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The Reduction of a Self-Sufficient People to Poverty and Welfare Dependence: An Analysis of the Causes of Cherokee Indian Underdevelopment

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## The Reduction of a Self-Sufficient People to Poverty and Welfare Dependence:

### *An Analysis of the Causes of Cherokee Indian Underdevelopment*

By GARY C. ANDERS\*

**ABSTRACT.** This investigation of *American Indian underdevelopment* is based on historical data on the *Cherokee people* which demonstrate how a self-sufficient people have been reduced to their present state of *poverty and welfare dependence*. *Colonialism* and the imposition of White control over *Native institutions* undermined the Cherokees' ability to innovate effectively. This hypothesis is substantiated by similar experiences of other tribes, as well as those of different *indigenous groups*, such as *Alaska Natives*, who have been more successful in preserving their traditional *cultures*.

The Spaniards were unable to exterminate the Indian race by those unparalleled atrocities which brand them with indelible shame, nor did they even succeed in wholly depriving it of its rights; but the Americans of the United States have accomplished this twofold purpose with singular felicity, tranquilly, legally, philanthropically, without shedding blood, and without violating a single great principle of morality in the eyes of the world. It is impossible to destroy men with more respect for the laws of humanity. [From "Present and Future Condition of the Indians," in *Democracy in America*, Reeve-Bowen trans. (Cambridge: Sever and Francis, 1864) Part I, pp. 439-56.]

ALEXIS DE TOCQUEVILLE

\*[Gary C. Anders, Ph.D., is assistant professor of economics and Native studies, University of Alaska, Fairbanks, Alaska 99701, and director of the University of Alaska's Native Studies Program.] Because I believe with John Dewey that one should always keep his allegiances, biases and prejudices in the forefront of his mind as a way of achieving more closely the ideal we all share, scientific objectivity, I state for the reader's information that I am a mixedblood Cherokee. I thank Dr. Will Lissner and his wife, Dorothy, for encouraging this investigation over the several years it required, and Dennis Demmert, Mike Gaffney and Rob Marning for their helpful discussions.

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## I

## INTRODUCTION

IN THE UNITED STATES, a country which has set standards for material comfort and prosperity, many members of the (original) Native population (hereafter called 'Natives') continue to experience socio-economic conditions comparable only with parts of the underdeveloped Third World. Because social scientists studying problems of underdevelopment prevalent among American Indians have many times failed to focus upon the salient aspects of the Indians' historical and economic involvement with the United States, previous analyses of Indian underdevelopment and poverty have shown a marked bias. Unfortunately, public policies predicated upon these ideologically biased analytical models have tended to reinforce economic failure among Native Americans.

Before we can begin formulating policies for successfully improving living conditions and economic opportunities for Natives, we need a much better understanding of the factors which have shaped and conditioned their present reality. My purpose in undertaking this investigation is to introduce a different and potentially more useful perspective to the students of the problem of Native American development and social change. My analysis takes the form of a case study of the Western Cherokees. It uses historical data to demonstrate how a self-sufficient group of people have been reduced to a state of poverty and welfare dependence through the destruction of their demonstrated potential for tribal innovation. Theoretical concepts of internal colonialism and economic dependency are used to analyze the Indians' relationships with the dominant White political economy. In the final section I try to show the relevance of my findings for other Native groups in Alaska.

## II

## CHEROKEE-WHITE RELATIONS

IN A JOURNAL ARTICLE, it is simply not possible to consider a detailed history of the Cherokees. Instead we will examine bits and pieces of tribal history which illustrate two basic points: First, the Cherokee Indians were capable of innovating western concepts, practices, and technology for their own socioeconomic development, and second, that as a result of White colonialism they no longer possess the necessary conditions for such innovation. The reason for this approach

is that, in my opinion, these historical factors are closely related to the basic problem of underdevelopment.(1)

On the basis of historical data, one could rightfully argue that the Cherokees, perhaps more than any other tribal group, tried the hardest to develop and maintain favorable relations with the United States. In the 19th and 20th centuries the Cherokees made numerous attempts to raise themselves up—believing all the while that their progress (measured in terms of social and economic development) would ensure the survival of the tribe. Before they were eventually driven out of their ancient homelands in the Southeast, the Cherokees, Choctaws, Creeks, Chickasaws, and Seminoles had so successfully adapted white technologies and ideas in their transformation of their traditional way of life that they came to be known as the “Five Civilized Tribes.”

