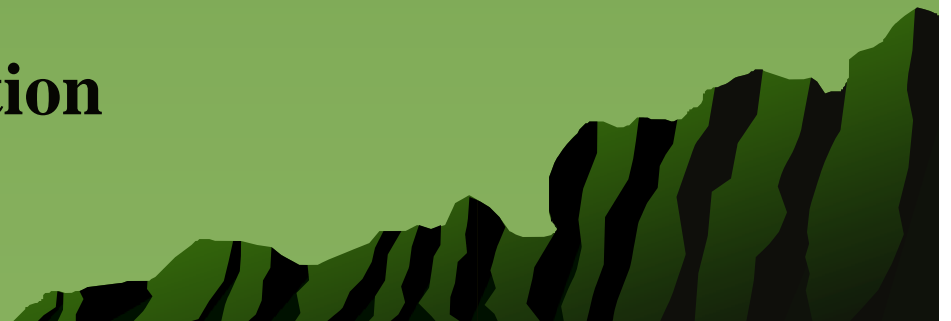


*Unlocking the Wealth  
of Indian Nations---*  
*Breaking the Resource Curse*

**Terry L. Anderson**  
**PERC and Hoover Institution**





## *What Do these Nations have in Common?*

---

- Navajo and Iran
  - Resource Rich
  - But income poor: \$10,874 and \$10,250
- Crow and Venezuela
  - Resource Rich
  - But income poor: \$13,841 and \$12,920
- They are examples of the resource curse.

