The Effect of Land Allotment on Native American Households During the Assimilation Era*

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Abstract

Between 1906 and 1924, the U.S. government broke up millions of acres of communally owned reservation lands under the authority of the Dawes and Burke Acts, and allotted them to individual Native American households. We study the effects of this policy on the affected households, exploiting quasi-random variation in land allotments, and the legal title granted to them. We interact these treatments with household characteristics as well as with ethnographic measures of ancestral tribal norms related to private property and female bargaining power in the household, and with measures of the scale of tribes’ subsistence activities. For outcomes, we link the land allotment data to the universe of Native Americans in the 1930 and 1940 U.S. Census and study the effects of allotment on their wealth, occupation and income, and intermarriage with non-Natives.

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1 Introduction

Native American reservations were formed in the U.S. in the second half of the 19th century. By the beginning of the 20th century, with the end of the Indian Wars and the closing of the frontier, the U.S. government turned its attention to assimilating Native Americans into wider society, and to turning them into citizens. Land allotment was a major component of this strategy. Indian allotment had theoretically started with the passing of the Dawes Act in 1887. However, very little land was allotted for the twenty years after the Act’s passing, and Indian allotment only began in earnest with the Burke Act in 1906. A major motive of the Burke Acts was to provide a path towards citizenship coupled with landownership. All Indian allotments were first placed in a trust managed by the Bureau of Indian Affairs (BIA) local superintendents (the ‘Indian Agents’). In-trust status limited allottees’ title to the land and prevented them from selling. Following a time-window of being held in trust, allottees who were declared “competent” were eligible to convert their trust land to fee-simple, and coupled with this at the same time become citizens. By the early 1920s, this system came under increasing scrutiny. On the one hand, there were worries that the system was liable to abuse, and that Native Americans who had their land transferred into fee simple were liable to then sell it under value. On the other hand, there were increasing calls to extend U.S. citizenship to all Native Americans irrespective of land title. In 1924, at the height of the process of allotment, the Indian Citizenship Act (ICA) extended citizenship to all Native Americans, which abruptly throttled both the process of allotment and of transfers into fee simple. After 1924, allotments and transfers slowed to a trickle and in 1934 they ended entirely with the passing of the Indian Reorganization (or ‘Howard-Wheeler’) Act (IRA), as shown in Figure 1. This paper studies the consequences of this period of reallocation from communal- into individual-level land-ownership for the affected households.

We bring together data from four sources: The American Indian Census Rolls were annual rolls taken by agents of the Bureau of Indian Affairs (BIA) on reservations until the 1930s. These Indian Rolls were not part of the decadal Population Census; they include the name of the agent in charge of an agency at any point in time, information on family relations and Indian blood quantum (i.e. full, one-quarter+, one-quarter−), as well as individuals’ land allotment numbers. From the

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1 Another motive (which may well have been the primary motive for many) was to free up the left-over surplus tribal land for white settlement.
Bureau of Land Management (BLM), we have the universe of all land allotments to Native American households, including their date, size (in acres) and geo-referenced location down to the 640-acre Public Land Surveillance System (PLSS) section. Close to 180,000 individual Native Americans were allotted land between 1887–1934 in this data. Importantly, we observe if an allotment was later transferred into fee-simple, and the date this occurred. From the Ethnographic Atlas (EA), we glean each tribes’ ancestral ethnographic norms surrounding private property, females’ household bargaining power, as well as traditional subsistence patterns. Lastly, we observe the universe of Native Americans in the 1930 and 1940 Full Count Population Censuses, where we can study the effect of allotments on individuals’ and households’ income, property, and occupational rank as well as the likelihood of intermarriage with a non-Native spouse.

One source of identification comes from time-variation in the application of the allotment to different reservations. On allotted reservations practically the entire population received allotments. However, reservations had to be surveyed and parceled in order to be allotted and this introduced a strongly sequential pattern into allotment. The 1924 ICA and 1934 IRA meant that roughly half of all reservations were never allotted and that those reservations who were allotted later often had little or no land transferred into fee simple because the required trust-window ex-
tended beyond 1934. While Leonard, Parker, and Anderson (2018) show that reservations with better land were allotted earlier, we can account for this directly by controlling for the land quality of individual Indian allotments. A second source of identification comes from variation in land transfer productivity across the BIA’s Indian Agents and their exogenous rotation across reservations, which occurred every four years. Allotments became eligible for transfer into fee simple either because the land had been held in trust for long enough, or because the allottee was declared ‘competent’. However, the acts of declaring an allotment to be eligible for transfer into fee simple, and actually transferring the legal title were both at the discretion of the Indian Agent in charge on a reservation.

We are interested in the interaction between allotments and ancestral tribal norms. A growing literature on the long-run consequences of ancestral cultural norms, summarized for instance in Giuliano and Nunn (2018), suggests we study two interactions in particular: we ask if there was a positive interaction (in terms of economic benefit) between receiving allotments and norms of higher female bargaining power in a tribe (EA variables on ‘mode of marriage’ and on ‘domestic organization’), and if there was a positive interaction with ancestral norms of having private vs communal property (EA variables on ‘inheritance rules for real property’). Thirdly, we expect allotment to interact significantly with the connectedness and scale of tribes’ traditional subsistence patterns, i.e. whether tribes were traditionally active in grazing or ditch-agriculture (highly networked forms of agricultural production) compared to smaller-scale farming, or fishing or hunting.

The core contribution of this project is to causally identify the effect of a one-off substantial individual- or household wealth shock on long-run economic outcomes as a function of the cultural norms of the population under study. In this, we relate to two papers in particular. Bleakley and Ferrie (2016) study the effect of a one-off substantial individual- wealth shock on the educational attainment of the treated population’s children.² The second paper is by Di Tella, Galiani, and Schargrodsky (2007), who exploit quasi-random variation among squatters in Buenos Aires to identify the effect of legal title to land on beliefs and norms related to the market. Their outcomes of focus are survey responses. We differ from both studies in our focus on cultural heterogeneity.

² Bleakley and Ferrie (2016) exploit Georgia’s Cherokee Land Lottery of 1832, in which winners received land opened up by the Jackson administration’s Indian Removal policy.
ity across the treated populations and furthermore from Di Tella et al. (2007) in our focus on the long-run consequences of treatment.

We also relate to a literature on the economic effects of the collateralizability of property (De Soto, 2000; Anderson and Lueck, 1992; Frye, 2012). Uniquely, the comparison between unalienable trust-land and alienable fee-simple land gives us variation in the collateralizability of property while holding constant the security over property rights.

Our paper also relates to a body of literature on communal—or tribal, in the Native American context—land-ownership and political control (Ostrom, 1900). A number of papers demonstrate that under-investment on reservations is partly a response to hold-up problems created by tribal control (Anderson and Parker, 2008; Dippel, 2014).

Lastly, there is a number of studies specifically concerned with the economic consequences of Indian allotment. The IRA “froze into trust” lands that had been allotted but not yet transferred into fee simple. Under this Act, all descendants of the original allottees of land held in trust had an equal claim on the land, and had to agree unanimously to any activity on the land, including activities such as leasing as well as the later transfer into fee-simple. This created huge inefficiencies on the large swaths of Indian lands that had been allotted but not transferred into fee-simple before 1934. Two recent studies examine these inefficiencies quantitatively: Leonard and Parker (2017) study the difficulty of getting multiple claimants to acquiesce to a joint project on trust-land. And Leonard et al. (2018) show that the aggregative effects of undergoing allotment on the affected reservations were negative, primarily for this reason.

References