This process began in the late 18th century when the Cherokees, and the other tribes to a lesser extent, chose farm implements and machines such as looms and spinning wheels as partial payment for lands they had been forced to cede to the newly formed United States (2). Under a new leadership composed of traditional elders and young mixedbloods and with the help of various missionary groups, the Cherokees began the difficult transition from an economy founded upon hunting and subsistence agriculture, based on land open to all Cherokees under communal tenure, to one based upon capitalism and trade.

The Rev. David Brown, a missionary, noted some of the advances made by the Cherokees in a report he delivered to the War Department in 1825. In addition to raising numerous herds of cattle, horses, and pigs, the Cherokees were cultivating corn, tobacco, cotton, fruit, wheat, indigo, potatoes, and many other crops. The construction of new homes, churches, schools, and roads also illustrated the Cherokees' new prosperity (3). Economic integration with Whites was growing as trade was conducted with such far away cities as New Orleans and Charleston.

Seminal development took place in 1821 when Sequoya, a Cherokee mixedblood, presented his newly invented alphabet to the tribe. Although they were somewhat skeptical, the Cherokees nevertheless tried the new form of writing and the results were truly amazing. Within a short time the Cherokees were publishing their own bilingual newspaper and journal as well as school books for the children and they were even printing their own Bibles in Cherokee which they had translated themselves (4).

Enterprising mixedbloods were an important source of the Cherokees' innovation. Men such as John Ross, Joseph Vann, and Elias Boudinot seemed to reflect the best of both the Cherokees and White worlds. With their eastern college educations (made possible with the help of missionary groups) the mixedbloods helped the traditional Cherokees adopt a constitutional form of government patterned after that of the United States including legislative, executive and judicial branches. In 1827, in the newly established capital city of Echota, Cherokees elected a mixedblood Principal Chief, John Ross. For nearly 40 years, he would provide the stable leadership that fostered a tribal spirit capable of dealing with harsh adversity (5).

Yet in spite of their efforts to establish peaceful relations with Whites, the Cherokees and the other 'Civilized Tribes' became the victims of colonialism. Within a month after gold was discovered on the Cherokee Nation's lands in 1828 (producing America's first gold rush), the Georgia legislature passed laws which extended their authority over the Cherokee Nation. These laws nullified the Cherokee Constitution and made it illegal for the Cherokee National Council to meet. Indians were forbidden to engage in mining on their own lands. All contracts between Indians and Whites were declared invalid. It was made illegal for an Indian to testify against a White in court. As a result of these laws, armed bands of Whites openly raided Cherokee settlements: they robbed and pillaged with impunity (6). The Indians' peaceful and cooperative ways notwithstanding, the Government had determined that all Indian-owned land and property would be expropriated and parceled out exclusively to Whites.

While the state laws made it impossible for the Cherokees to resist the seizure of their land, they continued to fight back through the courts. In the case of *Worcester vs. Georgia*, the Cherokees won a great moral victory. John Marshall, then Chief Justice of the United States, delivered the Supreme Court's opinion:

. . . the acts of Georgia are repugnant to the Constitution, laws, and treaties of the United States. . . . They are in direct hostility with treaties, repeated in a succession of years, which mark out the boundary that separates the Cherokee country from Georgia; guaranty to them all the land within their boundary; solemnly pledge the faith of the United States to restrain their citizens from trespassing on it, and to recognize the pre-existing power of a nation to govern itself (7).

Unfortunately, however, President Andrew Jackson—himself a land speculator—refused to enforce the court's ruling and is reported to have said, "John Marshall has made his decision, now let him enforce

it" (8). That same president sent army and naval forces to Charleston when South Carolina refused to collect imports under his protective tariff.)

