

unjust aggression and oppression brought on by the Tokugawa shogunate government and the Matsumae Clan.

However, the Japanese Government, which through the *Meiji Restoration* made the first step toward a modern unified state, annexed the Ainu Moshiri to the Japanese territory without any negotiations with the Ainu people, who were the indigenous people there. By concluding the **Kuriles-Sakhalin Exchange Treaty** with Imperial Russia, they also forced the Ainu to give up our rightful land where we had existed in peace.

On the other hand, with the increase of Japanese immigrants into Hokkaido, terrible reckless development began, which threatened the very existence of the Ainu people. Furthermore, the enactment of the *Hokkaido Former Aborigines Protection Act* in 1899, with its purpose being assimilation, tied the Ainu down to the land granted by the government, thereby reducing the freedom of residence and the freedom to choose an occupation other than agriculture. And in the field of education, the law trampled down the dignity of our people's own language.

Today, it is said that the Ainu living in Hokkaido are several tens of thousands, and those outside the prefecture are several thousand. Many of them do not have the security of equal opportunity in finding a job because of unjust racial prejudice and discrimination. They form a potential group of unemployed, and their life is always unstable.

The present situation is that discrimination increases poverty, which in turn causes still further discrimination, resulting in the widening gaps in social and economic status.

This Association, therefore, has stood up to demand the enactment of the "New Act" which regards the respect for the Ainu people's identity as its fundamental principle.

On Ratification of I.L.O. 107

The labour-related laws and regulations in Japan have made great strides since the end of World War II. If international labour conventions and recommendations form the foundation of the drafting of such legislation, we believe that the revised Convention ought to be ratified and that the corresponding domestic laws be coordinated accordingly.

What this Association is demanding as the domestic law is the "New Act".

Potlatch Economics

A Lummi Perspective

Larry Kinley

A condensed version of a speech by Lummi Chairman Larry Kinley presented at the Newberry Library Conference, "Overcoming Economic Dependency" at the D'Arcy McNickle Center for the History of the American Indian, Chicago, Illinois, February 18, 1988. Previously published under the title: **Potlatch Economics and Governing Ourselves Fully** in *Indian Self-Governance: Perspectives on the Political Status of Indian Nations in the United States* C.W.I.S. Fourth World Papers Series 1989.

In its simplest terms, economics is a term which serves as that very broad label referring to a system within society for distributing goods and services and, thereby, ensures the distribution of wealth among all the members of a society. It is often used as if there is only one way of understanding the system for distributing wealth, and it is over disagreements between reasonable people about the best economic systems that wars have been waged and are now being fought.

It should be no surprise to anyone, therefore, that one of the first contests between Indian Nations in North America and the European colonists was over economics - the delivery of goods and services and the distribution of wealth. Indian Nations with strong economies met destitute European colonists who lacked all of the necessary skills and capabilities to provide for themselves. It was the European colonist who had to depend on the strength of tribal economies to survive. While depending for life and limb on the nations which surrounded them, European settlers did not learn how to live in tribal economies, but adapted tribal economic systems to their own use. With the backing of well formed European economies, colonists became increasingly dependent on the countries of Europe. Only when colonists developed their own capacity to trade among themselves, with the Indian Nations, with European countries and other countries in the world were they able to reduce their heavy dependence.

While the colonial economics grew stronger, their capacity to

compete with Indian nations for common resources also increased. The economic dominance of Indian nations began to change rapidly, but not until the middle 19th century could it be said that tribal economies began to collapse.

The "Indian Nation's economic dependence" on the United States of America is now referred to by many as the problem which now must be overcome. I suggest that this proposition limits our ability to deal with the actual conditions of Indian Nations. The more appropriate issue is, "What steps must be taken to renew tribal economies, and thereby, permit their free growth?"