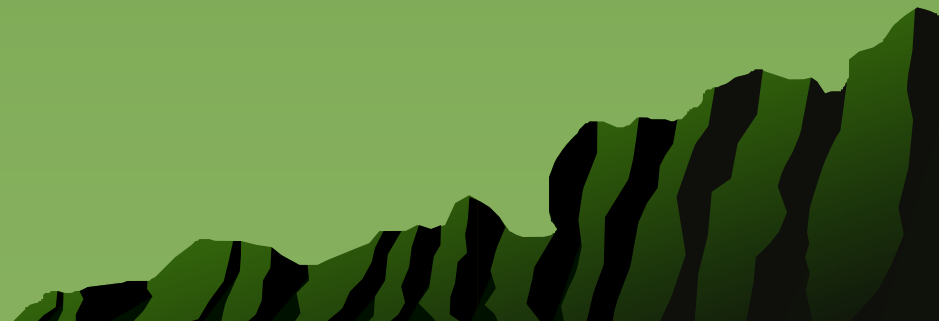




## *Why are Resources a Curse?*

---

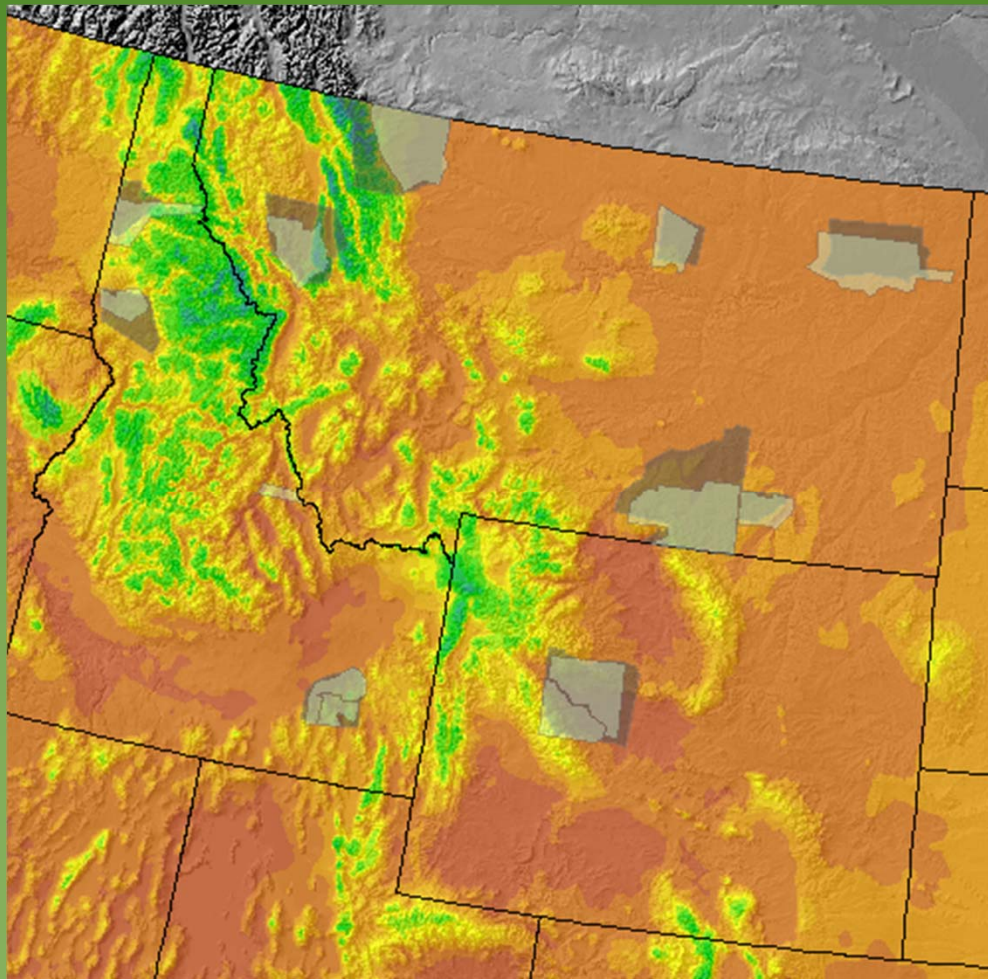
- Is it that resources lead to bad institutions or that do bad institutions lead to resource poverty?
- In the case of reservations, the answer is YES!





## *Resources attract Takings*

---

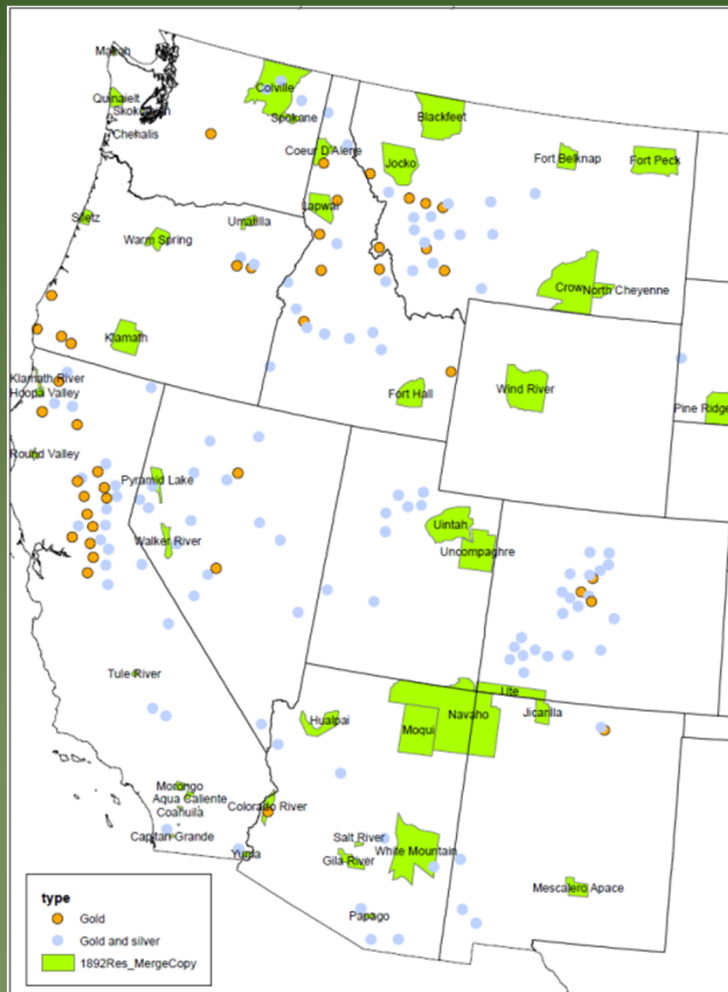


**Change in Reservation  
Boundaries--1890-1915**

**Between 1887 and 1934,  
over 66 million acres  
ceded from periferies**



# *Location of Mines--1890*



Interior Secretary Carl Schurz—1881

“There is nothing more dangerous to an Indian reservation than a rich mine.”

