Indian Households

While survey data is specific to each village, the two villages are aggregated in an estimate of total household income, and total household expenditures. Similarly tribal enterprise expenditures are aggregated to simplify the data, retaining the four total categories of buyers: households, tribe, enterprises and federal government. In turn, sellers are divided in those inside the impact area and sellers who are outside the impact area. These figures, however, are relevant only to tribal statistics for purchases.

Using annual household income estimates for each village and expenditure data extracted from the survey with subsequent interviews for clarification, expenditures for the community are calculated.

FIGURE 16
HOUSEHOLD EXPENDITURES BY VILLAGE

Item	Pine Point Annual	White Earth Annual
Food	\$2,702.40	\$2,400.00
Gas	900	818.60
Clothes	400	834.40
Electricity	1,200	1,200.00
Fuel*	200	200.00
Car Repairs	300	500.00
Insurance	400	800.00
Phone	0	600.00
Housing**	1,200	1,200.00
(Total)	\$7,302.40	\$8,553.00

* Fuel payments assume Energy Assistance award from the tribe, or Mahube Agency, wherein remainder is paid by tribal agency. The author did not count this since it would be double counting.

Source: Median and mean expenditure data from each village survey complimented by interviews 1987.

In calculating the impact of the household dollar on Detroit Lakes and the impact area, the housing expenditure is eliminated from the estimate, since the primary reservation vendor is the tribe itself, and rental money would return to the tribe.

As a result, total expenditures per household would be \$6,102 for Pine Point and \$7,353 for White Earth annually. As estimated, 90% of this is expended within the Detroit Lakes Impact area according to the survey data. Total household spending would be: \$1,927,677 million in the Detroit Lakes area. (See Figures 17-21, and Summary Table)

FIGURE 17
1986 PAYROLL EXPENDITURES BY AGENCY

<u>Agency</u>	<u>Payroll Indian Amt.</u>	<u>%</u>	<u>Non-Indian</u>	<u>%</u>	<u>Total</u>
Reservation Tribal Council	\$1,302,938	78%	358,307	21%	99%
Indian Health Service	246,480	60	164,320	40	100%
Pine Point School	133,000	65.5	70,000	34.5	100%
Circle of Life School	172,776	58.8	125,421	41	99.8%
Ojibway Building	52,000	66	26,000	33	99%
TOTAL:	\$1,907,195.20	72%	\$740,048	28%	100%

Sources: Interviews with Frank L. Johnson (RTC), Bud Heisler (IHS), Jody Vizenor (Pine Point), Principal-Circle of Life, Joe Holt (Ojibway Building). Some estimates do not include fringe benefits, and most data is from the 1986-1987 fiscal year and school year.

FIGURE 18
1986 VENDOR EXPENDITURES BY AGENCY

<u>Agency</u>	<u>Inside Impact Area</u>	<u>Outside Impact Area</u>
Reservation Tribal Council	\$2,655,047	\$1,193,000
Indian Health Service	250,000	740,000
Pine Point School	33,200	146,000
Circle of Life	22,100	337,699
Ojibway Building	80,000	233,000
TOTAL:	\$3,040,347 (53%)	\$2,739,699 (47%)

Sources: Interviews with Jerry McDonald (RTC), Bud Heisler (IHS), Jody Vizenor (Pine Point School), Circle of Life and Joe Holt (Ojibway Building).

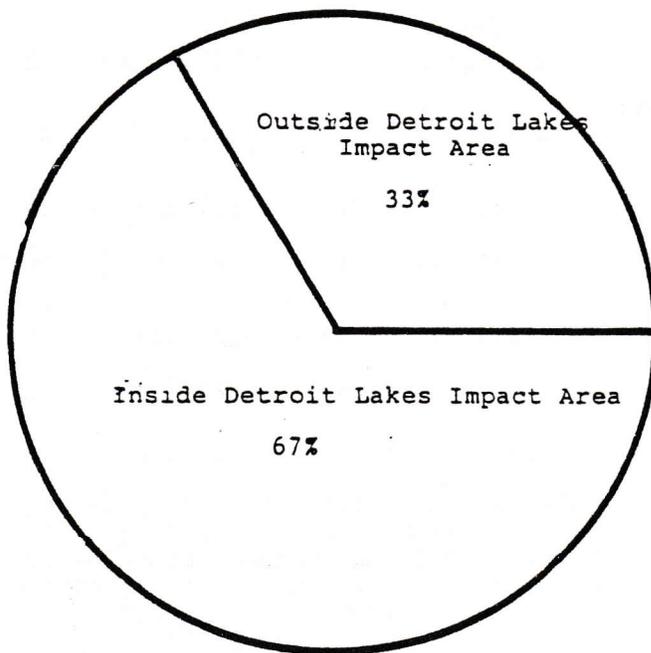


Figure 19. Total Reservation Tribal Council Expenditures on Vendors- 1986

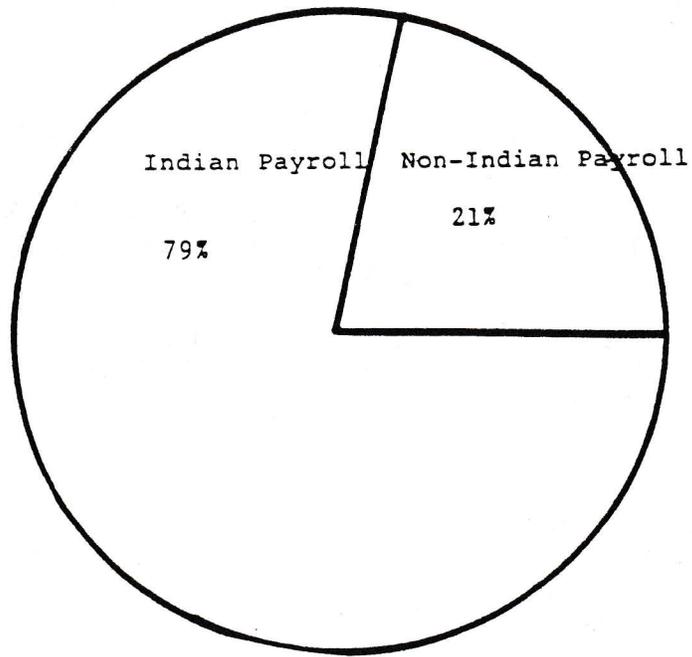


Figure 20. Total Reservation Payroll Expenditures by Race- 1986

Expenditures by Tribal Government, the federal government and Tribal Enterprises are divided into several categories: payroll (Indian/non-Indian), vendors (Indian/non-Indian) and inside or outside of the impact area.

