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Willamette (OR) Week

The Longest Odds

November 17th, 2010

Hundreds of millions in casino dollars haven't lifted Oregon's Native Americans out of poverty.

BY JAMES PITKIN

JACKPOT NATION: More than 1,900 slot machines await gamblers at Spirit Mountain Casino. IMAGE: Darryl James

Earlier this month, two white guys from Lake Oswego asked Oregon voters to let them run a casino—a lucrative industry monopolized by American Indians in this state for more than 15 years.

They crashed in flames.

Sixty-eight percent of voters said no to Measure 75, which sought to create the state's first nontribal casino at the former Multnomah Kennel Club in Wood Village, just east of Portland.

At a time when Oregon's budget is deep in the red, the casino backers promised to pour \$150 million a year into state coffers. But even as Oregonians watch schools and other public services disappear, they were swayed by a campaign that opposed the casino in part because of a perceived debt we owe for historic wrongs to Native Americans.

The anti-75 campaign spent \$564,000 against the measure, invoking Oregon's "promise" to leave casinos to the tribes as a means to uplift their people after centuries of abuse by whites. The assertion is that tribes have actually bettered their people with the money raised.

"We've accomplished some amazing things in our communities," Justin Martin, a lobbyist for the Confederated Tribes of Grand Ronde, said just a week before the Nov. 2 election. "None of this would have been possible without the opportunity that tribal gaming represents."

But while the Wood Village guys made a poor case to add more gambling to the state, here's the untold story about tribal gambling in Oregon: By several key measures, American Indians here are no better off than they were the day the casinos first opened in the mid-1990s.

The U.S. Census shows Native American poverty rates in Oregon skyrocketing in recent years, from 22 percent in 1999 to 31 percent from 2006 to 2008, the most recent years for which data is available. There are some differences in the way those numbers were calculated, but they leave little doubt of a worsening trend.

On their reservation on the eastern slopes of the Coast Range, the Grand Ronde run the sprawling Spirit Mountain Casino. A 90-minute drive from downtown Portland, the casino is Oregon's largest and most successful tribal gambling enterprise. In the 15 years since it opened, Spirit Mountain has netted more than \$833 million in profits for the 5,228 members of the Grand Ronde tribes.

That works out to about \$150,000 per person, even after the tribe's generous donations to Oregon nonprofits. And the vast majority of that money is dumped into social services for the tribe.

With the resulting benefits, you'd be forgiven for wishing you were a Grand Ronde member today.

The tribe covers tuition at any college or trade school in the nation, including grad school. Cradle-to-grave health care is paid for all members, no matter where they live. There's affordable housing on the reservation. And each member receives cash payments of about \$4,000 in the mail each year, courtesy of the casino.

FRONT PORCH: Laquina Lafferty (right), Melinda Lafferty's mother, talks to her friend Wendy Scott at the Lafferty home in Bunsville. IMAGE: Darryl James

One could argue those benefits have made the Grand Ronde in some ways Oregon's most privileged class of people. Yet statistics show those hundreds of millions in casino money have yet to lift the majority of Oregon's Native Americans out of their economic rut. The Grand Ronde, even with Oregon's most lucrative casino, are no exception.

When Spirit Mountain opened in 1995, 55 percent of Grand Ronde tribal members earned below 80 percent of the median Oregon income, according to the tribe's own figures. Five years later, the tribe switched to measuring by household, but the ratio was the same—55 percent. Today, hundreds of millions of dollars later, that statistic remains exactly the same—55 percent.

Grand Ronde households in the deepest poverty also remain stuck at rock bottom. Ten years ago, 15 percent of tribal households were severely impoverished, earning less than 30 percent of the median income. Today that number is even worse—17 percent.

It's true that Grand Ronde members at the upper end of the spectrum make more money now than they did before the casino. But the fact that the wealthiest tribe in the state has invested a fortune and still failed to dent its widespread economic malaise says something deeply disturbing about the Native American experience in Oregon.

