BEFORE THE INDIAN CLAIMS COMMISSION

THE ONEIDA NATION OF NEW YORK, THE
ONEIDA TRIBE OF INDIANS OF WISCONSIN,
THE ONEIDA NATION BY JULIUS DANFORTH,
OSCAR ARCHIQUETTE, SHERMAN SKENANDORE,
MAMIE SMITH, MILTON BABCOCK, BERYL
SMITH AND AMANDA PIERCE,

Plaintiffs,

v.

THE UNITED STATES OF AMERICA,

Defendant.

Docket No. 301
(Claims 3 - 8)

Decided: August 18, 1971

Appearances:

Marvin S. Chapman, Attorney for
Plaintiffs, Aaron, Aaron, Schimberg
& Hess were on the brief.

M. Edward Bander, with whom was Mr.
Assistant Attorney General Shiro
Kashiwa, Attorneys for Defendant.

OPINION OF THE COMMISSION

Pierce, Commissioner, delivered the opinion of the Commission.

The petition consists of eight claims. The first two claims
relate to sales of lands by the plaintiffs to the State of New York
in 1785 and 1788, prior to the enactment of the Trade and Intercourse
Act of July 22, 1790, 1 Stat. 137, 138, and are being considered in
a separate proceeding solely on the issue of the defendant's fiduciary
or special obligation as to transactions prior to 1790.

The Commission now has before it claims three through eight, relating
to the series of sales by the plaintiffs to the State of New York after
the enactment of the Trade and Intercourse Act. These claims are brought under Clauses 3 and 5 of Section 2 of the Indian Claims Commission Act, 60 Stat. 1049, 1050. The plaintiffs seek additional compensation for their lands which the State of New York acquired by means of twenty-five treaties entered into with the plaintiffs between 1795 and 1846. The plaintiffs contend that by virtue of the Trade and Intercourse Act of 1790, the defendant assumed an affirmative obligation to protect the property of the plaintiffs and to assure that Indian tribes were dealt with fairly by third parties and that they received conscionable consideration when they disposed of their lands. The plaintiffs claim that they received unconscionable consideration for the sale of their lands to the State of New York and that the defendant is therefore liable for the failure to fulfill its obligations under the Trade and Intercourse Act. The defendant concedes that the plaintiffs are entitled to bring their claims before the Commission and limits its argument to the single issue of the United States' fiduciary duty and obligation to the Oneida Nation in the sale of their lands to the State of New York.

The Oneida Nation was a tribal member of the Iroquoian Confederacy in New York State located along the shore of the Oneida Lake in west-central New York. On June 28, 1785, the Oneida Nation joined with the Tuscarora Tribe to cede certain lands located in New York, about 5 miles above the Pennsylvania border, to the State of New York. Thereafter, by the terms of the Treaty of 1788, the plaintiffs ceded all their lands to
the State of New York, except for an area of approximately 100 square
miles that was reserved for their own use and was to be held by them
and their posterity forever. The above mentioned reserved area is
referred to by both counsel as the Oneida Reservation. Between 1795
and 1846, the State of New York entered into a series of twenty-five
treaties with the plaintiffs whereby the State of New York acquired
virtually the entire Oneida Reservation. Two of the twenty-five treaties
were made in the presence of a United States Commissioner appointed by
the United States to attend the execution thereof and sanction the
same.

The issue of whether the plaintiffs have recognized title to
the Oneida Reservation was not contested by the defendant at the
trial. By the Treaty of 1788, the State of New York recognized and
acknowledged that the Oneida Nation had the right of permanent occupancy
of the lands forever. But more important the defendant also acknowledged
the plaintiffs' ownership of the land in question by Article II of the
Treaty of November 11, 1794, 7 Stat. 44. Article II stated:

The United States acknowledge the lands reserved
to the Oneida, Onondaga and Cayuga Nations, in their
respective treaties with the state of New-York, and
called their reservations, to be their property; and
the United States will never claim the same, nor
disturb them or either of the Six Nations, nor their
Indian friends residing thereon and united with them,
in the free use and enjoyment thereof: but the said
reservations shall remain theirs, until they choose
to sell the same to the people of the United States,
who have the right to purchase.
Since this Commission has determined that the defendant acknowledged title to the plaintiffs' land in question, our next determination will be concerned with the responsibility on the part of the United States in connection with the sale of the plaintiffs' land to the State of New York.