FIGURE 21

FEDERAL EXPENDITURES ON BEHALF OF WHITE EARTH
ANISHINABEG TO NON-INDIAN BUSINESSES IN
IMPACT AREA

Federal Expenditures for Education, including Johnson O'Malley Funds, Title 4 Funding, '874 Money', 'In Lieu' and 'Impact Money'

<u>Where To:</u>	<u>Amount:</u>
Waubun School District	\$412,699
Mahnomen School District	\$519,601
Detroit Lakes School District	\$65,700
Park Rapids School District	\$49,556
TOTAL EXPENDITURE	\$1,047,556

SUMMARY TABLE

Reservation Tribal Council Payroll to Non-Indian Households:	\$358,307
Indian Enterprise Payroll to non-Indian Households	\$358,741
Vendor payments to non-Indian firms in Impact Area (RTC)	\$2,655,047
Vendor payments to non-Indian firms by Indian enterprises	\$353,300
Federal spending on behalf of Indians in Impact Area	\$1,047,556
Indian household spending in Impact Area	\$1,927,677
TOTAL EXPENDITURE BY AND ON BEHALF OF INDIANS IN IMPACT AREA	\$6,700,628

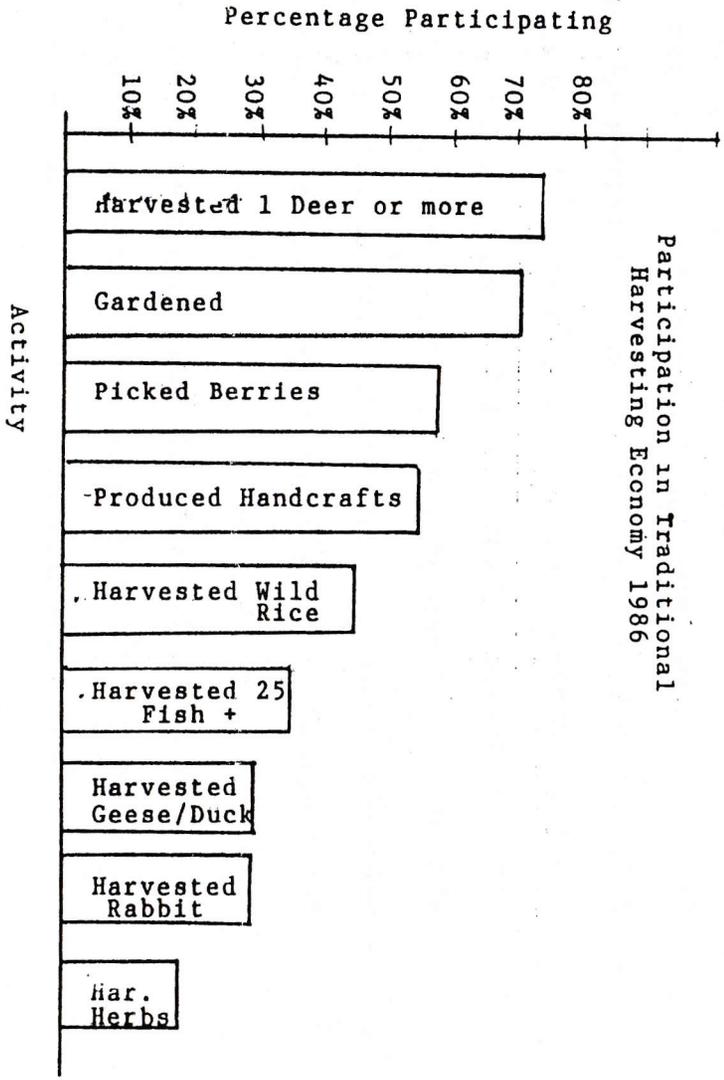
The Non-Cash, Traditional or Informal Economy

Household Harvest Data

The Pine Point and White Earth survey data indicates that some 65% of the persons sampled hunted deer in 1986. Similarly, 65% also harvested either ducks/geese or rabbits and other small game. Thirty-five percent harvested more than 25 fish annually, and 45% harvested wild rice. Seventy-two percent had a garden within the past five years and some 58% went to sugarbush, and harvested there. Fifty-seven percent picked berries, fewer picked mushrooms and other medicinal plants, and 55% produced handcrafts, with 47% of them doing it for home use and sale. These statistics are illustrated in graphic form (Figure 22) for the purpose of comparison of participation in cash and traditional activities.

In general, participation in harvesting activities surpassed participation in earned income activities. In hunting and gardening for instance, almost twice as many people harvest as undertake any form of wage work. Multiple activities were apparent in the survey and the 1984 White Earth Biology Department survey reiterated that 57% of those surveyed participated in at least three game/fish harvesting activities, and 83% were active in at least two. Since the Biology Department study did not include gardening, berry-picking or other wild harvests, it is likely that overall

Figure 22



Source: Survey of Pine Point and White Earth Villages

activities were more significant. Perhaps equally significant, a comparison of 1914, 1938, 1984-1986 activities indicate very similar mixes of formal/informal activities.

The similarities between areas separated by such great spans of time illustrate the tenacity of the traditional economy. The 1914 period was one of the greatest employment activity, yet the traditional economy remained. And the 1980s represents the period of potentially the greatest assimilation, yet the traditional economy is maintained. Within this light, the traditional economy can be seen as the long-term mainstay, regardless of the federal program, or economic agenda, for the White Earth people.

Total Tribal Harvest Data

Herein, the author seeks to determine the aggregate value of the harvest to the reservation community. This is interpreted in several ways. First, as outlined previously, since the natural resources within the borders of the 1867 reservation rightfully "belong" to the White Earth Anishinabeg, the aggregate use of these resources is a measure of self-reliance. Second, an aggregate measure gives us an indication of valuation of the sector for a comparison with the valuation of the formal sector. Finally, aggregate data will provide material from which to compare non-indian harvest of our resources.