They Came Here in the Early 1800s

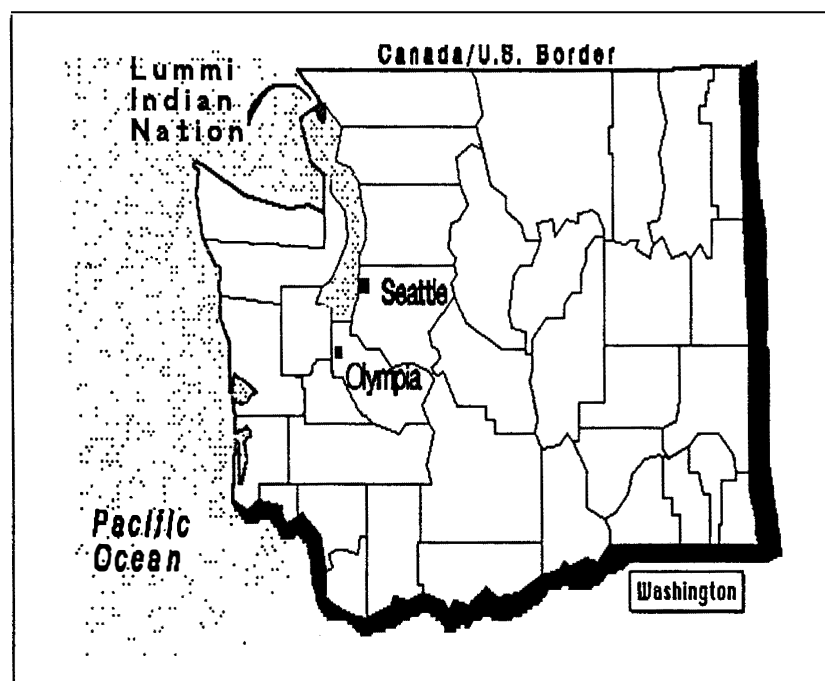
Indian Nations in the western hemisphere have struggled to maintain economic self-sufficiency since the wave of colonial invasion from Europe began in 1492. In South and Central America and

the Caribbean region, this struggle has been bitterly waged from the very beginning, and continues with violent confrontations in wars and skirmishes from the tip of Argentina to the northern border of Mexico. The basic issues of dispute are land and natural resources. The principal disputants are Indian Nations and the States which were formed on top of those nations since the early 1820s.

In North America, European colonization and subsequent competition between Indian Nations and the vanguard of colonial Europe did not begin to have an impact until the 1600s. Indeed, my nation, the Lummi didn't feel the influence of distant intrusions until about 1800. It was only at the beginning of the 19th century that western coastal nations began to enter into trade relations with the Russians, Spanish, Japanese and later the English.

The Lummi Nation and nations all along the western coast traded for fifty years with these people before we came into active contact with traders from the United States. During those five decades. The coastal economies of Indian nations were radically changed. Our age-old system of economics might now be described as potlatch - give away. It was a system which tightly bound our peoples and ensured a stable social, political and cultural life for our peoples

As long as we traded with nations on the mainland and in the islands of the Pacific which shared a similar economic system, we remained economically strong. Trading with the Russians, Spanish, Japanese and the English, however, changed the natural balance of our economy. Because these traders from distant lands had no need for what the Lummi and neighboring nations naturally produced in excess of our needs, our internal economies began to suffer from dislocation. Furs, and fish, which had been essential to our economies, but were not the dominant produce, rapidly became the items of demand. Russian and Spanish traders brought kettles to trade with us in exchange for furs. These kettles became so desirable among our people that the demand for our own baskets declined rapidly. This decline in demand displaced our basket weavers. Gray wool blankets were used to trade for our furs. These too became desirable replacements for our domestically woven dog and goat wool blankets. Iron and copper tools were also traded to our people, and these began to replace our own internally crafted weapons and tools.



The Lummi Indian Nation is located in the northwest part of the United States of America near the U.S./Canada border.

