The Economic Causes of the Dakota Uprising of 1862

In 1862, the Minnesota Dakota Indians rose up against the region’s white settlers. When the uprising was complete, 500 whites and 100 American Indians were dead.1 2 The Uprising drove new paranoia into western settlers against their Native neighbors and encouraged the mistreatment of the American Indians. While there is a variety of reason the American Indians rose against their white neighbors, the primary one is economic. The Dakota Indians were tired of their poor economic state, their off-balanced relationships with the traders, and the delayed annuities, and expressed their frustration on the whites who economically oppressed them.

The Dakota were not always a poor society. Before the whites came into the picture, the Dakota were self-sufficient. There was trade between the Native groups but the things that the Dakota needed in order to succeed they could make for themselves. The Dakota’s self-sufficiency only increased with the addition of the horse. It was a European addition, but it helped the Dakota be more efficient fighters and buffalo hunters. Then guns began to diffuse into the Dakota’s sphere of influence. These new weapons were more lethal than the bows and arrows that the Natives had been using. However, the use of the gun also ended the American Indian’s era of self-sufficiency. The Dakotas could no longer make their own weapons. Guns, bullets, and gunpowder all had to be obtained through trade. To succeed, the Dakota needed to trade. The whites were more than happy to trade with the Dakota though it did not take long for the Dakota
to become indebted to the white traders. This is what began the Dakota’s poor economy which eventually led to the Dakota Uprising of 1862.

Although the Dakota were losing money with the traders, they could still keep themselves fed by hunting the buffalo thus staving off complete poverty. They could chase the buffalo and continue their traditional way of life. The encroachment of the whites on to the Dakota’s traditional territory led to conflict which ended with the Dakota’s losing most of their land. The loss of land made it almost impossible for the Dakota to continue their traditional way of life. They could no longer follow the buffalo; the Dakota were stuck on their reservation. Without the buffalo, the Dakota had to resort to a new subsistence strategy. The whites recommended farming; however, the treaties tended to give the American Indians the worst farming land around. The Natives tried to farm like the whites but due to the poor soil and the Dakotas not being used to farming, it did not produce good results for many Dakota. Stuck on a reservation with no good way to support themselves, the Dakota became poor, frustrated, and disenfranchised. This frustration along with the anger from the annuities and the traders built up to a boil and became a violent uprising.

With the loss of their traditional way of life, the Dakota became more and more dependent on the government’s annuities to support themselves thus increasing their frustration with their situation. When the Dakota gave in to the white settlers they were forced to sign treaties to give up their traditional lands. A contemporary of the treaty signing felt like the white treaty makers were basically saying that if the Natives agreed to the terms of the treaty they would never have to “work or hunt again; [the whites] will take care of [the Natives].” The American Indians could not support themselves, and they had supplies coming in for them. With everything they needed delivered to them, the Dakota started to view these supplies as their right.
A survey of the American Indian population states that the Natives feel like “the government owes them a living, [the government] having taken their lands from them.” Many Dakota, although they believed the government owed them, still did not like the fact that they had to rely on the whites in order to survive. The economic disenfranchisement of the Natives led to greater distress over the injustice of the traders and the delay of the annuity payments which eventually led to the Dakota Uprising.

The traders had posed a source of growing frustration for the Dakota Indians for some time. A decade before, the Dakota had signed the Treaty of Traverse des Sioux and many chiefs who signed the treaty were tricked into a document called the Trader’s Papers. The Trader’s Papers declared that the Dakota’s annuities could be taken to pay the debts of the Dakota. In the end, the traders collected about a “third of the Dakota’s cash payments.” One of the traders who gained significantly from the Trader’s Papers was Henry Sibley who had been part of the Treaty of Traverse’s negotiations committee. The politician gained a small fortune from the interaction with the Dakotas. This potential of profit influenced Sibley as he worked on the treaty and helped to discourage trust between the whites and the Dakota which escalated the tension between the two groups.

The Dakota were not happy about losing their money, especially since they did not know that they were signing it away in the first place. There was grumbling but the Dakota could not fix the problem so they had to simply deal with it. Strike the Ree of the Yanktons commented on the Dakota’s situation by saying that the Dakota “for long winters and summers” had been “cheated and robbed by the agents and traders.” The American Indians knew about trading but they were still unfamiliar with the idea of a currency. Credit was an unfamiliar idea, one that the traders were quick to introduce to the Dakota. As the debts began to rack up, the traders started
to pressure the Dakota to pay them back. The Dakotas did not think that the traders should be as hard as they were about the payments. The Dakota were not used to the economic culture of the white traders and thus the traders’ insistence on immediate payments concerned the Dakota who were used to paying when they could afford to. The traders insisted on getting their money back and due to the Dakota’s lack of ability to support themselves, they did not have a ready option to repay the traders. This led to discord amongst the Dakota as they felt the traders were being cruel towards them, especially the traders who refused to give starving Natives credit for food. This anger towards the traders continued to build as the 1860s approached and would eventually erupt into a violent uprising.