Methodology

Valuation is a mechanism from which we are able to attach some economic price to a resource harvest and use. This can be done in several ways, through replacement value (of a chosen replacement food), time valuations (based on comparable wages for similar time allocations), and in some cases the market value of the resource (i.e., wild rice). Valuation is a controversial process since the true spiritual/cultural value of a deer or wild rice is immeasurable. Simply stated, one cannot replace the value of a freshly caught walleye with a store-bought fillet.

However, for the purpose of this internal analysis, valuation is utilized. Valuations of various meats are based on dressed weight average per each animal, and a comparable replacement value in the store. For instance, a deer field dresses at 85%, with the average deer weighing 190 pounds. Deer process out at 50% leaving 90 pounds of meat and bones per animal. Finally, trimmed meat is some 60 pounds of the total weight. Porterhouse steak at County Market in Detroit Lakes (the most frequented food shopping locale) was \$3.59 per pound (March 1986), and lean ground beef was \$1.84 per pound. The average price for beef is \$2.71. Beef is used as a replacement for deer. Consequently the average deer would be valued at \$162.60 (trimmed), and \$243.90 with bones in the market. (See Figure 23).

AGGREGATE TRIBAL HARVEST DATA

<u>Animal</u>	<u>Number of Hunters</u>	<u>Average/Estimated Received Harvest Per Capita</u>	<u>Total Recorded Harvest</u>	<u>Total Valuation (Averaged)</u>
Deer	744	1	744	\$154,714
Rice	592	534.40 harvested/ 60.7 kpt	228,490 23,131	\$127,220
Fish	1,476	37.8 (avg.)	55,872.4	\$223,448
Fowl	790	15	11,850	\$68,137.50 (average)
Small Game	948	15	14,220	<u>\$88,875</u>
Total Harvest Valuation				\$662,394.50

Valuations: Deer based on average price of prime/ground cuts of beef; rice based on \$5.50/lb. for kept rice; fish based on \$4.00 for prime fish cuts; ducks/geese based on \$3.50-8.00 average per piece; small game based on porkchops at \$2.50/lb. x 2.5 pounds per animal (\$6.25 each).

*Sources based on White Earth Biology Department total hunter estimates and total recorded harvests (in some cases), combined with averages or direct counts of harvest from the Pine Point/White Earth survey of each harvest.

Using similar data for ducks, geese and fish, it can be estimated that the average price for a store-bought duck is \$3.50, a goose (or turkey) is \$8.50, fish at \$4.00, and small-game at a porkchop price of \$2.50/pound (X two and a half pounds per animal), or \$6.25 per rabbit or small animal.

Total recorded harvest by tribal members is then \$662,394 of major game animals as illustrated in Figure 22. This is a conservative estimate since many animals are not recorded by tribal authorities. In some cases, such as deer, hunters may have harvested more than one in the household, however, in protecting their confidentiality, the figure of one deer per household was used.

There are several significant points which can be drawn from this data. First, the informal harvest economy represents a significant portion of the household economy. Total White Earth and Pine Point household income are estimated at \$2,796,000. Valuations of total harvest represents some 23% of the recorded formal income for those villages. Second, this is internally generated wealth, and as such, represents household and community self reliance that is not indicated by employment and transfer payment statistics. Clearly, more careful and broad based analysis of this valuable sector could provide more insightful information for tribal planning. "Conventional planning methodology" is applicable in determining income and wealth

in the dominant economic sector, not in the traditional or informal economic sector. As White Earth begins to look both towards self-reliance, and towards the tenacious and locally controlled economic sector, tribal planners need to adapt their methodology to a more inclusive, integrated approach to development analysis.

CHAPTER V
ANALYSIS AND CONCLUSIONS

The overall Anishinabeg economy at White Earth continues to be a complex mix of economic sectors, and, as such, has the potential strength of a diversified economic system. This mixed economy also has the attributes of a sustainable economy based on renewable resources. Within this "mixed economy," however, there are structural relations to the non-Indian economy which remain intact at the expense of Anishinabeg prosperity. In contrast, there is also infrastructure within the reservation (domestic economy) which remains a self-reliant economic component. Hence, a my final objective in this paper, the strengths and weaknesses of the White Earth economic system, strategies and options to promote self-reliance, and policy proposals to fulfill this mandate are outlined.

Dependency in the White Earth Economy

There are two significant structural problems that perpetuate both poverty and dependency at White Earth. The first is a lack of control over a meaningful land base and the second is the nature of the relationship between the White Earth Band and the federal government.

If the dominant society can control land tenure, it can control the shape of the civilizing process. While it is clear that the control over land tenure has had an enormous effect on cultural change on Indian reservations, it is far less certain that the effect has been as desired.⁴⁹

Loss of control over the land base has implications for every aspect of economic and community development. The American Indian Policy Review Commission would call "bizarre land ownership patterns" major obstacles to reservation development. If this is the case, White Earth is clearly hamstrung.

The economic consequences of "checkerboarding" are difficult to measure. To calculate past and present costs of checkerboarding, it would be necessary to trace back to the time the land was taken to have an accurate measure of true costs. Such a calculation would include opportunity foregone costs to denied use of the land, trespassing and damage costs from the other parties, whatever resources have been removed from the land; and a cumulative measure of this over the years the land has been held by other parties. The formula is tedious, and in the end, it would be a mammoth amount, for which the Anishinabeg people are unlikely to receive compensation, either in court, or in negotiations.

More tangible, concise and present examples of the problem are available. For instance, the three counties

⁴⁹ Monroe Price, Law and the American Indian: Readings, Notes and Cases (New York: Bobbs Merrill, Inc., 1973), 549.

hold some 13.7% of the reservation (114,280 acres) as forest lands. Each year, the counties generate substantial income from these lands through stumpage and timber permits. In 1987, Becker County received an estimated \$40,000 for timber. The year prior to that, Clearwater County received some \$110,000 for timber and stumpage on lands within the eight townships that are legally within the reservation borders. Mahnomen County receipts are negligible. Annual stumpage receipts are therefore approximately \$150,000 per annum, or \$1 million in seven years.⁵⁰

These revenues could be accrued by the White Earth band. In addition, the tribe could operate an integrated system to retain value-added manufacturing of these products on the reservation. Controlling the natural resources would build a local multiplier and revenues on reservation. This would also mean local decision about which trees are cut and the potential for long-term sustained development.

