

## **The Impact on Individual Indians: The “Haves” And The “Have Nots”**

“There have been allegations in the past few years of theft, fraud and other forms of terrible mismanagement by the Standing Rock Tribal Council. Since we live under this monarchy government, the ruling tribal council is immune from prosecution by the constituents it was designed to serve . . . We have on our tribal council and BIA staff, people who thumb their noses at justice.”

— **Joseph Walker, Daniel Defender, Reginald Bird Horse, and Phyllis Wilcox,**  
**Lakota/Dakota Advocates for Human and Civil Rights**

### **No Checks, No Balances**

With access to largely unchecked power, communal resources, and millions of dollars in federal aid, corruption among tribal councils is both common and inevitable. This power and these resources are not only used for personal gain, but also to reward or intimidate others. Winners of political elections reward themselves and their allies while simultaneously thwarting potential opponents. Federal resources intended for the benefit of the general Indian populace often end up as the personal assets of tribal leaders and administrators.

Charges of election fraud are rampant in Indian country, but most cases are never adequately investigated, much less prosecuted. Indian judges courageous enough to rule against a tribal chairman or council are usually summarily fired, as are editors of tribally-owned newspapers who dare to speak out against a particular action or policy.

The frequency of corruption has increased significantly since the introduction of casino gambling to reservations. In Minnesota alone, six leaders from the two largest bands of Chippewa Indians have been convicted of multiple felonies – including theft, fraud, kickbacks, swindle and vote rigging – and are now serving or have served time in federal prisons.

Included in this group of convicted and incarcerated criminals is the former head of the Minnesota Indian Gaming Commission, who served time in Leavenworth Prison; a former state senator; and a man who was the long time Chair of the Minnesota Chippewa Tribe and Chair of the Minnesota Indian Affairs Council, who had also received a Presidential appointment to advise the federal government on reorganizing the BIA.

Other recent cases of corruption involve embezzlement from federal housing programs, the sale of surplus government equipment by individuals, “ghost” employees on federal or tribal payrolls, bribery, and kickbacks.

All of the people in these situations created systems for cheating and stealing from their own people. There is a systemic lack of accountability in tribal governments, leaving Indian people without the means to reign in their own tribal leaders. Instead they must rely on sporadic federal intervention.

### **Welfare Dependency: A Bitter Legacy**

Welfare dependency on reservations dates back to the late 1800’s. Indians often were forced onto reservations away from their customary homelands after having been overwhelmed or conquered militarily. Many lost their established means of self-sufficiency, making them dependent on the federal government for basic necessities.

Many treaties transferred land and resources from tribes to the United States in exchange for government aid. Neither the government nor the tribes understood the dangers of a dependency that has become endemic on most Indian reservations, a dependency that is especially encouraged by the trustee-ward relationship between the federal government and tribes.

Several years ago Fen Montaigne of the Philadelphia Inquirer described life on the Standing Rock Indian Reservation in South Dakota. Unfortunately, Montaigne's description fits too many reservations in this country:

"That Standing Rock has become a breeding ground of sorrow is beyond dispute: Traditional Sioux culture has been shattered, the economy is a shambles, welfare is king, alcoholism is rampant. More than \$200 million in federal funds has been spent here in the last quarter-century, yet the reservation remains an economic wasteland. Not one sizable Indian business or industry exists. Three quarters of the adult population is unemployed. The two counties that make up Standing Rock are among the 25 poorest in the United States...

"To make sense of George Bald Eagle's life, it is necessary to understand one basic truth: The federal government has conquered the Indians of Standing Rock twice – first with its cavalry, then with its largesse. Increasingly, the dominant culture here is welfare, not Sioux.

"From the provision of bacon, blankets, farm implements and cattle promised in the 19th century treaties, the reservation system has blossomed on Standing Rock and elsewhere into an elaborate welfare state. Special Indian programs provide food, health care, education, scholarships, housing, welfare for able-bodied men, fuel assistance, burial insurance and other benefits. Often the aid is inadequate, the care substandard. But the coverage is cradle-to-grave, and it is possible for many tribal members to get by without lifting a finger. . . .

"The tribe's leaders – now the dominant force on Standing Rock – are failing the people as badly as the federal government has. And many Indians, withered by the pervasive welfare system, are failing each other."

Americans generally recognize how damaging generations of welfare have been to residents of our inner cities. Few have a similar appreciation for a much more chronic welfare dependency that has decimated Indian reservations. Traditional culture, families, and a work ethic have been destroyed and young people are too often raised without successful role models or positive incentives. Reservation political, economic and welfare systems combine to create feelings of helplessness and hopelessness that lead to other problems such as drug and alcohol abuse. Could people of any culture prosper under such oppressive systems?