Native advocates point to factors that make Indian poverty especially difficult to address. Tribes face a pernicious mix of rural and urban economic decay. Add widespread drug and alcohol abuse—and a culture still suffering from deep-seated fear and mistrust—and it becomes clear why American Indians remain stuck at the bottom.

“People want it to be an easy fix, but folks don’t understand how fresh the wounds are,” says Nichole Maher, executive director of Portland’s Native American Youth and Family Center.

Granting tribes the exclusive right to run casinos was intended to lift them up—and to assuage some white Oregonians’ historical guilt. But it’s not just the Grand Ronde who have struggled to make progress. The uncomfortable truth is that Oregon’s Native Americans as a whole may be even worse off than before.

The majority of Native Americans statewide are not from Oregon tribes, and they see no direct benefits from tribal casinos here. But the striking persistence of Indian poverty despite the casinos is a tragedy researchers at Oregon State University already noted a decade ago.

“It’s obvious that constructing gambling casinos hasn’t worked in bringing Oregon’s...Native Americans out of poverty,” a team of OSU scholars wrote in a 2000 report on statewide poverty. OSU’s numbers pegged the state’s Indian poverty rate at 29 percent at that time.

Other stats are just as grim. Native Americans now make up a higher percentage of Oregon’s prison population than they did 15 years ago when the casinos opened, according to the state Department of Corrections. And they still have the highest rate of alcohol-induced death in the state, according to the Oregon Public Health Division.

American Indians now earn a lower percentage of the state’s college degrees than they did in 1997, according to the Oregon University System.

And, as a group, they still enter school with measurably lower social, personal and cognitive development than other children in Oregon, according to the state Department of Education.

The question is why.

Cheryle Ann Kennedy, elected leader of the nine-member Grand Ronde tribal council, says the emotional and economic scars from years of depredations—including massacres and actions such as Congress disbanding her tribe in the 1950s—will take generations to repair.

“It’s not different from the Holocaust of the Jewish people,” Kennedy says. “When you look at the magnitude of the level of need, it’s billions of dollars. And every year, we make millions.”

Terry Anderson has a different answer. An economist and head of the libertarian-leaning Property and Environment Research Center in Bozeman, Mont., Anderson says relying on casino money to provide social services is a disincentive to progress.

“You are talking about literally a welfare state,” he says. “If you ask what creates economic growth, it’s increased productivity that comes about when people have an incentive. And there’s nothing on reservations that creates that incentive. No investment is being made to increase productivity, except for making the casino fancier.”

The gold-painted tour bus that pulls in to Spirit Mountain Casino on a recent Saturday afternoon has a giant picture on the side of hot young women dancing in a club. But in Indian Country, things aren’t always what they seem.

Instead of glitter and curves, the bus disgorges a load of mostly older people picked up from stops in Portland, Washington Square Mall, Tualatin and Newberg. Many rely on canes and walkers to make their way into the casino—where 1,911 slot machines, 48 card and roulette tables, 400 bingo seats and the renowned Cedar Plank Buffet await to swallow their cash.

Like in casinos worldwide, there are no clocks in Spirit Mountain's vast gambling rooms, and no windows to suggest the time of day—just the endless ding of the slot machines, the symphony of an endless jackpot.

Charles Fry sits on a bench outside the casino, waiting for his wife to drive him home. The 77-year-old retired logger lives 12 miles away, in the tiny town of Sheridan, where he scrapes by on \$1,200 a month from Social Security. He comes to the casino several times a week to eat or gamble, and today he blew \$90 on the slots.

But Fry figures the Native Americans have earned their right to run casinos.

“We’ve beat up on these old Indians for so long,” he says. “They deserve everything they get.”

FOUR OF A KIND: Facilities at the Grand Ronde reservation include (clockwise from left) a medical clinic, education center and library. IMAGE: Darryl James

A mile and a half up the road from the flashing lights of Spirit Mountain Casino squats the very portrait of rural poverty.

The village—if you can call it that—is known locally as Bunsville. The name comes from Floyd Bun, the now-deceased landlord who built the ramshackle neighborhood off Highway 18 in the tiny town of Grand Ronde.