Political and Legal Implications of Checkerboarding

In theory, sovereignty over a parcel of land within the borders of a sovereign should be inalienable by sale. Practice, however, in the state of Minnesota differs from international law, practice and theory. In case law nationally, the judicial system alternates between

⁵⁰Winona LaDuke, White Earth Land Recovery Program Proposal (based on county land development data), 1988, Anishinabeg Akeeng Collection, White Earth.

recognizing tribal jurisdiction over fee properties held by non-Indians, and allowing non-Indian governments to regulate in matters regarding these parcels.

In State v. Clark (1979), the court ruled that state regulation over Indian activities were limited by Public Law 280 restrictions. The state could not regulate hunting and fishing. In White Earth v. Alexander (1982), the White Earth band sought a declaration that its members are entitled to hunt and fish on reservation lands including the four townships annexed under the Nelson Act. These activities should be without state interference. The White Earth band also argued that the band had a right to regulate non-Indian hunting and fishing on the reservation.

The court ruled against the band on the four townships issue, and also ruled that the state, and not the band had the right to regulate hunting and fishing by non-Indians on fee lands within the reservation. At the outset, it is clear that fee lands or "checkerboarded lands" remain a legal and political problem for the White Earth band, particularly since a coherent resource management policy cannot be isolated to tribal landholdings. The Court's ruling on White Earth v. Alexander left open questions of taxation, zoning and law enforcement. These issues will

likely be tested when the tribe seeks to implement provisions of the Indian Tribal Government Tax Status Act.⁵¹

Nationally, the courts have wavered on the issues of tribal jurisdiction, regulation, and taxation within checkerboarded reservations. In Washington v. Confederated Tribes of Colville Indian Reservation (1980), the Court upheld the rights of the tribe to tax cigarette purchases by non-members on trust lands. However, in Montana v. U.S. (1981) the Court punished the Crow tribe for its dependency. The Crow reservation is "checkerboarded" to the extent that fee lands comprise 28% of the reservation. In a Crow attempt to restrict non-Indian hunting and fishing within the borders, the Montana Supreme Court ruled that any exercise of power unnecessary to "protect tribal self-government, or to control internal relations is inconsistent with the dependent status of the tribe, and so cannot survive without express congressional delegation."⁵² In comparison, the Court of Appeals for the 10th Circuit, in Knight v. Shoshone and Arapahoe Tribes (1982), held a tribal zoning law applicable to non-Indian fee property.

⁵¹John Helland, Legislative Analyst, Minnesota House of Representatives, "Indians and Natural Resources in Minnesota: Current Legal Issues," House Research Information Brief, St. Paul, MN, December 1984.

⁵²Jane Scott, "Zoning: Controlling Land Use on the Checkerboard: The Zoning Powers of Indian Tribes After Montana v. United States," in American Indian Law Review, Vol. 10, 1982, 187-209, citing 447 U.S. 134 (1980).

The absence of any land use control over lands within the reservation and the interests of the Tribes in protecting their homeland from exploitation justifies a zoning code. The fact that the code applies to and affects non-Indians who cannot participate in tribal government is immaterial. The activities of the developers directly affect Tribal and allotted lands.⁵³

In another 1982 case regarding zoning, the Court of Appeals of the Ninth Circuit held that the Quinault Tribe may enforce its building, health and safety code against non-Indian property holders.⁵⁴

Hence, rulings are divergent in the Courts on regulation and economic development in checkerboarded reservations. Regulation by tribes of non-trust lands is consistently a matter brought before the Courts. Consequently, whether the White Earth band attempts to enforce provisions of the Indian Tribal Government Tax Status Act, an environmental code, or a gaming enterprise, it is very plausible that the band will be in court. In no case has the issue of checkerboarding been brought before the Courts in an instance where 94% of the reservation is held by non-Indian interests.⁵⁵

The prospects for regulation, and for the Courts to uphold the validity of this regulation are weak in White

⁵³Ibid., 450 U.S. 544, 548-549 (1981) rev'g 604 F. 2nd 1162 (1979) rev'g 457 F. Supp. 599 (D. Mont. 1978).

⁵⁴Ibid., 670 F. 2nd 900 (10th Circuit, 1982).

⁵⁵Ed Peterson Jr., Esq., interview October 18, 1987, F. Supp. 418.

Earth's present condition and would be strengthened if more land was held by the band. An inherent power of government is to exercise jurisdiction and generate revenues. White Earth must alter the form of land tenure on the reservation in order to exercise this power. As such, structural change in land tenure is critical to long-term economic development on the reservation.

The Structural Relationship to the Federal Government

The second structural problem plaguing the White Earth band is the relationship of the band to the federal government. This issue is extremely complex, and has significant political and economic implications. There are at least two major problems that should be addressed over time: (1) The Indian Reorganization Act constitution which governs the Minnesota Chippewa Tribe and White Earth band perpetuates dependency and imposes weaknesses on the decision making authority (and self-reliance) of the White Earth band; and (2) the lack of diversified income and economic/political relationships limits economic development options at White Earth.

The historical origins of the Indian Reorganization Act (IRA) government at White Earth were outlined briefly in the chapter on White Earth history. Without going into tedious detail, it is clear that the situation has worsened since the IRA was adopted by the Minnesota Chippewa Tribe in

1936, and passed down to the White Earth band. The constitution adopted in order to secure federal recognition was derived from a single model constitution that was recommended to all tribes nationally. This constitution is essentially the charter for a business corporation, and has no relationship or relevance to the Anishinabeg community or traditional decision making. There are a number of flaws in the constitution, but one inherent, and clear flaw, which perpetuates dependency is that the flow of authority is not from the community, but to the community. Hence, final authority rests with the Secretary of Interior. Simply stated, the constitution institutionalizes center-periphery political relations.

A second aspect of the federal relationship problem originates with the IRA government form, but is an indirect derivative of this problem. Because the federal-band relationship was structured as the primary relationship, the White Earth band lacks diversified ties on virtually any level with other bands, resources, or potential allies. The result is that federal funding provides the centerpiece of the budget, representing 48% of RTC budget, 89% of the Circle of Life School Budget, etc. While the overall level of dependency is undoubtedly lower than in previous years, the problem of an undiversified cash economy dependent on the federal government remains.

Leakage from the Reservation

Originating with the primary structural problems, White Earth is faced with symptomatic development problems. These include leakage from the cash economy, non-Indian resource harvest, lack of infrastructure, and other issues.

