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American Indian Culture and Research Journal

Title

Gaming and Recent American Indian Economic Development

Permalink

<https://escholarship.org/uc/item/4xk6h932>

Journal

American Indian Culture and Research Journal , 22(3)

ISSN

0161-6463

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Publication Date

1998-06-01

DOI

10.17953

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COMMENTARY

Gaming and Recent American Indian Economic Development

JOSEPH G. JORGENSEN

A mere four years ago in Tulsa, Oklahoma a knowledgeable group of American Indians and scholars of American Indian topics gathered to forecast the future of American Indian sovereignty, economics, relations with governments, and general well-being.¹ With far too much temerity I stood in front of the gathering to forecast American Indian economic development. As was my wont after nearly forty years of observation and analysis of Indian economic ventures, particularly agriculture, but also recreation, industrial park, mining, energy, and sundry smaller business activities, I assumed that the future of economic developments among America's Indian tribes would be similar to past attempts to develop Indian economies. Indeed, I argued that it was wise to accept David Hume's proposition that the past is the best predictor of the future for social phenomena.² Hence, I foresaw nothing but failures, the exception being the *maquiladora*-like assembly operations owned and managed by the Mississippi Choctaw.³

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I argued that reservation subjugation brought with it not domination alone, but expropriation of resources from which Indians gained their livelihoods, in some instances and in some places exploitation of Indian labor, and everywhere the dole. Tribal domination was made complete by the plenary powers over Indian affairs invested in Congress. Expropriation was made complete by the Cherokee decisions in regard to the impaired title to Indian land. The dole is not complete, but when it is forthcoming its source is the federal government.

Although agriculture is the focus of the papers in this special edition of the *American Indian Culture and Research Journal*, agriculture has not been a successful avenue for economic development for any North American Indian tribe. Nearly a full decade before the great stock market crash of 1929, the United States experienced its first agriculture market glut. Indian agricultural production was not a significant factor in causing that glut, and it has only lost ground in agricultural production since that time as centralization of crops and livestock, transformation from intensive labor to intensive capital, lack of access to capital, lack of political influence, long distances from market, generally arid and unproductive land, and modest educations and technical skills have coalesced to eliminate agriculture as a viable means for Indian economic development.

In 1994 I argued that a spate of legislation enacted since 1887 so as to rectify Indian economic problems as defined by Congress, or its lobbies, or both, had been unsuccessful in rectifying those problems. My list, well known to Indian scholars, includes the pieces in the history that define the swings back and forth between policies that prompted individual, competitive behavior in the market and those that made some provisions for collective, tribal economic affairs.⁴ The General Allotment Act of 1887 (individual), Indian Reorganization Act of 1934 (collective), Indian Claims Commission Act of 1946 and subsequent specific termination acts (individual), and the Indian Self-Determination and Education Act (collective) marked the swings in my view. In retrospect, the last mentioned is especially interesting because I recognized it as the most significant piece of legislation that offered some possibility to assist Indian economic development. I think I was half right. Whereas the Self-Determination Act laid the groundwork, I completely missed the significance of the Indian Gaming Regulatory Act (IGRA), although it had been enacted in 1988, six years prior to the occasion of the Tulsa symposium.

As a matter of fact, when asked by one participant why I was so pessimistic about Indian development when Indian gaming operations were opening and, apparently, succeeding, my response was, in short, ignorant.

I responded that Foxwood, the Pequot casino in Connecticut, was a success, as was Mystic Lake, the Chippewa casino in Minnesota. Yet off the top of my head I foresaw a host of financial, management, ownership, location, seasonal, governmental, and legal problems that would sink most Indian gaming operations—operations that Indians would seldom own or control. The more obvious problems were saturation (several casinos within modest proximity would compete for a limited patron pool, as in San Diego and Riverside counties, California); long distances from population centers and from major highways (poor marketing and bad locations would operate against most Indian casinos in the mountain and Plains states); seasonal fluctuation (casinos in the mountain and Plains states and others within proximity of vacation destinations would wither from fall through spring); non-Indian capital and control, often from organized crime, would deny Indians anything beyond employment (non-Indians, as in many bingo operations of the 1970s, would build and operate the casinos and maintain the books); paucity of acumen about gaming and the gaming business; lack of access to capital; and legal problems with state and federal governments.

Although each of the foregoing factors, often in combinations of three or four, have caused some problems, the more remarkable outcome at this stage is that Indian gaming operations have been so successful. Since passage of the IGRA of 1988, legalized gambling on Indian lands has provided revenues for tribes that I forecast to be impossible. Access to capital and control of the casino I considered to be insurmountable problems. Yet one of the features of the act is intended to deny the control of casinos by non-Indian corporations, the mob, and outside firms in general. Outside firms can invest in casinos, even manage casinos, but they cannot gain more than 30 percent of profits, and they can do so for only the first five years of operations. After that, the IGRA requires that operations be turned back totally to the tribe. Hence, the tribe must learn to manage its own casino, or if it chooses to hire outside management, the tribe retains full control over that management.