Devaluation Came with Trade

Just as the United States now suffers internal economic dislocation by the successful introduction of Japanese automobiles, electronics and food stuffs, the Lummi Nation began to suffer from an unfavorable balance of trade. Lummi labor couldn't compete with the products being traded for furs and fish. Just as the United States now risks the loss of textile workers because of the large amounts of imported shoes and clothing from South Korea, Singapore, Hong Kong and China, the Lummi experienced the loss of tool makers, textile weavers, basket weavers, carpenters, artisans, and fishermen specialized in whaling, sealing and open-sea fishing. The Lummi economy responded to trading demands for highly specialized goods. In the mean time, the Lummi people began to lose internal capabilities to cloth, feed, house and otherwise support themselves.

By the mid-19th century, the Lummi people began to experience the collapse of our strong social and political system. Because our system of economy was based on the accumulation of wealth and the giving away of wealth, and this system was intimately connected with all other aspects of our culture, the rapid shift from a multi-layered self-sufficient economy to a narrowly based fur-trapping and fisheries economy broke down our way of life. Instead of a few gathering and then distributing wealth, virtually anyone could accumulate wealth by trapping and then trading furs to the outsiders in exchange for desirable basic goods. The introduction of paper and metal currency by the United States and England further forced the collapse of our economy. In modern terms, one might say that the fur pelt and the fish inflated in price so much that they made our potlatch economy become so devalued that it collapsed.

The United States took up where the Russians, Spaniards, Japanese and English left off by 1850. Like their predecessors, the United States traders didn't want what the Lummi economy naturally produced - they wanted our raw materials. They also wanted our land. The skills of our people developed of hundreds of generations became obsolete. We became raw material extractors for the benefit of the U.S. economy. In exchange, we became dependent on the goods and services produced by the U.S. economy. The result was the nearly total disintegration of the Lummi econ-

omy. Lummi became an economic colony of the United States of America, as did virtually all other Indian Nations.

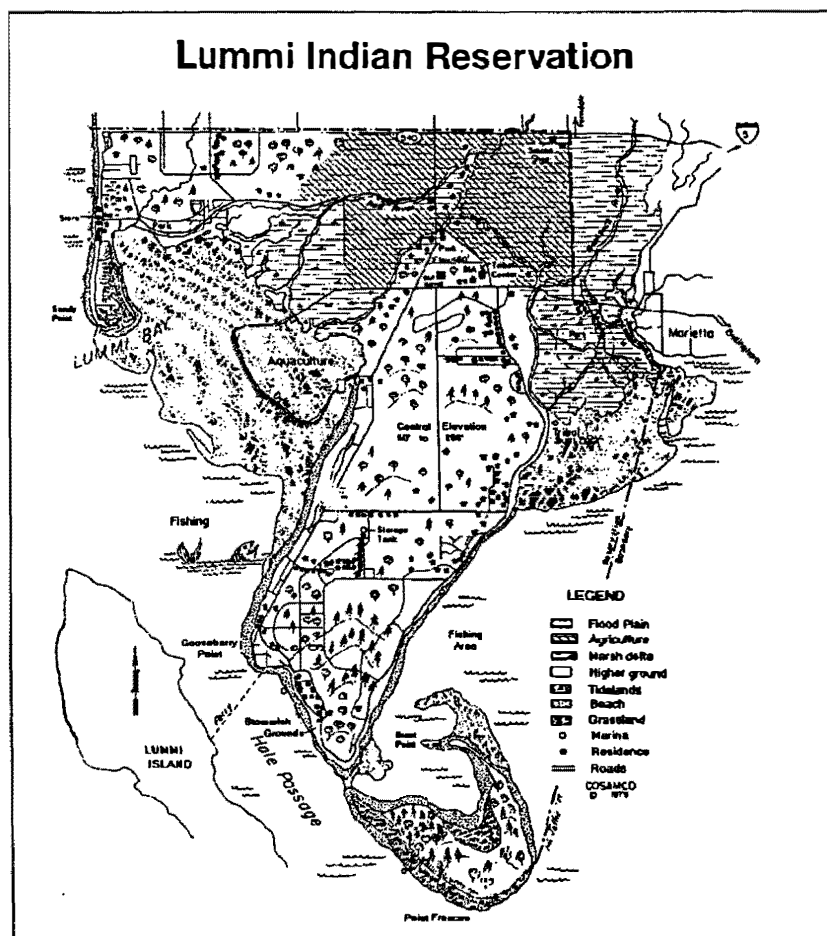
To this day, the Lummi Nation and all other Indian Nations serve as raw material colonial reserves which export natural wealth to the United States.