By mid-1835, the situation had deteriorated to the point that a treaty made with a small minority of Cherokees was ratified, thereby legitimating Georgia's destruction of the Cherokee Nation (9). Cherokee removal, like that of other tribes, proved to be an exercise in genocide. In the spring of 1837, President Martin Van Buren ordered General Winfield Scott to begin a complete removal of the Cherokees. Under his orders, squads of troops scoured the countryside in search of the helpless tribesmen. According to the ethnographer and historian, James Mooney:

Families at dinner were startled by the sudden gleam of bayonets in the doorway and rose to be driven with blows and oaths along the weary miles that lead to the stockades. Men were seized in their fields or going along the road, women were taken from their wheels, and children from their play. In many cases, on turning back for one last look as they crossed the ridge, they saw their homes in flames, fired by the lawless rabble that followed on the heels of the soldiers to loot and pillage. So keen were these outlaws on the scent that in some instances they were driving off the cattle and other stock of the Indians before the soldiers had fairly started their owners in the other direction (10).

Except for about a thousand stragglers who managed to hide from the army, the Cherokees were captured in this way and imprisoned in makeshift stockades. After seven months of internment, the survivors began their 800-mile forced march to Indian Territory. The trip took six months and was conducted in the harshest winter months. It is estimated that well over one-fourth of the tribe perished along the path Cherokees call the "Trail of Tears" (11).

### III

#### *The CHEROKEE STRUGGLE FOR SURVIVAL*

THE CHEROKEES FACED the hardships of removal and successfully took on the challenges of a new life. From 1838 until 1907 they continued their programs of social and economic development. By 1859 the Cherokee economy was completely rebuilt and their material conditions re-established. The resident Indian agent at Muskogee, Indian Territory, reported the results of a recent census to the Commissioner of Indian Affairs. Living among the 21,000 Cherokee were 4,000 Blacks and 1,000 adopted Whites. Together they culti-

vated over 100,000 acres of land and owned more than 240,000 head of cattle, 20,000 horses, 16,000 hogs, and 5,000 sheep. The Cherokee Nation was operating over 30 public schools with a regular attendance of 1,500 students. Property was being accumulated, additional lands were being cleared, homes were being built, and Indian-owned farms were flourishing. Likewise the capital city, Tahlequah, was also expanding and already could boast of a hospital, numerous churches, a museum, a Masonic Temple, and an opera house (12).

Cherokee progress in Indian Territory was again interrupted by intertribal participation in the Civil War. Like the other tribes in Indian Territory, the Cherokees were divided over the issue of slavery. Mixedbloods and Whites among them tended to own slaves while the more traditional fullbloods were opposed to slavery. When the fighting broke out, in the East, in Indian Territory about 2,000 Cherokees (mainly mixedbloods) sided with the Confederacy while another 4,000 (mainly fullbloods) joined the Northern ranks (13). They were later joined by others of like sympathies. The battles these groups fought in were among the bloodiest of the Civil War. It is estimated that one of every three adult Cherokee males was killed. In Indian Territory houses, stores, barns, schools, crops, and cattle were either burned or carried off by raiders. Charles Royce, a famous anthropologist and historian, describes the war-time destruction of the Cherokee Nation of that time in these terms:

Raided and sacked alternately, not only by the Confederate and Union forces, but by the vindictive ferocity and hate of their own factional divisions, their country became a blackened and desolate waste. Driven from comfortable homes, exposed to want, misery and elements, they perished like sheep in a snow storm. Their houses, fences, and other improvements were burned, their orchards, destroyed, their flocks and herds slaughtered or driven off, their school-houses given to flames, and their churches and public buildings subjected to a similar fate; and that entire portion of their country which had been occupied by their settlements was distinguishable from the virgin prairie only by the scorched and blackened chimneys and the plowed but neglected fields (14).

They key to understanding Cherokee participation in the Civil War, as well as its disastrous consequences on the tribe, lies in recognizing that it was the inevitable result of the polarization between mixed-bloods who had become inseparably tied to the social, political, and economic structures of the slave-owning South, on the one hand, and the traditionally conservative fullblood Cherokees, on the other. The Civil War drove a wedge through the heart of the Cherokee Nation.



It promoted a conflict between various factions of Cherokees that was never fully resolved.

In order to protect their own economic and political interests, mixedbloods and assimilated Cherokees began to cooperate with the United States Government and signed treaties which gave away much of the tribes' land, but brought them secure holdings. Throughout the period of Reconstruction and on into the early 20th century, this mixedblood/fullblood conflict was rekindled as these two groups battled for control of the tribal resources.