1890 153 mines, only 4 inside reservations



# *Reservation Land Near Major Rivers--1892 & 1923*



1923 Current Reservations  
1892 Reservations

1890—23.7 percent of reservation land within one mile of a river.

1915---10.5 percent of reservation land within one mile of a river.



## *Resource Endowments reduced Growth*

---

- Reservations with greater endowments in 1915 had higher incomes in 1915.
- However, reservations with greater endowments had slower growth between 1915 and 1999.





# Allotment Raised Costs of Doing Business

## INDIAN LAND FOR SALE

GET A HOME  
OF  
YOUR OWN  
\*  
EASY PAYMENTS



PERFECT TITLE  
\*  
POSSESSION  
WITHIN  
THIRTY DAYS

**FINE LANDS IN THE WEST**  
IRRIGATED IRRIGABLE      GRAZING      AGRICULTURAL DRY FARMING

IN 1910 THE DEPARTMENT OF THE INTERIOR SOLD UNDER SEALED BIDS ALLOTTED INDIAN LAND AS FOLLOWS:

Location.	Acres.	Average Price per Acre.	Location.	Acres.	Average Price per Acre.
Colorado .....	5,211.21	\$7.27	Oklahoma .....	34,664.00	\$19.14
Idaho .....	17,013.00	24.85	Oregon .....	1,020.00	15.43
Kansas .....	1,684.50	33.45	South Dakota .....	120,445.00	16.53
Montana .....	11,034.00	9.86	Washington .....	4,879.00	41.37
Nebraska .....	5,641.00	36.65	Wisconsin .....	1,069.00	17.00
North Dakota .....	22,610.70	9.93	Wyoming .....	865.00	20.64

FOR THE YEAR 1911 IT IS ESTIMATED THAT **350,000 ACRES** WILL BE OFFERED FOR SALE

For information as to the character of the land write for booklet, "INDIAN LANDS FOR SALE," to the Superintendent U. S. Indian School at any one of the following places:

CALIFORNIA: Hoopa.	MINNESOTA: Duluth.	NORTH DAKOTA: Fort Totten.	OKLAHOMA—Cus. Sacs and Fort Agency.	SOUTH DAKOTA: Cheyenne Agency.	WASHINGTON: Fort Simcoe.
COLORADO: Ignacio.	MONTANA: Crow Agency.	Fort Yates.	Shawnee.	Crow Creek.	Fort Spokane.
IDAHO: Lapeer.	NEBRASKA: Cantonment.	OKLAHOMA: Anadarko.	Wyandotte.	Greenwood.	Tulsa.
KANSAS: Mary.	Colony.	Carlisle.	OREGON: Klamath Agency.	Lower Brule.	Tulalip.
MONTANA: Fort Union.	Darlington.	Red Cloud.	Pine Ridge.	WISCONSIN: Roseland.	Oreida.
NEBRASKA: Winnebago.	Minneapolis.	Sisseton.	Sisseton.	Sisseton.	

WALTER L. FISHER,  
Secretary of the Interior.

ROBERT G. VALENTINE,  
Commissioner of Indian Affairs.