Indian Nations throughout North America had healthy societies with strong economies for thousands of years before the existence of the United States of America. The Lummi Nation, like so many of its neighbors, fed, clothed, and housed its own people and we had no poverty. We traded with our nearby neighbors using products our people produced in excess to their needs. Indeed, the Lummi Nation demonstrated its economic versatility by trading with nations in Asia, across North America and among the nations of the Pacific. We required no hand-outs and we asked for none. Our Lummi society was whole and complete.

Lummi people moved from a productive self-sustaining economy which had served for hundreds of generations, to an unproductive dependency on an alien economic system which took more from the Lummi than it returned. The Lummi Nation became a society of consumers who produced virtually none of the things necessary for human sustenance. What raw materials we had left to us, like fisheries, timber and wildlife became raw produce beneficial directly to the U.S. economy and a net negative asset to the Lummi economy. We began to sell our raw materials to the United States only, and in return we received currency - money that could only be spent in the U.S. economy.

American currency, the final means of exchange for our labor and our raw materials had no value directly among Lummi. It was not used to buy labor, goods and services from Lummi. American money was only good for buying goods and services from the U.S. economy. Dependence on U.S. currency, goods and services, marked the point of total Lummi economic collapse. Our self-sustaining economic and trade system had been completely replaced by a colonial market economy which mainly benefited the U.S. economy. For the first time in our long history, the Lummi people experienced poverty and destitution. For 150 years, the Lummi have suffered under the unfavorable balance of trade, exploitation of our resources by outsiders and the devaluation of Lummi labor.

In other words, the Lummi economy was in about the same condition of disarray in the late 1940s and early 1950s as the European economies and the economies of the Third World. Now, our economy, in virtually every sense, suffers from comparable conditions of Less Developed Countries around the world.



The Lummi Indian Nation is nearly surrounded by rich fisheries areas containing salmon and bottom fish. Plentiful fish in the surrounding waters have proved to be an important economic asset as well as a strong cultural factor in the lives of Lummi people.

Self-Determination, The Way Out

When the United States of America joined other states in the world to rebuild the global economy in the late 1940s, Indian Nations inside the US called for a new effort to rebuild Indian Country - long suffering from dislocation, poverty and economic collapse. The Lummi Nation was among those nations calling for the economic and political self-determination of Indian Nations. We pressed for the adoption of resolutions through the National Congress of American Indians and we worked to encourage cooperation with U.S. government leaders. We believed, then as we do now, that the self-determination of our nation is essential to our social, economic, political and cultural security. Key to our view of self-determination was, and is now, the freedom and flexibility to rebuild our economy.

The United States government responded to our requests for economic freedom by forcing many of our people to leave our reservations from 1950 to the middle 1960s. Some of our greatest thinkers and our best talent was taken from our lands and moved into the U.S. economy. Instead of helping our nations, the United States moved to take our last and greatest asset - our people - an asset that would guarantee our ability to rebuild our economies. Like Third World countries of that period, Indian Nations suffered a "brain drain" of major and devastating proportions. If Lummi people and Indian Nations were made of weaker stuff, we would have totally collapsed and disappeared. We had suffered virtually every measure of destruction that any society in the world had experienced at any time in history. Our innate survival instincts and the small crack in the door that was known as the Great Society of the Kennedy-Johnson Administrations created flexible opportunities for Indian reconstruction. We took advantage of this slim opportunity. For the first time since our early association with the United States of America, the Lummi Nation could exercise a measure of control over political and economic decision-making. We had access to revenue independent of control by the U.S. Bureau of Indian Affairs. We could begin making our own decisions again. We experienced a measure of political and economic freedom during the short period that followed 1964 that resulted in the beginning of Lummi reconstruction. We began to build homes, develop enterprises and deliver social and health services to our own people. We