Cash Leakage

Historically, the White Earth economy has benefitted non-Indians in the region. Leakage from the White Earth economy today also benefits non-Indians as was illustrated in the flow of funds analysis. An aggregate of reservation cash leakage is impossible with present data, but a conservative estimate of leakage is available through estimates from household data from two villages, and estimates from most tribal and federal sources. The conservative estimate of leakage from White Earth into the Detroit Lakes impact area is estimated at approximately \$6.7 million annually in cash income. This represents a loss of income to White Earth band and tribal members. Jobs are generated elsewhere with this money, and Detroit Lakes benefits from a multiplier, while the multiplier at White Earth is virtually non-existent. Hence, White Earth loses the vitality of its economy through this leakage.

In addition, the leakage is evidence that the non-Indian notions of the Indian economy as a burden are fallacious. Using U.S. Census data, the Statistical

Abstract, Congressional and public interest data, the author calculated a comparison between the amount of money paid to Indian programs, White Earth Indian programs, and the military, by the average Detroit Lakes taxpayer. As a comparison, the author also calculated the average benefit to non-Indians in the Impact Area from tribal leakage. Calculations of per-household expenditures by non-Indians on programs specifically designated for Native Americans were based on a number of secondary sources, and tabulations by the Washington, D.C. based Friends Committee on National Legislation (of the American Friends Service Committee).

Average household income in the Detroit Lakes impact area (designated as Becker County for this analysis) was garnered from 1980 Census Bureau data: Approximate federal income tax paid for this income level was estimated from tax tables of the Internal Revenue Service. Percentage of total federal budget garnered from individual income taxes was estimated by the Friends Committee on National Legislation, utilizing the Statistical Abstract of the United States. Total Indian appropriations were allocated from the 1986 federal budget. The appropriations were monitored by the Friends Committee on National Legislation. Tabulations of Becker County household expenditures were mathematically derived from the collected materials. Total impact dollars per household was estimated by dividing total Indian money

expended in the impact area by the number of non-Indian households, as identified in the census. Briefly:

- * Average household income in Becker County is \$15,080.
- * Average federal taxes paid per household in this income bracket: \$1,235/annum.
- * Approximately 22% of the federal budget is derived from household and individual income taxes. (Assume statistics in the military and Indian programs to be the same).
- * All Indian appropriations are \$2.8 billion. Of this 22% originates in household taxes, or \$616 million (.1% of all federal program budget tax dollars).
- * Each Becker County household taxpayer spends \$1.93 on all Indian related programs per annum (.156% x \$1,235).
- * Each Becker County household pays \$.02 for all White Earth programs. If we assume that only 22% of the White Earth budget originates in these taxes, the figure is less than \$.01 per household.

In comparison, the average non-Indian household benefits to a greater degree than an average Indian house from the White Earth budget. If it is assumed that cumulative White Earth payments to the non-Indian vendors become income; it is possible to make the following proposal:

- * There are 10,822.5 non-Indian households in the impact area. (Assuming 3.6 persons per household, subtracting Indian households, and adding Park Rapids households into the figure).

* Total impact dollars per household is \$619.

Overall, only \$.02 of the tax-dollar of the non-Indian goes towards White Earth programs. The non-Indians, in comparison receive an average of \$619 per household in returned income from White Earth leakage expenditures. Because there is a multiplier in the Detroit Lakes Impact area (at least within the non-Indian economy of the region) these non-Indian families benefit more from the Indian dollar, than the White Earth Indian families.⁵⁶

While not all of this income could be retained by the White Earth band and tribal members, a great portion of it could be kept on the reservation. It would behoove the White Earth Tribal Council, non-profits and individual Indians to outline a plan to recover some of these revenues through development of an infrastructure to capture the Indian dollar.

Loss of Natural Resources to the Non-Indian Harvest

The loss of control over the land is equated with a loss of control over the natural resources of the reservation. In the formal economy, this loss of resources would be referred to as expenditure data. This subsequently would be

⁵⁶Based on estimate model derived from Stillwaggon. Data not previously cited comes from Friends Committee on National Legislation, Washington D.C. (research) 1987.

leakage. However, in the discussion of the disposition of the natural resources, their expenditure is best described in terms of resource harvest and use. If the Anishinabeg natural resources are defined as those within the borders of the reservation, and leakage to be consumption by the Non-Indian population, a clear picture of the overall scenario is apparent. Data is available for only some resources. For instance while non-Indian deer harvest can be estimated in aggregate, aggregate fish harvest cannot be estimated. However, several statistics should alert tribal planners to the loss of resources:

- * The RTC Biology Department reports that 3.3% of the walleyes on one major reservation fishing lake were harvested by Indians, while an estimated 96.7% were harvested by non-Indians.
- * In 1986, tribal members harvested some 744 deer, while non-Indians harvested 1,401 within the borders of the 32 townships. This was recorded legal harvest.
- * Similarly of the estimated 228,490 pounds of green rice harvested by tribal members, only 23,131 was retained for personal use. This means that some 68,285 pounds of finished rice (estimated at 40% processing) went off the reservation for a low price. In other words, roughly \$375,458 worth of 'value-added' for the rice crop was lost through this process.
- * In total, some 13.7% of the reservations held by the country as trust lands, or some 114,280 in total acreage. Each year, Becker County generates some \$40,000 from stumpage and timber, Clearwater receives some \$111,000 for the same (Mahnomen

receipts are negligible), resulting in approximately \$150,000 per annum in timber receipts.⁵⁷

While it is impossible to estimate from present data the total loss of resources from the reservation; the loss is apparent. Since non-Indians do not pay the White Earth people for their resources, Indians do not benefit from their usage. Conversely, the opportunity foregone costs of self-employment, self-reliance, and local food production/consumption/revenues adversely effect the White Earth community and economy.

Strengths in the White Earth Economy:
Aspects of Self-Reliance

One aspect of a growing strength in the White Earth economy is an increased diversification of infrastructure funding. Indeed, while federal funding still comprises some 48% of total RTC related funding, an increasing amount is derived from local income generation, including lease/earned revenues from land use, and sales from industry. The more diversity in the sources of income, the stronger the potential for self-reliance. However, to the extent that "economic development" remains centered primarily on capital intensive development programs, the White Earth band will

⁵⁷White Earth Biology Department, 1986 Natural Resources Survey (1987), Winona LaDuke, "White Earth Land Recovery Program," unpublished manuscript, citing data derived from county research, 1988.

remain, somewhat dependent on a foreign federal injection of capital.