As members of these two groups vied for control over tribal resources, the lure of potential wealth attracted other interested parties (15). Over time, the struggle for the Cherokee lands came to include homesteaders, cattlemen, and corporations. Aided by a sympathetic and sometimes economically interested Congress, the Whites and mixedbloods were able to force the allotment of tribal lands to individuals, and use the surplus to open up Indian Territory to White settlement (16).

#### IV

##### *ECONOMIC IMPERIALISM AND COLONIALISM—ON THE RESERVATION*

THE WHITE MAN'S treatment of Native Americans has not, however, always centered around White avidity. There are examples where compassionate and concerned groups such as the Indian Rights Association were instrumental in obtaining better treatment for the Indians, and the efforts of such groups does tend to explain the persistent use of the legal process in dealing with Native Americans. Yet, the acknowledgement of proper legal formalities many times served as the pretense for outright expropriation. Thus, the phrase "as long as the grass grows and the water runs" became a tragic irony in the face of White colonialism that used a malleable legal and political system to exploit the Indians (17).

As soon as Indian-owned resources became desirable to Whites, legal and political actions were taken to strip them away from the tribes. Realizing the destructive impacts of these actions, there should be no doubt that the primary motivation of policies such as the Curtis Act (1898), which abolished all Indian tribal governments and courts, was economic, since the policies were principally responsible for opening up new methods for the further exploitation of traditional Indians by Whites and their agents.

In retrospect, it is apparent that this type of colonial relationship



affected almost every Native group in the country (18). In the Cherokee case, for example, the evidence of this type of colonial relationship is found in the number of times the United States Government ignored treaties made with the Cherokee Nation and used political and economic power to force its will upon the tribe. In essence, the Cherokee Nation was treated like an internal colony for the benefit of White interests. To a large extent, this colonial relationship was facilitated by the Cherokee *comprador* class. Again and again the Federal Government and the various White-owned corporations used the Cherokee *comprador* to secure land concessions. The usurpation of tribal sovereignty and the disintegration of traditional social structures were essential features of the colonial process that was used to subjugate the Cherokees and other Native American tribes (19).

In many ways the present underdevelopment of other Native Americans is a direct result of their experiences with White colonialism and the structures of dominance and dependence it imposes. The reason for this is that "by its very nature colonialism produces a fundamental transformation of the colonial society, its institutions, and its entire social fabric" (20). The impact of the political, legal, and economic aspects of colonialism undermined tribal structures, and in the Cherokee case lead to what Frank calls "the development of underdevelopment" (21). Historical data show that the Cherokees once possessed the ability to innovate new technologies and adopt them as a means of bringing about their social and economic development. Once the Cherokees had their own government, schools, courts, and other public institutions. The Cherokees demonstrated a remarkable capacity to modernize dramatically, but by government fiat the Cherokee Nation (as were other Indian Nations) was abolished so that Whites could take their lands and establish their own State. Consider the data presented in Table 1.

As the data indicate, the Cherokees of Oklahoma are one of the poorest Indian groups in the country. Cherokee family incomes, especially in the main settlement areas of eastern rural Oklahoma, are only about one-half of the state average for all races. Furthermore, it is estimated that at least one out of every two Cherokee families receives some form of welfare.

Once the Cherokee Nation was composed of independent, self-sufficient farmers and ranchers. They maintained a financially solvent government which operated some of the finest public schools in the country. Almost all the population could read and write in either Cherokee or English. Unemployment was not a problem. If a person

TABLE 1  
 INCOME, UNEMPLOYMENT, AND PUBLIC ASSISTANCE FOR THE  
 CHEROKEE NATION AND OTHER SELECTED GROUPS, 1970

Item	Cherokee Nation	Oklahoma All Indians	Oklahoma All Races	U.S. All Indians	U.S. All Races
Median family income	\$3,890	\$5,466	\$7,720	\$5,832	\$9,590
Percent of the work force over 16 years unemployed	29.3%	8.6%	3.1%	11.1%	4.4%
Percent of families receiving public assistance	19%	16.6%	6.6%	18.8%	5.3%
Percent of families below poverty line	50%	32.5%	15.1%	33.3%	10.7%

Source: Department of Commerce, *American Indians: 1970 Census of Population, PC(2)-1F* (Washington, D.C., 1970).

did not want to work full-time at a wage job, he could find ample part-time employment and supplement his income by hunting or farming. The aged and infirm were not forgotten. There were public institutions to provide cooperative assistance and clan members pitched in and provided food and services. Yet today, this economic self-sufficiency has largely been replaced by poverty and dependence.