About 40 small houses, dilapidated and shedding paint, stand along four muddy dirt roads filled with puddles the size of small ponds. Dogs bark from behind chain-link fences. Feral cats roam the broken sidewalks. Junked cars and broken appliances line the driveways and litter yards long since abandoned to weeds. This neighborhood is home to both whites and members of the Grand Ronde tribes.

House No. 12 has a sign on the garage saying, “No Trespassing—Violators Will Be Shot—Survivors Will Be Violated.” A pink plastic tricycle and an old pressure washer stand forgotten out front. Inside, 18-year-old Melinda Lafferty is giving a bath to her 3-year-old daughter, Bayle.

The girl's father is somewhere in South Dakota. Lafferty, a high-school dropout, is unemployed and lives in Bunsville with her parents. If she were like most of America's rural poor, her life could most likely be judged a lost cause already.

But Lafferty is one of about 60,000 Oregonians identified by the Census as an American Indian. One-quarter of her dad's blood is from the Grand Ronde tribes, letting Lafferty qualify for the tribal rolls (you need to prove one-sixteenth ancestry to qualify).

That simple fact has given Lafferty a huge leg up over other neighbors in Bunsville.

The tribe paid for Lafferty to earn her GED through Chemeketa Community College in Salem, thanks to casino money. Now she's studying business management at Chemeketa—again on the tribe's dime. She attends classes via video conferencing in the tribal reservation's \$5 million education center, which is run on casino dollars.

She pays for clothes, food and other bills with the \$4,000 she receives each year from the tribe. She's on the waiting list for low-income housing on the reservation, where any member can live based on whatever they can afford.

Statistically, Lafferty is still an unemployed single mom below the poverty line. But because of casino money, behind those basic facts is a woman with a ticket out of Bunsville.

That's not true for everyone in the tribe. Stories abound of people who squander their casino checks. Billie LaBonte, a white retired state administrative worker married to a tribal elder for 13 years, says the curse holds especially for young people.

"The kids get their Indian money, and all they do is drink and do drugs," she says. "Maybe one in 50 do something good with it."

Say what you will about gambling as a means of preying on human weakness, or about the fairness of the Indians' monopoly. By transferring hundreds of millions from other people's pockets to the tribe, Spirit Mountain Casino is in many ways one of the most effective systems imaginable for redistributing wealth.

LAWN FUN: Brothers Junior (left) and Brison Speakhunder play in their Bunsville yard. IMAGE: Darryl James

Wink Soderberg spent his early childhood on the Grand Ronde reservation in the 1930s, when there was no running water. The family outhouse stood 50 feet from his back door, and the only dependable source of food was the deer in the forest.

"I remember this community as just bone poor," Soderberg says.

Soderberg shared those memories from a leather chair in the board room of the Grand Ronde's \$5.3 million government headquarters, where he sits on the tribal council. The board room is where the council and other tribal executives run the Grand Ronde's real-estate and investment empire, including land under development from the coast to the Pearl District.

The tribe doesn't reveal its holdings to the public. But three facts are certain: Its investments can be measured in the hundreds of millions of dollars. Casino money bought nearly all of it. And that wealth has transformed the tribe's reservation straddling Polk and Yamhill counties into what you might call a utopian experiment—at least by the standards of the rest of rural America.

Down the street from government headquarters is the tribe's \$4.6 million medical center, with two doctors, two nurses, three dentists, two optometrists, two mental-health counselors and two pharmacists. It's open to anyone in the surrounding towns of Sheridan, Willamina and Grand

Ronde. But tribal members here and elsewhere have their medical bills fully covered, at a cost of \$23 million this year alone.

Nearby is free senior housing in handsome duplexes, where tribal employees take care of cleaning and yardwork for the elders. Next door is an assisted-living facility for the dying, adjoining a community center where the young are invited to eat communal lunches with the elders.