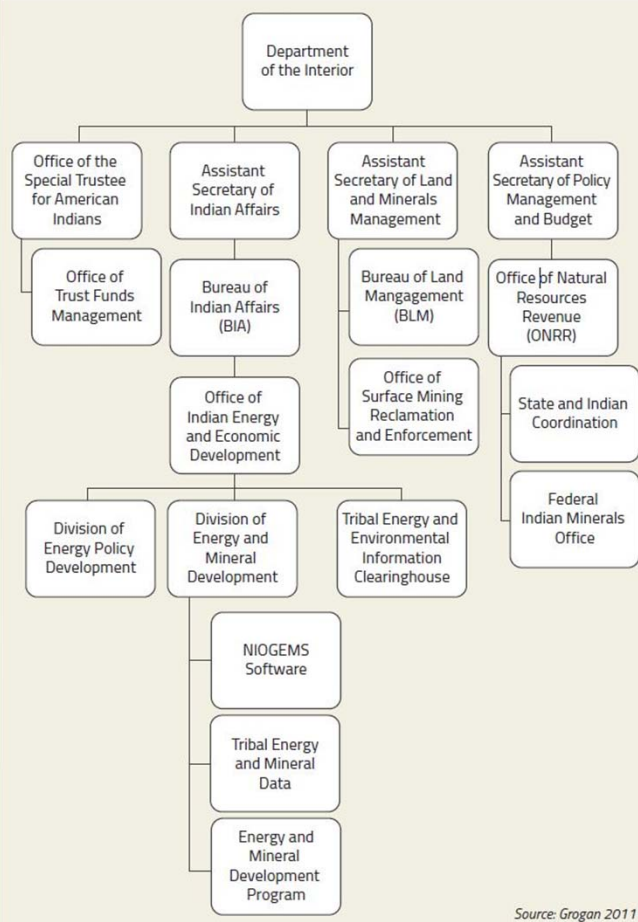
Land transferred from Indian jurisdiction, fractionation, and dead capital.





# Red Tape in Indian Country

## Federal Entities Involved with Energy Development on Indian Lands



## 4 Agencies and 49 Steps

"We're not shortchanging the need for archaeological reviews, but on land that has been farmed for 70 years? It's been tilled, plowed, planted, harvested. There's no teepee rings." Fort Peck tribal councilman Stoney Anketell



# *The Wealth is There*

## Major Energy Resource Tribes

State	Tribe	Resources
AZ	Hopi	Coal, oil, gas
	Navajo	Coal, oil, gas, uranium
CO	Southern Ute	Coal, oil, gas
	Ute Mountain	Coal, oil, gas, uranium
MT	Blackfeet	Coal, oil, gas
	Crow	Coal, oil, gas
	Assiniboine and Sioux (Fort Peck)	Coal, oil, gas
	Northern Cheyenne	Coal, oil
NM	Jicarilla Apache	Coal, oil, gas
ND	Three Affiliated (Fort Berthold)	Coal, oil, gas
OK	Osage	Oil, gas
UT	Uintah and Ouray Ute	Coal, oil, gas, oil shale
WY	Arapahoe and Shoshone (Wind River)	Coal, oil, gas, uranium