The household economy represents an ideal base for diversification on the reservation. Not only is the land richly endowed, but, as indicated in the household survey, participation in household sector is significantly higher than in the formal wage work economy. High levels of participation indicate a use of local versus imported resources. This may be compared with non-Indian payroll leakage in the cash economy. This participation also indicates an interest by the community in this sector, a critical issue in economic development planning.

A second aspect of the importance of the harvesting sector is found in the structure of the economy. The family unit, or domestic mode of production, is congenial with the social structures of the community. As indicated by the study on Native Alaskan Communities, productivity is higher in activities based on structures of the traditional economy, whether those activities are categorized as "subsistence" or for income generation. While the author did not estimate productivity per hour in traditional structures, wage activities, and other activities, it is likely that the Alaskan study has some applications on the reservation. In the study, the domestic mode of production, characterized by local control of the division of labor and production, egalitarian non-stratified production systems,

small scale use of production capability, and open access to usufruct rights and production for use were found to underly the most "successful" activities within the community. In the findings of the researchers, it was not the activity, so much as the structure which was important to productivity.

In terms of the White Earth economy, this sector is also focused on meeting domestic consumption needs. Because the people are producing for themselves, leakage is diminished. In serving local food, clothing and other needs, in this sector, the people are able to capture the value-added for their resources, and reduce the need to import. In this way, the harvesting sector represents great potential and viability in building for self-reliance.

Policy Options and Needs

At the outset, it is clear that additional research into the White Earth economy would facilitate more comprehensive analysis and subsequently, planning. A household survey could be conducted for more comprehensive information. The data ideally, to be gathered would include harvest, demographic, attitudinal, expenditure and income data. This data, in turn would be aggregated with other statistics, and provide a greater composite profile of the reservation. Ideally, this should be linked to community development and land consolidation planning. Hence, the first recommendation is to continue the information

collection process for the purpose of providing more comprehensive planning information.

Second, the White Earth band needs to make decisions on the long-term issues of structural change in the relationship of the band to the federal government. The band also needs to address the structure of land tenure on the reservation. The structure of these relationships could be changed with a constitutional convention or council and implementation of a land recovery program. Both of these undertakings are massive and require a substantial commitment. Both are also presently under consideration by the band.

Third, the White Earth band needs to endeavor to capture the dollars of the cash economy at White Earth. There are a number of mechanisms which could be employed for this purpose. These include, but are not limited to: (1) payroll deductions on employees salaried, (similar to FICA, etc.), (2) taxation of enterprises on the reservation, licensing, and other mechanisms available under the Indian Tribal Government Tax Status Act, (3) reinvestment of locally generated revenues (bingo, etc.), and (4) application of the Community Reinvestment Act to banks doing business with the RTC.

Development of a retail/service sector on the reservation could generate additional revenue and a multiplier. While it is unlikely that Pine Point and White

Earth consumers will shop for clothes at White Earth village, it is likely that convenience and food purchases will be made here. It is also possible for the White Earth band to look towards capturing the market of inelastic commodities. The White Earth band could develop a Rural Electric Cooperative, or telephone cooperative (similar to the Navajo Nation), for this purpose. Ideally, this could be accomplished with renewable energy sources. This would be viable if the White Earth band is able to focus the development on low-energy intensive industry for the reservation. The White Earth band also needs to focus on development programs which are not capital intensive. In this way, the band could reorient some development away from long-term foreign capital investment, and attendant dependency.

The White Earth Band could also utilize the natural resources of the reservation through the above programs and enhancing the traditional economy. However, since the structured units of development within this sector are a critical and central aspect to any endeavor, the White Earth band needs to "tread lightly" in this area. For instance, while wild rice paddies might be feasible, 99% of those surveyed opposed paddies, and this form of resource development would severely restrict usufruct rights and egalitarian relations in production of wild rice. Hence, the essence of the traditional economy, the way in which it

is done (the unit of production) needs to be preserved. This is the essential lesson from the Alaskan study.

The author recommends that the White Earth band investigate enhancing the harvesting economy through a combined resource management program which includes land consolidation, habitat preservation, environmental regulations, and other mechanisms. This would be matched with vertical integration into these industries. Potential industries include maple syrup and jam production, wild rice, handcrafts, furs and use of other natural resources. This strategy is indicative of capturing the value added for the local resources. It is also critical that development remains centered on meeting domestic needs first and expanding to secondary production and production for sale as an export item. In that process, "tzu li keng sheng" or regeneration through our own efforts could be applied in a meaningful way.