Another source of discontent between the Dakota and the traders was the traders’ method of keeping books of their accounts. The white traders were used to writing down how much they were owed in books. In contrast, the Natives “kept no books” and could thus not “deny their accounts.” The traders could say the American Indians owed them more than the Natives actually did and the American Indians could not prove them wrong. Nothing protected the Natives from the traders except the traders’ own moral judgments. The Dakota could no longer rely on themselves to supply everything they needed and thus they were at the mercy of the white man’s economy. The feeling that the traders were making the Natives pay more than they owed only caused more frustration as the traders seemed to oppress the Dakota.

Finally the delay in the annuity payments and the payment of inadequate goods increased the discontent of the Dakota. Without farmed goods to supplement their diets and not being able to hunt the buffalo like they used to, the American Indians’ only source of food was from the annuities. When the annuities were delayed, the Natives were “soon at the point of starvation.” Luckily, from 1853 to 1860, there was only one delayed annuity payment. The rest of the
 payments were delivered promptly on July 1st every year. This helped to keep the Dakota fed and thus not adding to the Dakota’s growing anger about the white economy.

In 1861, the Lincoln administration took power and a new superintendent was appointed for Indian Affairs of Minnesota. With the enthusiasm of a new office, Colonel Thompson, who came to supervise the annuity payment, promised the Dakota that “all their wrongs should be promptly redressed” and that they would get an additional payment in the autumn. The Dakota, many who had suffered during the summer for lack of food, looked forward to this new payment. Several were so excited that they stopped hunting in order to wait for the annuity payment at the agency. The payment, however, did not arrive on time and was considerably less than expected. Many Dakota, who were counting on this supply in order to survive the winter, were devastated. Over a thousand American Indians had to be fed by government officials throughout the winter due to the lack of sufficient annuity payments. The winter of 1861 brought tension amongst the Dakota to a new high as discouragement about the annuity system increased.

1862 came and the Dakota, after a hard winter, were far from content. They needed a good annuity this year in order to survive. Colonial Thompson escalated the Dakota’s anger about the annuity system by saying that the 1861 autumn addition had been subtracted from the 1862 payment. When the time for the payment came, the Dakota went “to the agencies to get their money.” However, the annuity did not come and “week after week… still [the payment] did not come.” One American Indian commented that “The money is ours but we cannot get it. We have no food but here these stores are filled with food.” Seeing that the white men refused to help them as they starved, the Dakota grew angry as they waited for their promised payment. The Civil War and the slow moving of the Indian Affairs Bureau had delayed the annuity payment. The American Indians who had waited for the payments were upset, and this only
increased as the information spread the “half of [the] annuity for the year 1862” had been signed over to the traders. Although the Dakota had known before that the whites did not have the Natives’ best interests at heart, it was during this time that the Dakota realized that the whites did not even care if they lived or died. This realization led to the resentment of the white community, especially with the traders, and helped start the Dakota Uprising of 1862. As Little Crow ominously put it, “When men are hungry, they help themselves.”

The resentment and frustration over how the Dakota were being economically deprived by the traders and the government increased as the list of grievances grew. Without their own source of food, the Dakota were dependent on the annuities to survive. These annuities were sometimes late, and due to the traders, often less than what the Dakota were supposed to get. When the fighting began, one Dakota heard that the fighters were “determined to kill all the traders.” One trader was killed with “his mouth stuffed full of grass” after telling hungry Indians to eat grass. The Dakota Uprising was caused by economics and, at least at first, those being killed were whites who had economically oppressed the Dakota. As the Uprising continued, however, the violence spread to the killing of white settlers as the Dakota attempted to restore their previous economic status of a free ranging hunter society.

The Dakota Uprising of 1862 was caused by the economic situation of the Dakota, specifically their poor economic state, their off-balanced relationship with the traders, and the government’s annuity payments. The Natives wanted life the way it used to be, before they had been economically dependent on the whites. Their involvement with the white community started out bad and then just kept getting worse. The lack of a food source and the unreliableness of the annuities led to hunger, which is never good for keeping the peace. The Dakota’s economic situation simulated feelings of unrest as the Dakota rose against those they thought of
as their oppressor. The attempt to improve their economic status ended in failure for the Dakota along with greater economic hardship as they were pushed into smaller reservations. Although the Uprising was a violent failure, it was based on the hope of a better economic future. One where the Dakota could live as they wanted, without white interference. In this regard, the Dakota wanted what Americans treasure most. Freedom.

9 Robinson, Doane. A History of the Dakota or Sioux Indians. 261
10 Robinson, Doane. A History of the Dakota or Sioux Indians. 262
11 Jerome Big Eagle. “A Sioux Story of the War.” 94
14 Wabasha. “Wabasha (Dakota) explains how Nefarious Trading Practices caused the 1862 Minnesota War.” 278
15 Jerome Big Eagle. “A Sioux Story of the War.” 95