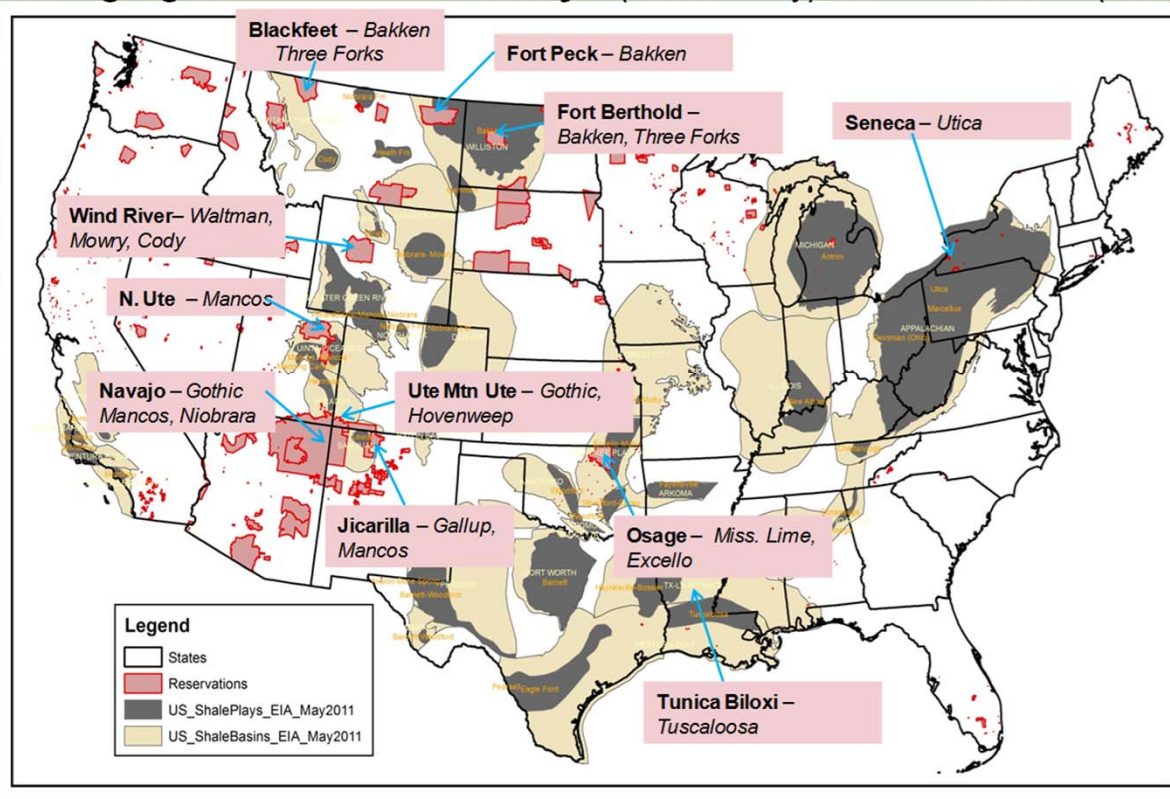
Sources: Ambler, 1990; Grogan, 2011

Some resources weren't known or weren't worth taking in previous eras.