A symposium at the California Indian Conference for 1995 (held at the University of California, Los Angeles) brought

together participants from several tribes that have gaming operations within California. These representatives discussed the poignant issues of the day, including the obstacles they were encountering in seeking a compact with the state of California to operate their casinos within the legal parameters established by IGRA; the inability to purchase electronic gambling machines (one-armed bandits and the like) because of pressures put on suppliers by Nevada hoteliers and gaming operators; and the threat of raids by state police intended to close casinos because of illegal (machine) gambling on the premises.

Discussions also turned toward the economic successes, if marginal, of some of the smallest and most disadvantageously located casinos; the managerial help contracted by tribes of leading casino operators, such as Caesar's Palace and Full House (contracts that had explicit termination dates, which required merit review and so forth); the employment provided for all local Indians willing to work and for many non-Indian locals as well; and the distribution of revenues as benefits to elders, and to health, education, recreation, and culture-historical projects, including tribal museums.

The early evidence from the testimony of the participants was that gaming was an economic development in and of itself and, as a multiplier, a source for further economic developments in areas surrounding the tribe which owned the casino. The revenues were being used to enrich Indian lives and to nourish Indian culture.

Research on Indian gaming operations is extremely meager, but analyses of the IGRA; a major suit spawned by that act, *Seminole Tribe v. Florida*;⁵ and the questions of taxation, termination, and social consequences that are anticipated as consequences of the IGRA were presented at a symposium hosted by the Arizona State University College of Law's Indian Legal Program in Tempe, October 11-12, 1996. In the publication of symposium papers, Eric Henderson—a Ph.D. in anthropology as well as a J.D.—provides a magisterial treatment of what is known and what is not known about the social and cultural consequences of Indian gaming.⁶ There are more learned questions than answers about Indian gaming and its consequences for families and individuals, problem gambling for Indians and non-Indians, intratribal social and political arrangements, economic benefits, factionalism, and other pressing topics, undoubtedly because of the recency of Indian gaming. There is

much to learn and much to study. We are looking at Indian gaming through a very dark glass.

SELF-DETERMINATION

So let us recall the Self-Determination Act and related legislation enacted a quarter of a century ago which, collectively, sought to provide Indian tribal governments with some controls over various aspects of their private and public economic affairs. Forty years prior to the Self-Determination Act, the Indian Reorganization Act of 1934 was envisaged as self-determination legislation for tribes. Yet in this 1930s form of self-determination, Congress vested the secretary of Interior with veto authority over tribal decisions. A bit later, realizing that the reorganized tribes had no money to drive their new corporations, Congress provided a minuscule revolving credit fund for which tribes could compete to fund development projects—such as livestock or farm operations. The Self-Determination Act of 1975 enabled tribes to exert control over public sector services and to compete for public sector grants and programs. In a replay of the 1930s, a separate act created another minuscule revolving credit fund for economic development available to the nation's federally recognized tribes (more than 275 in 1975) on a competitive basis.⁷

The Reagan Administration did not add one penny to the revolving credit fund, yet it managed to decrease the federal budget for Indian programs in each of the administration's eight years. Reagan's administration replaced dollars with encouragement to Indians to nourish their entrepreneurial activities and to seek independence from the federal dole.

Indian economic development is closely tied to self-determination, while Indian economic *undevelopment* is tied to the structure of the nation's political economy and to the unique niche that tribes occupy by law and by context in that economy (see note 4). The extinguishing of Eskimo, Aleut, and Indian claims to aboriginal hunting, fishing, and land rights in Alaska in 1971, the Arab oil embargo of 1973, and actions of Congress and of successive administrations over the past three decades have regularly turned scholarly attention to the political economic structure of dependency. Impartial observers can no more easily deny that structure than can tribes, through some formula, generate sustainable and growing economies in which they do

not exercise ownership and control of production.

About fifty years ago the nation's total agricultural products were produced by about 25 percent of the work force. The nation's manufactured goods were produced by about 50 percent of the work force. In 1998, the nation's total agricultural products, including exports, are produced by less than 2 percent of the work force, while the nation's manufactured goods are produced by about 15 percent of the work force. Given the incentives for capitalists to reduce costs while seeking maximum profits, coupled with the technological advances which increase production while displacing labor, fewer jobs and fewer manufacturing sites in the United States appear to be in the offing. If the future is to be like the past, it is a reasonable bet that total production of goods in the United States will be manufactured by 2 percent of the population in the not too distant future.

The structure of contemporary capitalism, nested in worldwide competition, is recognizable. Businesses seek government assistance through tax incentives and through the development and maintenance of roads, sewers, airports, docks, communication systems, and security, while eschewing the burdens of environmental, safety, health, minimum wage, and equal employment laws and of the regulatory compliance red tape that has grown from those laws.