V

*EFFECTS OF COLONIALISM ON OTHER TRIBES*

MY ARGUMENT is that colonialism and the imposition of White control over Native institutions undermined the social, cultural, political and economic basis of the tribe's solidarity. As among the Cherokees, the present underdevelopment of other Native Americans is largely due to the strangulation of their initiative by actions of the Federal Government, the Bureau of Indian Affairs (BIA), the states, and by co-opted members of their own tribal leadership.

For many years the relationship between Indians and the Federal Government was one of administrative domination. Indigenous tribal institutions were either destroyed or taken over by the BIA, while new White-controlled institutions were put in their place. With the passage of the Indian Reorganization Act (1934), some political and

economic power was shifted back to Natives, but often this resulted in the appointment of "responsible" individuals whose sole responsibility lay in validating decisions which had already been made by the local BIA Superintendent or the Commissioner of Indian Affairs (22). In point of fact, the trust relationship between the tribes and the BIA did much to retard the development of Native skills in the areas of business, management, economics and education. This guardian-ward relationship, which was the embodiment of U.S. colonialism, combined with the isolation of the reservation setting, deprived Natives of experience vital to their economic development and at the same time encouraged the political fragmentation that undermined the tribes' ability to innovate effectively. In certain cases, the effects of historical factors are so strong that even new public policies such as the Indian Self-Determination and Educational Assistance Act (1975), which were designed to bring about more Indian participation in local decision-making, have not had the desired results (23).

## VI

## CONCLUSION

THE PURPOSE of this discussion has been to examine, through a representative case study, the connections between Native American underdevelopment and historical factors that influenced their potential development. My basic argument can be summarized as follows: Native American poverty and underdevelopment are direct products of historical consequences, and the adverse effects of the Indians' trust relationship with the Federal Government will continue to be felt in ways that condition, inhibit and handicap their potential for future economic development.

In this context, let me point out some of the similarities and differences with respect to Alaska Natives. To some extent, Alaska Natives have had similar experiences with White colonialism (24). Despite the proselytizing efforts of overzealous missionaries and public officials, they have been able to keep some of their traditions and culture alive, and this has had a tremendous influence on their ability to deal with foreign influences. The fact that they have been instrumental in negotiating their own land claims settlement suggests that they are able to use political power innovatively to help defend their traditional lifestyles and their land in much the same way as the Cherokees attempted to use the courts to defend their Nation. Unfortunately, much of the energy available for innovation has been chan-

neled off into the political arena, because that has been the focal point of their struggle with the Federal and State Governments. Yet the establishment of their own corporate/community structures strongly indicates that when left to their own initiative, Native peoples still have the capacity to innovate, and that economic development need not preclude preservation of their cultural values (25). Mike Gaffney has succinctly presented the two most important aspects of this approach:

What must be recognized is that these relationships can only develop and endure where there continues to reside a cultural disposition possessing firstly, some historical sense for the fragility of man's relation to the environment and the limits to which this relationship can be exploited for material gain. And secondly, a traditional structuring of decision-making and problem-solving processes on such a small scale plane that the dominant social dynamic is not the alienation of man from his society and his work; instead, through the identity and security offered by day-to-day immersion in kinship bonds, familiar communication patterns, and in a subsistence lifestyle providing a worthy alternative to excessive dependence on the cash economy, what comes to pass is an integration of man with his society and work (26).

Like other groups, Alaskan Natives have chosen to follow the only course open to them. In many ways this choice reflects the tremendous pressures which have been brought to bear on Alaska by those who are so desperately in want of the land—its vast reserves of natural resources. It is as if we are observing a grand experiment in social adaptation, cultural change, political modernization, and economic development. But we would cautiously point out that the success of the Natives' struggle depends, only in part, on how effectively they can adapt their corporate structures for development. Perhaps even more important is the extent to which they will be allowed to persevere in their efforts to maintain a unique cultural heritage (27).

1. "For the economic state of a people does not emerge simply from the preceding economic conditions, but only from the preceding total situation," Joseph A. Schumpeter, *The Theory of Economic Development* (New York: Oxford Univ. Press, 1961), p. 58.