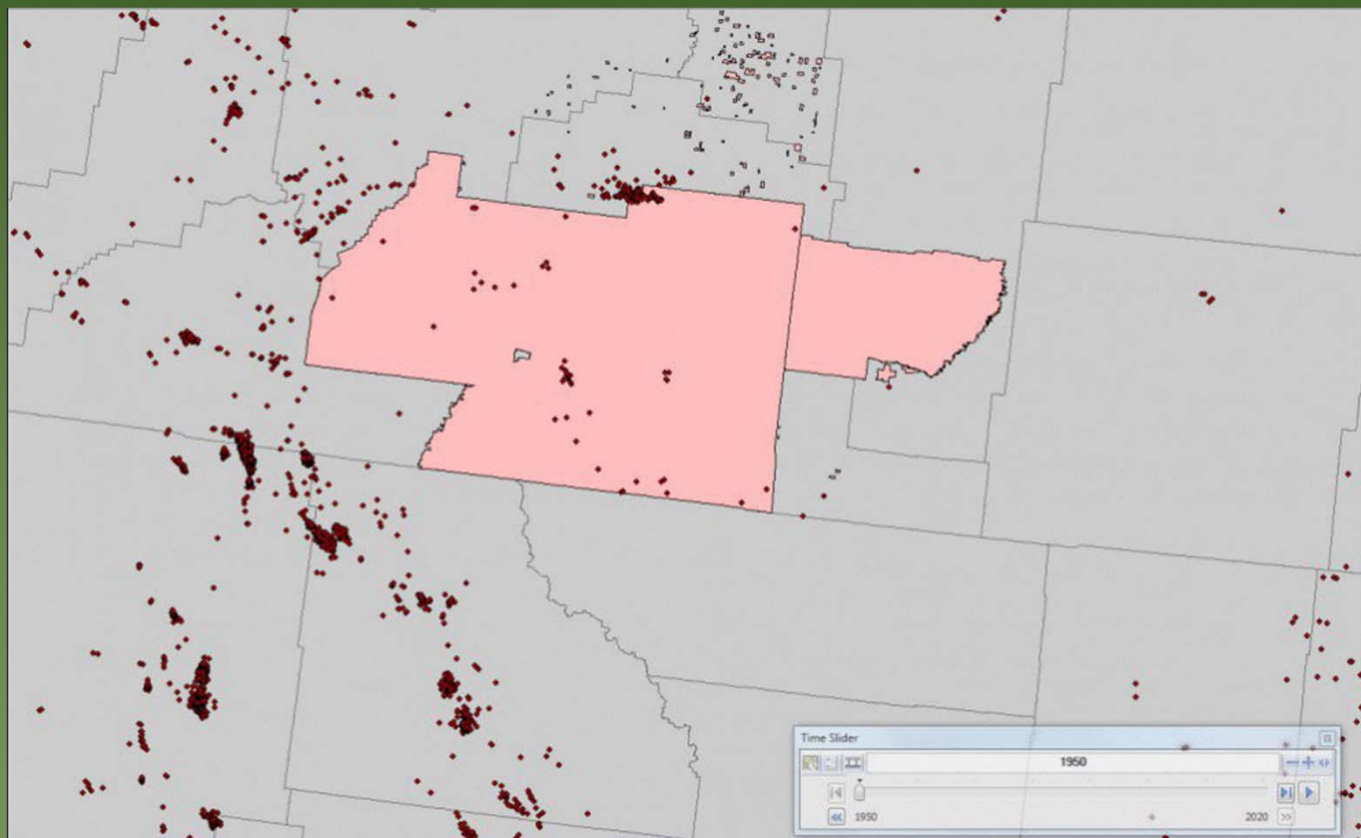
# *Shale on Reservations*

**Emerging Oil & Gas Shale Plays (Dark Grey); Shale Basins (Tan)**





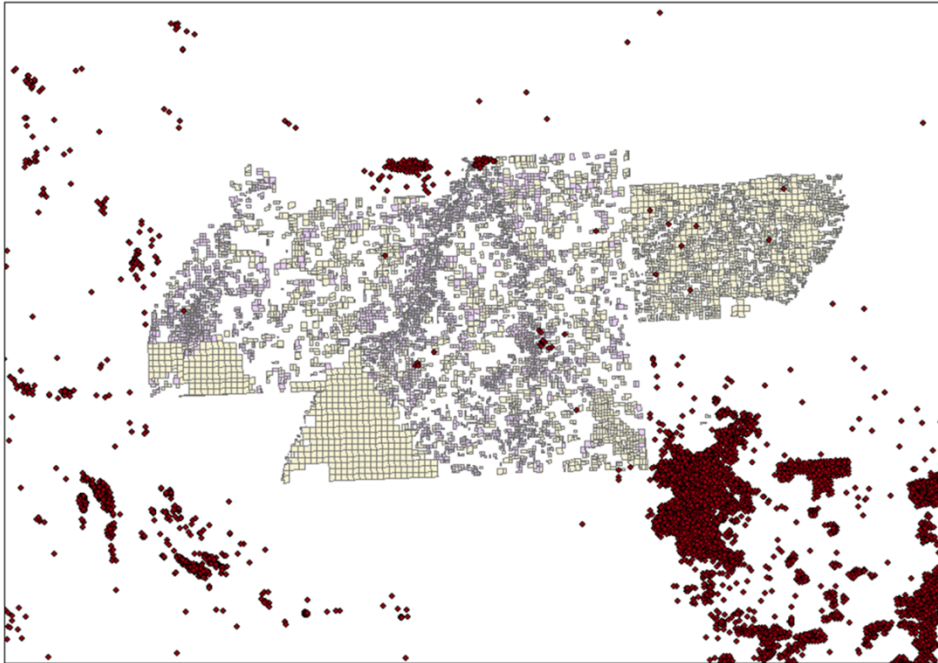
*"The war on coal is a war on our families and our children."*