The Indian Claims Commission Act, 60 Stat. 1049, provides a forum for redress of Indian grievances against the United States and not for injuries done by others for which injuries the United States had no responsibility. *Six Nations v. United States*, 173 Ct. Cl. 899, 904 (1965). In 1790, the United States assumed certain responsibilities with respect to the Indians. The Trade and Intercourse Act of July 22, 1790, 1 Stat. 137, 138, and successor statutes forbade the sale or conveyance of Indian lands without the consent of the Federal Government.

There have been different revisions of the Act, the most recent of which is still in effect as section 2116 of the Revised Statutes, codified at 25 U.S.C. sec. 177, but federal consent under all versions has always been required in any disposition of Indian real property. The legislation has been interpreted as giving the Federal Government a supervisory role over conveyances by Indians to others. In *Federal Power Commission v.*
The obvious purpose of that statute is to prevent unfair, improvident or improper disposition by Indians of lands owned or possessed by them to other parties, except the United States, without the consent of Congress . . ." Therefore, under the Indian Claims Commission Act, the United States could be held liable if, after 1790, there were any transactions involving the plaintiffs' lands in which there was an "unconscionable consideration" paid or there was a lack of "fair and honorable dealings" by virtue of the fact that the United States did not act to protect the rights of plaintiffs.

In Seneca Nation of Indians v. United States, 173 Ct. Cl. 917, 925 (1965), the Court of Claims stated as follows:

. . . The Trade and Intercourse Act created a special relationship between the Federal Government and those Indians covered by the legislation, with respect to the disposition of their lands, and that the United States assumed a special responsibility to protect and guard against unfair treatment in such transactions. Cf. The Oneida Tribe of Indians v. United States, 165 Ct. Cl. 487 (1964), cert. denied, 379 U.S. 946.

Both the plaintiffs and the defendant agree, and we have so found, that, except for two treaties, the United States did not participate in any of the other twenty-three treaties by which New York State acquired the plaintiffs' land. The only evidence of United States participation in the Treaty of June 1, 1798, between the Oneida Indians and the State of New York is that the treaty recited there was "Present, Joseph Hopkinson Commissioner appointed under the authority of the United States to hold the Treaty." It was stipulated in the treaty that one copy would remain
with the United States, another copy with the State of New York and
another copy with the Indians. The treaty bore the signature of said
Joseph Hopkinson, and an addendum by John Adams, the President of the
United States, stating that the treaty was held under the authority of
the United States in the presence and with the approbation of Joseph
Hopkinson, the Commissioner of the United States, appointed to hold
the same. The only evidence of the United States participation in the
Treaty of June 4, 1802, between the Oneida Indians and the State of
New York is that the treaty recited there was "Present John Taylor Agent
appointed under the authority of the United States to hold the Treaty."
The treaty further recited that "The said Cession is thereupon in the
presence and with the approbation of the said Commissioner carried into
effect at this Treaty." The treaty stipulated that one copy would "remain
with the United States another to remain with the State of New York and
another to remain with the said Indians" and John Taylor signed the
treaty as Commissioner.

The defendant presents the following arguments which it claims
precludes its liability in this case. First, the defendant is not
liable to the plaintiffs if it should be proven that an inadequate
consideration was received by the plaintiffs' ancestors from the State
of New York. The gist of its defense is that since it did not participate
in either the negotiation or the execution of the twenty-three
treaties, there simply are no ties to link the Federal Government to the
Indians or the State. The defendant admits it connected itself with the
treaties of 1798 and 1802 by sending its representative and approving and sanctioning them. However, the defendant contends that the Oneidas have not carried their burden of proving a meaningful participation by the United States in these two treaties which would give rise to a fiduciary obligation to protect the Indians, since the evidence merely shows the presence of an officer of the United States at the making of the treaty without indicating the making of any promises or representations on the representative's part. The defendant cites Lipan Apache v. United States, 180 Ct. Cl. 487 (1967), as the basis for the required participation on the part of the United States prior to finding government liability. This contention we find without merit. On the contrary, we interpret the Court of Claims in Lipan Apache, supra at 502, as suggesting two possible bases for holding the defendant liable to the plaintiffs. "The required nexus for liability could rest upon the Government's 'true concert, partnership, or control' with or of, the party dealing with the Indians . . ., or an established special relationship between the Government and the claimant Indians affecting the controverted subject matter." In Seneca Nation, supra, the Court of Claims discussed the nature of the "special relationship" created by the Trade and Intercourse Act:

This responsibility was not merely to be present at the negotiations or to prevent actual fraud, deception, or duress alone; improvidence, unfairness, the receipt of an unconscionable consideration would likewise be of federal concern . . . . The concept is obviously one of full fiduciary responsibility, not solely of traditional market-place morals. When the Federal
Government undertakes an "obligation of trust" toward an Indian tribe or group, as it has in the Intercourse Act, the obligation is "of the highest responsibility and trust," not that of a "mere contracting party" or a better-business-bureau. Cf. Seminole Nation v. United States, 316 U.S. 286, 296-97 (1942).