2. For a discussion of events leading up to this transitional period see, John P. Reid, *A Better Kind of Hatchet: Law, Trade, and Diplomacy in the Early Years of European Contact* (University Park: Pennsylvania State University, 1976).

3. Reprinted in Charles E. Royce, "The Cherokee Nation of Indians", *Fifth Annual Report of the Bureau of American Ethnology, 1883-84* (Washington, D.C.: U.S. Government Printing Office, 1887), p. 220.

4. Missionary David S. Butrick tells of the Cherokees' progress in letters to his friend, John H. Payne. John Howard Payne Papers, Vol. G., The Newberry Library, Chicago, Ill.

5. For more on John Ross, see Rachel Eaton, *John Ross and the Cherokee Nation* (Muskogee, Oklahoma: Starr Printing, 1921).
  6. Marion Starkey, *The Cherokee Nation* (New York: Alfred Knopf, 1946), pp. 100–111.
  7. Reprinted in Dale Van Every, *Disinherited: The Lost Birthright of the American Indian* (New York: William Morrow and Co., 1966), p. 157.
  8. William Brandon points out that Jackson refused to enforce the Supreme Court decision because of his strong sympathy with the southern states and their desire to eradicate all Indian land claims. William Brandon, *The American Heritage Book of Indians* (New York: American Heritage Publishing Company, 1961), p. 228.
  9. This document known as the "Treaty of New Echota" was ratified by only 379 Cherokees—less than five percent of the tribal electorate. Starkey, *op. cit.*, pp. 266–69.
  10. James Mooney, "Myths of the Cherokees", *19th Annual Report of the Bureau of American Ethnology*, 1896–1898 (Washington, D.C.: U.S. G. P. O., 1900), p. 130.
  11. Grant Foreman, *Indian Removal: The Emigration of the Five Civilized Tribes of Oklahoma* (Norman, Okla.: Univ. of Oklahoma Press, 1932).
  12. Commissioner of Indian Affairs, *Annual Reports to the Secretary of the Interior* (Washington, D.C.: U.S. G. P. O., 1859).
  13. Annie Able, *The American Indian as a Participant in the Civil War* (Cleveland: Arthur H. Clark, 1919).
  14. Charles Royce, *op. cit.*, p. 376.
  15. For an interesting discussion with numerous supporting examples see H. Craig Miner, *The Corporations and Indian Tribal Sovereignty* (Columbia, Mo.: Univ. of Missouri Press, 1976).
  16. Signed into law on February 8, 1870, the General Allotment Act contained five basic provisions: 1) tribal lands would be divided and each tribal member would receive a grant of land consisting of 160 acres for each family head, a grant of 80 acres for each single person over 18, and 40 acres for each juvenile; 2) Indians would receive fee simple title land to their individual holdings, but the lands were to be held in trust by the government for 25 years in which time they could not be alienated; 3) the allottees would be given four years to make their selections, after which time the government would make their selection for them; 4) United States citizenship would be conferred upon any Indian who maintained his allotment and adopted a civilized lifestyle; 5) unallotted tracts of land would be declared surplus and sold by the government. After the lands containing oil, coal, timber, and other valuable natural resources had been set aside for Whites, the final disposition of land in Indian territory was 19.5 million acres. Of this 3.7 million was declared surplus and sold to Whites. But what is more important is the fact that of the 15.7 million acres of land allotted to the Five Tribes under the Dawes Act, more than two-thirds would wind up in White hands ten years later. For further discussion see, Angie Debo, *And Still the Waters Run* (New York: Gordian Press, 1940), pp. 66–90.
  17. Gary C. Anders and Michael C. Melody, "Dependence and Underdevelopment Among Native Americans," a paper presented to the annual meeting of the American Political Science Association, Washington, D.C., September 2, 1977.
  18. For a discussion on the theory of colonialism see Gary C. Anders, "The Internal Colonization of Cherokee Native Americans," *Development and Change*, 10 (January, 1977), pp. 41–55.
  19. Robert K. Thomas, "Colonialism: Classic and Internal," *New University Thought*, 4 (1966–67), pp. 37–43; also see, Palmer Patterson, "The Colonial Parallel: A View of Indian History," *Ethnohistory*, (Winter, 1977), pp. 1–17.
- It is significant to note that the leasing of the Cherokee Outlet lands and the use of this revenue to maintain public services by the tribal government represented an advanced use of the concept of social appropriation of economic rent. This practice shows that the Cherokees recognized the usefulness of this device as the fairest way to handle common ownership rights to land. Prior to 1889, in order to maintain the tribal school system and other public services, the Cherokee Nation began to rely upon revenues derived from leasing a section of their land known as the Cherokee Outlet to members of the Cherokee Livestock Association, a group of White cattle ranchers. The Fairchild Commission reported in 1889 that the Cherokees would never part with their lands so long as they could be used to generate public (tribal) revenues