*Oil & Gas  
Wells—1950-  
2012*



# *Mineral Rights Matter*



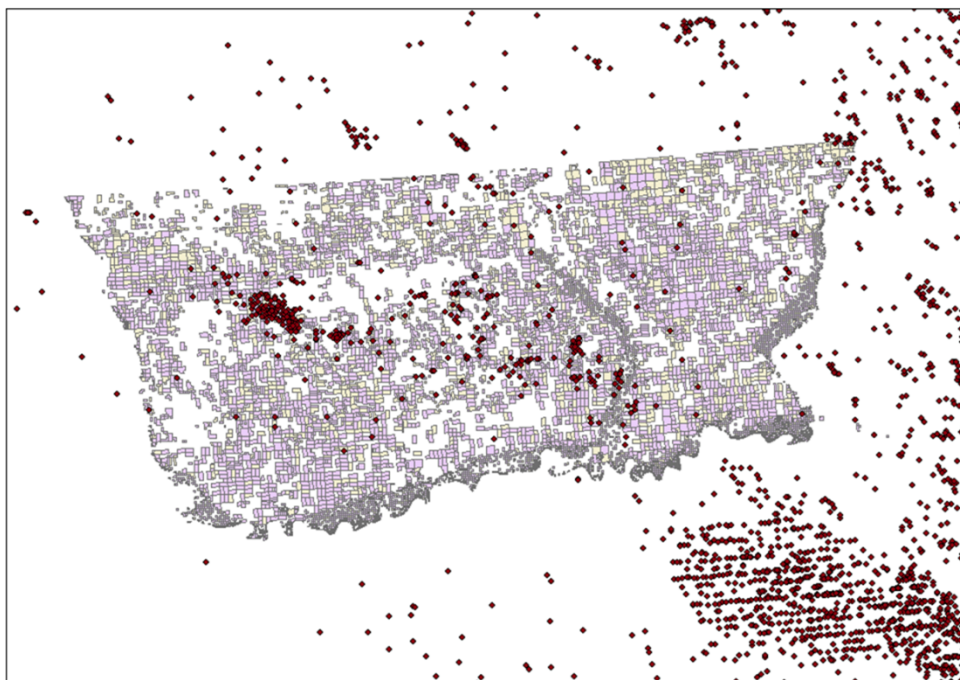
## Crow Reservation

	Wells/sq. mile
Trust land	0.007
Fee-simple	0.015





# *Fort Peck Reservation*

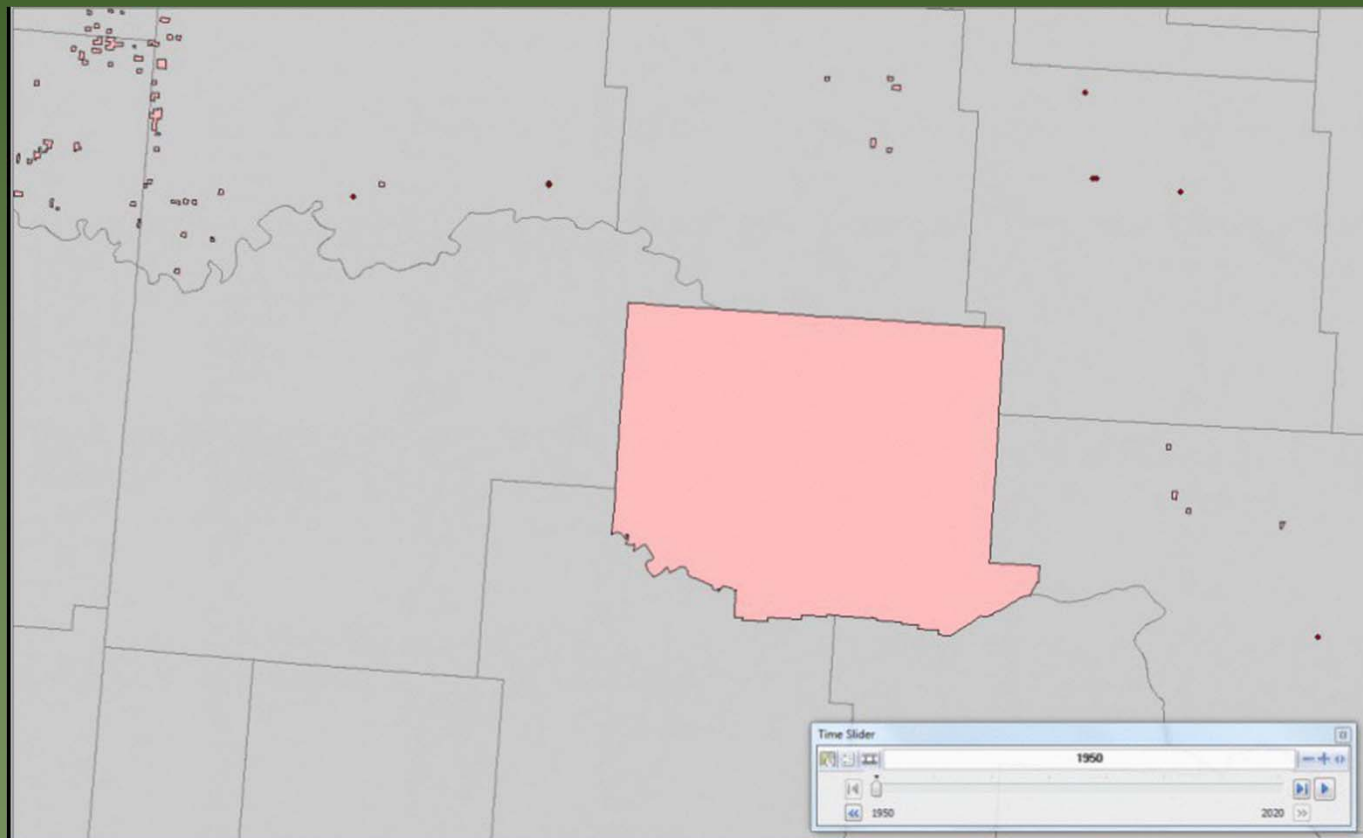


## Fort Peck

	Wells/sq. mile
Trust land	0.10
Fee-simple	0.17



# *“Sovereignty by the Barrel”*



*Fort  
Berthold  
Oil & Gas  
Wells—  
1950-2012*





## *A Tale of 2 Forests*

### *1998-2005*

---

	<b>Costs</b>	<b>Revenues</b>	<b>Net Rev</b>
<b>Flathead Res</b>	\$15 million	\$32 million	\$125 MBF
<b>Lolo NF</b>	\$24 million	\$27 million	\$13 MBF

**Tribe earns \$2.04/\$1 spent**

**Nat' l Forest earns \$1.11/\$1 spent**



## *Getting from Here . . .*

---

- ◆ Felix Cohen---20<sup>th</sup> century Indian legislation focused on “how Indian lands or interests therein may be transferred from Indian tribe to individual Indian or from individual Indian to individual white man.”



## *. . . to There*

---

- ◆ Bill Yellowtail---the challenge for the 21<sup>st</sup> century is to build on "the collective energy of strong, self-sufficient, entrepreneurial, independent, healthful, and therefore powerful, individual persons . . . . with an eye toward building the capacity of individuals and families to be truly independent."





# *For Specific Steps*

---

PERC Policy Perspective | No. 1 | February 2014

## **Unlocking the Wealth of Indian Nations:**

**Overcoming Obstacles to Tribal Energy Development**

by Shawn Regan

*Edited by Laura E. Huggins*





## *Breaking the Curse from the Bottom Up*

---

- ◆ Ron Crossguns of the Blackfeet tribe's oil and gas department puts it this way: "It's our right. We say yes or no. I don't think the outside world should come out here and dictate to us what we should do with our properties."
- ◆ President Llevando "Cowboy" Fisher, Northern Cheyenne Tribe regarding coal development— "Let the people decide."



***PERC***

---

**Making the Environment an Asset**

**2048 Analysis Drive, Ste. A**

**Bozeman, MT 59718**

**406-587-9591**

**[www.perc.org](http://www.perc.org)**

**tla@perc.org**