used our best thinking, our most experienced economic and political talent. Lummi people were inventive again. We were beginning the long process of rebuilding a Lummi economy. The Lummi Nation, like many other Indian Nations began a process of rapid recovery. Our nation was viewed by many as a primary example of Indian Economic Success.

Lummi Economic Recovery

Key elements in our growing economic recovery were: Internal and local economic decision-making by Lummi, a developing flow of trade from Lummi to the U.S. and other foreign economies, growing Lummi technical, planning and decision-making capabilities and experience; a capital and resource flow into the Lummi nation where the multiplier factor was an estimated 30 times every dollar coming into the Lummi economy. As Mr. Dennis R. Gibb, Vice President of Bear Stearns & Company observed in April of this year, "Due to the geographic isolation of most Indian reservations, and the low relative population density of the surrounding non-Indian areas, reservation economies have the ability, if correctly fostered, to be the economic engine of their regions." The Lummi Nation and many other Indian Nations were well on their way to becoming "economic engines" in their regions.

For a few years, the Lummi Nation and many Indian Nations saw sustained changes and wrestled with the problems of developing economies. As suddenly as it began, the economic miracle that was to be stalled. Our successes and our growing productivity ran into a two-part obstacle: Fears by State governments and non-Indian businesses that we would compete more successfully than our non-Indian neighbors for business, and a growing desire in the Bureau of Indian Affairs and other U.S. government agencies to take control over our economic activity.

State governments feared our economic successes and our economic creativity. They wanted revenues that were beginning to flow into Tribal coffers to flow into State coffers instead. What State government officials and non-Indian businesses failed to comprehend was that our success would eventually improve their own economic conditions. Their fears worked to obstruct our continuing efforts to recover.

U.S. Bureau of Indian Affairs regulations and State government

interference in our growing economic success combined to stall our recovery. US government bureaucrats moved to redirect our economic planning toward industrial models that would clearly benefit the U.S. economy and State economies and reverse our efforts to build self-sustaining economies. Just as the US controlled World Bank pushed for the installation of industrial models in the Third World, the Bureau of Indian Affairs and the US Department of Commerce pressed to install industrial models on Indian Reservations. Both efforts failed, but both efforts also created new kinds of economic, social and political dislocation. During the last ten years, Indian economic efforts have been stalled and even reversed as a result of U.S. government economic policies; and State government uncertainties.

Redressing the Economic Balance

What steps might be taken to remedy the unfavorable balance of economic relations between Indian Nations and the United States?

Economic theories for development on reservations should reflect the view of promoting "self-sustaining economy which provides jobs for tribal members, reinforces local custom and social organization, and enriches the culture without damaging the natural resources or Indian cultural values." This requires that tribal economies be understood in their specific context, not merely in terms of the U.S. economy.

Tribal control of natural resources and land is essential to renewing tribal economies. This requires that the United States and its states pull-back from their efforts to increase control over these resources.

The political relationship between each Indian Nation and the United States must be formalized into a framework of government-to-government relations based on mutual respect. Indian Nations must be permitted to fully govern themselves, within their boundaries.

Finally, we must all recognize that Indian Nations are not so much dependent on the United States as they are being used by the United States for the benefit of the U.S. economy.

When we move in these directions, we will be able to overcome the economic dislocation on Indian Reservations caused by generations of economic colonialism, and Indian people will take their place as creative and energetic contributors to improvements in the human condition.