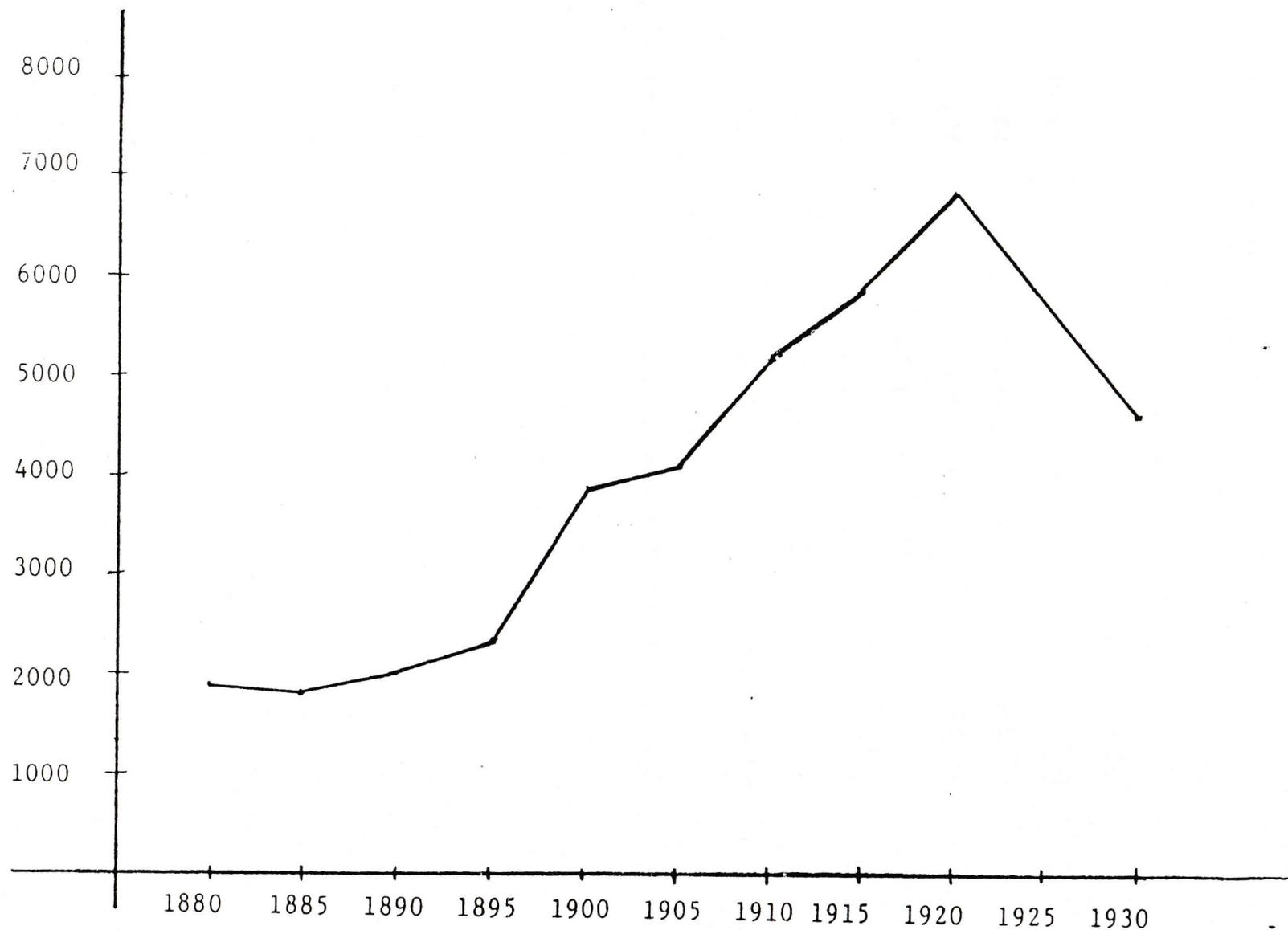
Perhaps the best mechanism from which to approach these forms of development would be in a community development program. Such a program would be a separate department within Tribal Planning, and would be responsible to enhance and support traditional activities, small scale industries, self-employment, local initiatives and small businesses. This program would ideally be accessible to community people and flexible enough that it would not be hamstrung by the tightrope that is federal, tribal and

individual interests. In addition, this program would necessarily support the structures of the traditional economy in these industries. Hence, by its nature, the program would be "bottom up," or at the service of the community, not dictating strict guidelines to the community. The program would facilitate project development at the scale, context and pace appropriate to Anishinabeg culture and the domestic mode of production.

The role of tribal government in this development varies. There is a clear mandate to take positive steps for self-reliant economic development. This mandate includes the need to preserve and enhance the traditional economy, recover lands, capture the Indian dollar, and change the structure of the relationship to the federal government. However, the tribal government must be wary of action in these areas, since the very nature of the IRA generated structure top-down development is contrary to the essence of some of the most self-reliant economic activities underway in the community today. At White Earth there is great potential for positive change. This paper will hopefully provide some analysis and methodology for that process. The White Earth Indians have benefitted the non-Indian economy for long enough. It is time that the White Earth Anishinabeg were, once again, beneficiaries of their own economy.

APPENDICES

POPULATION CHANGES ON WHITE EARTH RESERVATION 1880-1930 IN FIVE YEAR INTERVALS



Source: BIA Census in Five Year Intervals

1976 Age, Structure of Resident Indian
Population of White Earth

Total Population: 3372

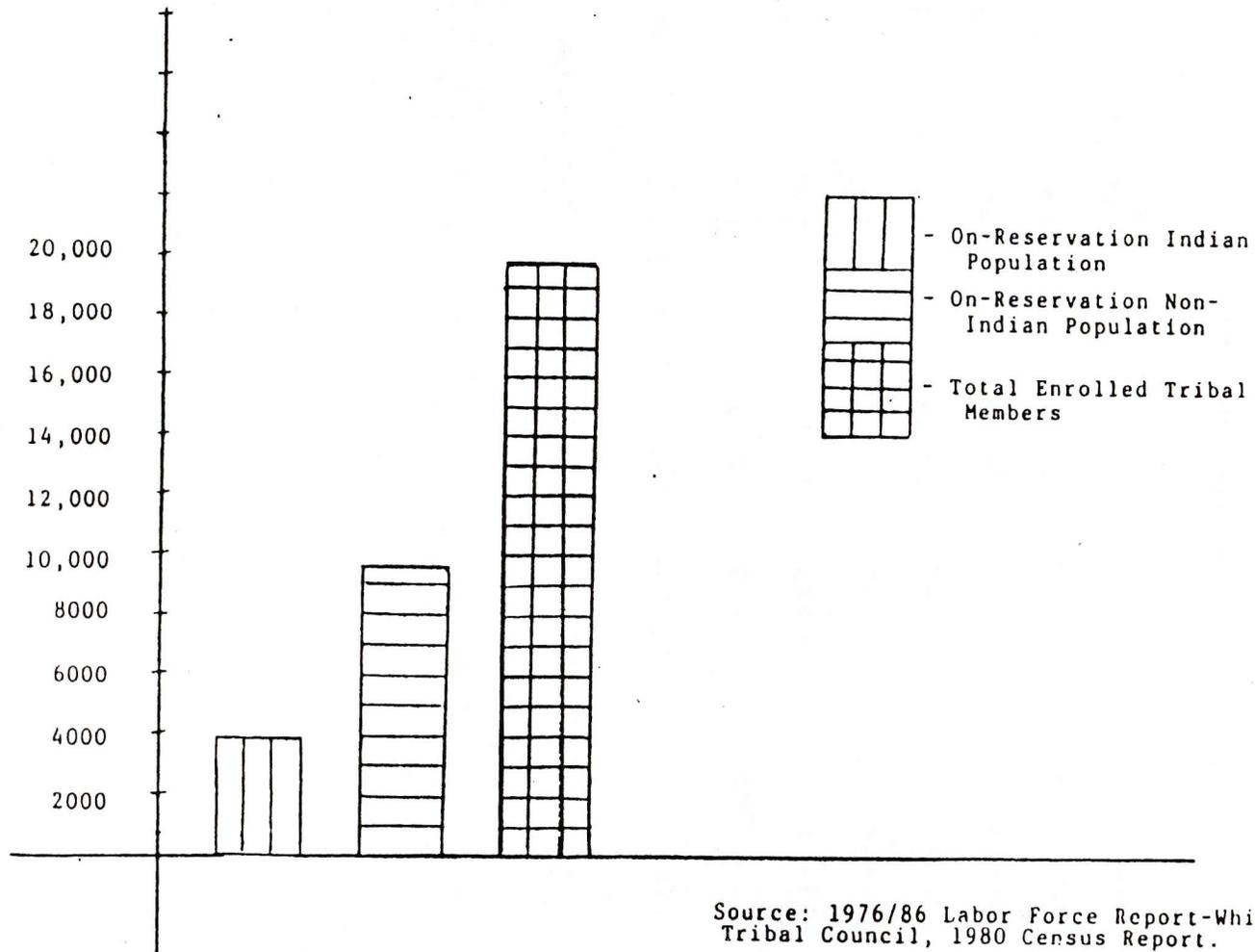
AGE	MALES		FEMALES	
Under 15	646	36.9%	599	37.0%
15-24	395	22.5%	371	24.9%
25-34	207	11.8%	215	13.3%
35-44	159	9.1%	133	8.2%
45-64	226	12.9%	203	12.5%
65 & Over	120	6.8%	99	6.1%
Total:	1752	100%	1620	100%