It necessarily follows, we think, that wherever this Act applies the United States is liable, under the Indian Claims Commission Act for the receipt by the Indians of an unconscionably low consideration (173 Ct. Cl. at 925-26).

Based upon the foregoing decisions, it is the conclusion of the Commission that under the Trade and Intercourse Act the defendant has the obligation to assure that Indian tribes receive conscionable consideration for their lands. Defendant's argument is without merit in attempting to avoid liability because the United States did not participate in twenty-three of the twenty-five treaties with the State of New York. Under the Trade and Intercourse Act it had a duty to participate in these transactions and to protect the plaintiffs' interest. There is sufficient legal authority for the proposition that a fiduciary can be held liable not only for taking improper action concerning property within its care, but also for its failure to act when action is required on its part. Therefore the United States had a duty to come forth on its own initiative and protect the Oneidas. In Six Nations v. United States, 173 Ct. Cl. 899, 904 (1965), the Court of Claims stated as to transactions occurring after the enactment of the Trade

and Intercourse Act, that the United States had an affirmative obligation
to prevent an unfair purchase of Indian land by third parties. The
Court at page 904 stated:

At its broadest, their [the Six Nations] position seems to be that the central union was, even in 1784, a fiduciary toward these Indians, with the affirmative obligation to prevent an unequal or unfair exchange of their lands, even through the United States may have played no material role in the transaction. In a companion case (Part II of the opinion in *Seneca Nation v. United States*, appeal No. 14-63, decided today, post, 917, 921) we hold that, in and after 1790, the Federal Government did assume such a responsibility. . . . (Emphasis added)

The second argument presented by the defendant is that section 4 of the Trade and Intercourse Act of 1790, 1 Stat. 137, 138, is not applicable to cases such as the present one in which the State of New York is purchasing or condemning land from its own resident Indians. The defendant is attempting to raise a legal argument that has already been decided by this Commission on previous occasions.

In *Seneca Nation v. United States*, 20 Ind. Cl. Comm. 177 (1968), this Commission specifically held that the liability of the United States under the Trade and Intercourse Act extended to purchases by the State of New York: We stated:

In testing whether the United States is responsible in damages under the Indian Claims Commission Act, it is of no concern whether the Indians' vendee was a private party, a State, or what actual powers the United States may have possessed or exercised or failed to exercise in supervising a particular sale. The United States has made itself responsible under the Indian Claims Commis- sion Act for any failure of the Indians to receive a conscionable consideration for their lands. (20 Ind. Cl. Comm. at 182. Emphasis added.)
The defendant recently presented the same argument in the companion case of *Stockbridge Munsee Community v. United States*, 25 Ind. Cl. Comm. 281 (1971). In that case, the Commission dealt at great length with the issue of whether or not the Trade and Intercourse Act applies to transactions between the State of New York and its resident Indians and concluded that the act did apply. Again it is our opinion and we so hold that the Trade and Intercourse Act was clearly meant to apply to all purchases of interests in land from the Indians whether the purchaser was an individual or a state. Therefore, the defendant will be liable under the provisions of the Indian Claims Commission Act and the Trade and Intercourse Act if it can be proven at a later stage in the proceedings that the plaintiffs received an unconscionable consideration from the State of New York in exchange for its lands.

This precise issue having been decided by this Commission, it would serve no useful purpose to engage in any extended discussion.

For the reasons above stated we hold that the United States will be liable under the Indian Claims Commission Act if the Oneidas received less than a conscionable consideration for the lands they sold to New York. Questions of value and consideration will be determined after further proceedings.

Margaret H. Pierce, Commissioner
We Concur:

Jerome K. Kuykendall, Chairman

John T. Vance, Commissioner

Richard W. Yarborough, Commissioner

Brantley Bue, Commissioner