The tribe provides generous scholarships to cover the costs of any level of education for any tribal member. Nearly 600 tribal members are currently in school on scholarships, and the tribal education center provides preschool.

The tribal housing authority has built more than 100 housing units for low- and middle-income families on the reservation, with several dozen also built with federal grants. Initially, they were manufactured homes, but today they're identical, pitched-roof homes that look similar to those in any suburb.

Conscious of not creating class differences, the low- and middle-income homes look the same on the outside—the only difference is the quality of fixtures. The tribe boasts it can provide housing for any member of any income who moves to the reservation, although there is a waiting list for low-income homes.

This is no Potemkin village. Tribal members shuffle out of doctors' offices in the clinic. Cars pull into the driveways. Elders are bused from their assisted housing to social events, including at the traditional longhouse nearby for community ceremonies.

Why hasn't all of this spending lifted more Grand Ronde out of poverty? Tribal officials compare that task to the long-term work of rebuilding Iraq or Afghanistan. They say it will take several generations to see more dramatic results.

“What we're really doing is nation-building—rebuilding what was there,” says Rob Greene, the tribe's attorney for 16 years. “That's a tremendous amount of work.”

Tribal council members like Soderberg make about \$75,000 a year, and the tribe's stats for the percentage of households making that amount or more show steady progress. Upper-income households rose from 7 percent of the total in 1999 to 25 percent in 2009.

But less-fortunate tribal members struggle to compete for lower-wage jobs. Even at the casino.

The astounding truth is, only an estimated 10 percent of the roughly 1,500 employees at Spirit Mountain are Grand Ronde—despite the fact tribal members are given hiring preference.

The reason points back to the same social problems plaguing Native Americans statewide. Tribal members say many Grand Ronde can't pass the strict criminal-background and credit checks required to work in their own casino.

The resounding defeat of Measure 75 shows Oregonians are willing to rely on the tribes to run our casinos. But after 15 years of what they call nation building, the Grand Ronde also remain

reliant on the rest of us—perhaps now more than ever. “We need the white man and his money,” says tribal elder Gene LaBonte, “to keep that [casino] going.”

THE GRAND RONDE: A HISTORY

Visitors to Spirit Mountain Casino are greeted at the front door by a statue of Martha Jane Sands, a Grand Ronde who survived a white raid on her childhood village by hiding in a beaver dam.

As the Grand Ronde tell their history, Indians lived from time immemorial in peace and abundance in the Columbia and Willamette river valleys. Frequent wars with plateau tribes—and the widespread practice of slavery by their ancestors—are less often mentioned.

With the Willamette Valley Treaty of 1855, they were forced to cede their homelands, and 27 tribes were pushed onto the Grand Ronde reservation. They refer to that march as Oregon’s “Trail of Tears.”

Promises from Washington, D.C., to provide government services were broken, tribe members say, and the original reservation was gradually whittled away. In 1954, the federal government disbanded the Grand Ronde and 109 other tribes nationwide under a policy called “termination.” Sixty-two of those tribes were from Oregon, mostly on prime timber land.

The Grand Ronde were left with nothing but their cemetery and an adjoining tool shed. Many dispersed and intermarried with whites—other tribes now mock them for looking too pale. But a handful of elders fought to restore the tribe, a distinction Congress finally granted again in 1983.

Restoration came at the same time the timber economy collapsed. Salvation came with the 1988 Indian Regulatory Gaming Act, which allowed casinos on tribal reservations.

When the Grand Ronde opened Spirit Mountain in 1995, it was slots and bingo only. They had to negotiate in 1997 to allow roulette, blackjack and other games. In return, the tribe agreed to give 6 percent of its casino take to Oregon nonprofits.

Those funds are distributed by the Spirit Mountain Community Fund. The fund has powerful friends—its board includes Secretary of State Kate Brown, former U.S. Rep. Darlene Hooley (D.-Ore.) and Portland businessman Sho Dozono. During this fall’s Measure 75 campaign, the opposition never tired of reminding Oregonians that the Spirit Mountain Community Fund has distributed more than \$50 million to charity.