1986 Age Structure of Resident Indian
Population of White Earth

Total Population: 4268

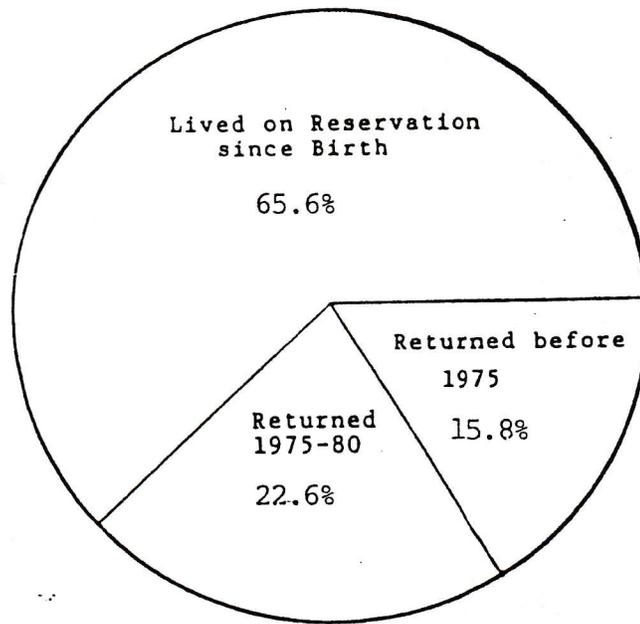
AGE	MALES		FEMALES	
Under 16	766	34.8%	756	36.3%
16-24	423	19.4%	404	19.4%
25-34	363	16.5%	338	16.2%
35-44	190	8.6%	202	9.7%
45-64	266	12.1%	225	10.8%
65 & Over	190	8.6%	155	7.6%
Total:	(2198)	(100%)	(2070)	(100%)

RESIDENT INDIAN, NON-INDIAN AND POTENTIAL RESIDENT
INDIAN POPULATIONS OF WHITE EARTH 1980 (ESTIMATE)



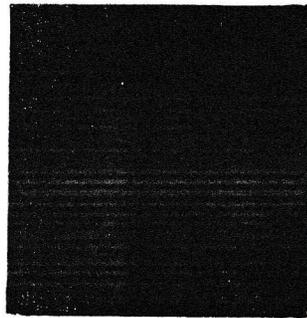
Source: 1976/86 Labor Force Report-White Earth
Tribal Council, 1980 Census Report.

ESTIMATED INDIAN IMMIGRATION TO WHITE EARTH 1970-1980

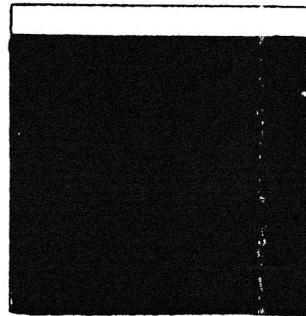


Source: US Census Bureau: Summary of Social Characteristics of American Indians, Eskimo and Aleuts on Identified Reservations 1980

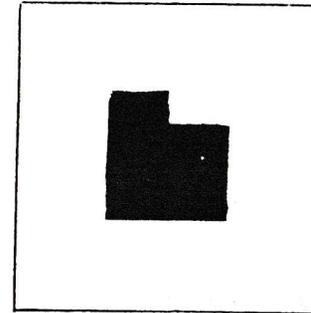
LAND LOSS ON WHITE EARTH RESERVATION OVER TIME



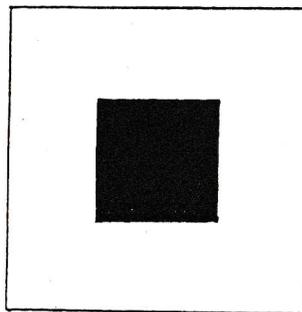
1867 837,000 acres



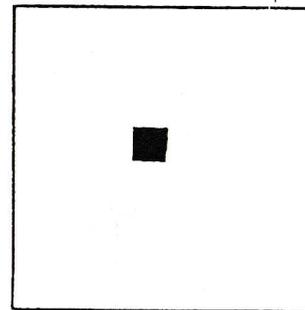
1889 744,840 acres



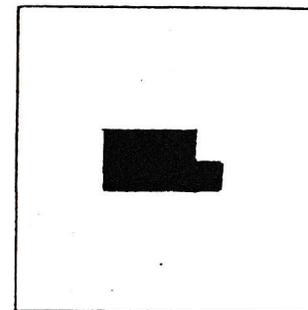
1915 117,180 acres



1925 135,428 acres



1935 7,890 acres



1986 57,120 acres

Lands Remaining in Trust ■
Total Reservation acreage □

Source: Janke, Meyers, White Earth Land Office

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