through leases with cattle companies. So President Benjamin Harrison, under political pressure to open up the lands to White settlers eager to acquire it on the tenure of absolute private ownership with no recognition of the rights of others, invalidated the leases by proclamation on February 7, 1890.

20. Pablo Casanova, "Internal Colonialism and National Development," *Studies in Comparative International Development*, 1 (April, 1965), p. 27.

21. According to Frank, "Underdevelopment is not due to the survival of archaic institutions and the existence of capital shortage in regions that have remained isolated from the stream of world history. On the contrary, underdevelopment was and still is generated by the same process which also generated economic development . . .", Andre Gunder Frank, "The Development of Underdevelopment," in *The Political Economy of Development and Underdevelopment*, 2nd ed., Charles K. Wilber, ed. (New York: Random House, 1979), p. 105.

22. The end result of such policies was almost complete social and economic failure. Hagen and Schaw, for example, in their studies of the Rosebird and Pine Ridge reservations observed this pervasive tendency towards failure. They called this behavior a form of "hostile dependence" and argued that it was a direct result of BIA control. Everett E. Hagen and Louis B. Schaw, *The Sioux on the Reservation: An American Colonial Problem* (Cambridge: Center for International Studies, 1960).

23. In another article I indicate how new forms of dependence and internal control have developed in the face of changing federal policies. See, Gary C. Anders, "Theories of Underdevelopment and the American Indian", *Journal of Economic Issues* (September, 1980), pp. 681-702.

24. Early Russian traders, for instance, forced Aleuts to hunt for them so that they could reap fantastic profits in the European and Asian fur markets. As a result of their harsh treatment by the Russians the Aleut population was almost completely decimated so that by the time Alaska was purchased by the United States, the Aleut population was estimated to be only one-tenth of its precontact size.

25. On December 18, 1971, Congress passed the Alaska Native Claims Settlement Act (ANCSA). The Act (P.L. 92-203), a complex piece of legislation, provided that compensation to Alaska Natives (Eskimo, Indian, and Aleut) would not be paid to traditional groups, but instead to modern business corporations which represent Native interests. The Act called for the creation of 12 regional profit corporations and over 200 small village corporations which have been incorporated under the laws of the State of Alaska. ANCSA settlement benefits included 44 million acres of land and \$962.5 million which was appropriated by Congress and the State of Alaska over a period of 11 years. In addition to other conditions, the bill imposed a 20 year time frame on Native Corporations to become viable profit-making institutions. For a discussion see, Robert D. Arnold, ed., *Alaska Native Land Claims*, 2nd ed., (Anchorage: The Alaska Native Foundation) 1978.

26. Mike Gaffney, "Economic and Educational Development in Rural Alaska: A Human Resources Approach," *Cross-Cultural Issues in Alaskan Education*, Ray Barnhardt, ed. (Fairbanks: University of Alaska, 1977), pp. 29-49.

27. This article is a condensation of a 75-page report under the same title of the author's investigation of American Indian underdevelopment available through the National Auxiliary Publications Service (NAPS), in a program of the American Society for Information Science, set up with the cooperation of the Library of Congress, in which the *American Journal of Economics and Sociology* participates. For this material, order NAPS Document No. 03825 from ASIS/NAPS, c/o Microfiche Publications, P.O. Box 3513, Grand Central Station, New York, N.Y. 10017, USA. Make checks payable to "Microfiche Publications." Remit in advance US\$3.00 for fiche, US\$18.75 for photocopies; outside the U.S. and Canada add for postage US\$1.00 for fiche, US\$3.00 for photocopy.