### The Reservation: Home of a Failed Socialist Political and Economic System

Communal land ownership and federal trust restrictions on land ownership and use inhibit economic development in a number of ways. They make it difficult, if not impossible, to put together efficiently manageable land units for agricultural purposes. The protection from encumbrances on trust land hinders its use as collateral for operating loans, reducing the capital that is available to Indian agricultural operators.

Through BIA controlled inheritances, most land allotted to individual Indians is now owned outright by the tribe or collectively by groups of individuals. The multiple ownership of land increases the difficulties of effectively managing the land while simultaneously reducing the benefit to any individual who makes the effort.

Terry Anderson and Dean Lueck, in their book *Property Rights and Indian Economies* argue that multiple ownership, the trust status, and management by the BIA of allotted and tribal land would be expected to reduce its productivity. They tested their theory and concluded "that the value of output per acre for individual [allotted trust] and tribal trust land will be 46 percent and 81 percent less, respectively, than for fee simple [deeded] land."

These results should not be surprising. Tribal governments and their asset management practices are often similar in many ways to the systems that devastated the economies of communist-controlled eastern Europe. As noted earlier in the discussion of John Collier, this similarity to eastern Europe is neither accidental, nor is it based on early tribal traditions.

## Legal Conflict and Confusion Hinder Economic Development

Economic advancement on reservations is hindered by the flawed federal policies that have created an unworkable and adversarial legal environment on Indian reservations.

Two governmental systems (state and tribal) with different laws and courts and confusing areas of jurisdiction are only part of the problem associated with the unique legal framework on reservations. Since to some extent, each tribe is its own separate governmental entity, potential investors and residents are confronted with problems similar to those they might face in a small Third World country.

Contracts with tribes or Indians on reservations generally can only be enforced by the tribe itself. The risks associated with taxes, licensing, and regulatory issues are an added burden to businesses which combine to significantly reduce the amount of investment and economic activity that occurs on reservations.

The situation is exacerbated by the fact that when conflicts do arise, the government of the United States generally sides with tribal governments, claiming that its status as trustee for Indian tribes requires it to protect their interests. Legal issues discourage non-Indian companies from building facilities on reservations. Very few businesses are willing to risk legal entanglements with tribes, especially when all the resources of the federal government can be brought to bear on the tribe's behalf.

## Overwhelming Obstacles to Indian Economic Development

People concerned about the quality of life on Indian reservations wonder why reservations are so poorly developed economically and socially. Some legitimate questions are: "Why, considering the multitude of special benefits available to Indian tribes, and the billions of federal tax dollars appropriated for their benefit on an annual basis, is there so little to show for it? Why do reservation Indians suffer such perpetual unemployment, poverty and hopelessness?"

The answers to these questions have apparently eluded federal policy makers who generally refuse to take a hard look at the issues. In reality, most of the problems are not only understandable, they are predictable once the underlying policies that affect life on reservations are understood.

The lack of economic and social development on reservations can be attributed to several critical factors. One major impediment is the governmental structure, which is devoid of the "checks and balances" normally found in democracies. A second is a well established and pervasive welfare system on reservations that harbors the same kinds of problems seen in America's inner cities – low self esteem, poor education, health problems, crime, and corruption. The third obstacle is the communal ownership of property, managed and controlled by tribal governments and the BIA, a system that has many similarities to those found in the former communist countries of eastern Europe. Fourth, tribal claims of sovereign status create unique and confusing legal jurisdictions on reservations that inhibit economic prosperity and social harmony. Fifth, the federal government's ambiguous, changing and often, contradictory, positions regarding tribal sovereignty only add to the confusion and dysfunctional state of affairs.

Is it any wonder that legitimate efforts to promote economic development and higher standards of living have historically failed when faced with such obstacles? Any one of these problems would be a serious handicap for a rural community to overcome. Together, they are devastating.

The federal government spends over \$4.7 billion annually, primarily on behalf of the 437,358 Indians that live on reservations. This is more than \$10,000 per person or \$40,000 for a family of four. Furthermore, these figures do not include significant state, local, and private assistance.

And what does the American taxpayer get in return for this exorbitant annual expenditure? Social and economic devastation on reservations, disharmony, litigation, and political rhetoric. Indians are the most seriously affected, but everyone living on or near a reservation is also adversely impacted.