GAMING: ECONOMIC DEVELOPMENT AND SOVEREIGNTY

Indian sovereignty was limited with the ratification of the First Article of the Constitution which gave Congress plenary powers over tribes. With several important exceptions in which the Supreme Court has stepped up to define and restrict tribal sovereignty, Congress has defined what Indians own and control. Lenders have been more willing to offer advice than to lend capital. Title to trust land, after all, is impaired, so it doesn't provide good collateral for loans from, say, a megabank such as NationsBank-BankAmerica for deals that must be approved by Congress to proceed.

The obstacles to Indian economic development are structural: Tribes are domestic dependent nations whose decisions can be vetoed, whose title to land and resources are impaired. Until the advent of Indian gaming operations, recognized

tribes in the United States have had extremely limited access to capital, and have suffered disadvantages in access to and control of information pertinent to their own resources as well as to the market. Most recognized tribes are located long distances from markets of all kinds, and because the interests and obligations of most tribal governments focus on the nourishment of the well-being of tribal members—whose needs are endless—decisions to use scarce resources to benefit many as soon as possible have dominated decisions to allocate tribal funds. When engaged in business ventures—whether joint with non-Indian corporations or whether as rentiers to lessees of land and resources—almost all tribal corporations have watched profits generated from reservation resources drain from reservations to the coffers of corporations in distant metropolises. And members of almost all reservation societies suffer from discriminatory words and acts from their nearest non-Indian neighbors, themselves situated in struggling rural areas.

With such a tiny proportion of the nation's population producing all of the nation's agricultural and manufactured goods, what, possibly, is the future of the economic development of Indian tribes? While it is the case that most reservations are located in marginal areas long distances from manufacturing and agricultural markets and suffer unique political constraints, their access to capital and to information has been dramatically altered in the past five years. Indian tribes have some options not available heretofore. It is no longer the case that non-tribal-owned companies and corporations whose offices are located long distances from reservations own or control all of the businesses operating on reservations, draining the profits from the reservation to their corporate headquarters, keeping the books, and dribbling back to Indian tribes some crumbs in the form of royalties, a few jobs, or lease income.

The Pequot of southern Connecticut have been uniquely successful in the gaming business. The Pequot, whose capital to build Foxwood casino came from a federal judgment, have not required infusions of federal capital to maintain the casino and its work force. Rather, the casino has flourished, causing alarm to casino operators in Atlantic City who claim that the proximity of the Pequot operation to the densely populated region from Boston to New York City has throttled their own operations.

The successes of the Pequot's Foxwood Casino and the

Chippewa's Mystic Lake Casino have not been lost on the nation's recognized and unrecognized tribes. In mid-1997 there were 273 Indian-owned casinos. Among these, 145 tribes located in twenty-four states had entered into compacts (161 in all) with the governments of the states in which their casinos are located.⁸ The gross revenues of all Indian gaming operations in mid-1997 have been estimated at \$6 billion annually. The 128 tribal casino owners who have not arrived at agreements with the states in which they operate are seeking to do so, often against considerable obstacles.

For example, tribes operating forty-one limited gaming facilities in California—in which 13,000 video slot machines are the principal source of revenues⁹—had been thwarted for more than four years in their attempts to agree to a compact with the state. On March 7, 1998, Governor Pete Wilson's administration signed a compact with one of those forty-one tribes, the Pala Band of Mission Indians in northern San Diego County, allowing video lottery games in *all* California Indian casinos. Wilson's administration envisaged the compact as comprehensive, the formula for all compacts with California's tribes. Those compacts would restrict each tribe currently operating casinos to 199 video lottery machines¹⁰ and all other federally recognized tribes in California to that same number of video machines, if and when they open casinos. There are 106 federally recognized tribes in California and dozens more unacknowledged tribes that are seeking federal recognition. Governor Wilson's comprehensive formula would reduce the number of machines now in use by about 5,000 (38 percent). The government-to-government agreement did not proceed in "good faith" according to thirty-nine California tribal governments currently operating casinos.

California's casino operating tribes responded quickly to the Pala compact. They gained sufficient signatures to place an initiative on the November 1998 statewide ballot in California: the Tribal Government Gaming and Economic Self-Sufficiency Act. The initiative ensures that California tribal gaming operations can continue to operate on tribal lands to support Indian economic self-sufficiency.¹¹ They estimated that their forty-one casinos directly provide 15,000 jobs in the state, and they provided evidence that Indian gaming operations will not impact California's \$2.3 billion non-Indian gaming industry (bingo, card rooms, horse racing, lottery).

The stakes are high. The claims that casinos are crucial to

the development of self-sufficient tribal economies, although not without some negative effects and some business failures, appear to be measured. Because of a paucity of research on Indian gaming nationwide, I must rely on anecdotal evidence in the following assessment of the successes of and the problems associated with Indian gaming.

Let us begin with Oregon's Grande Ronde Confederated Tribes, in part because they had so little and so few prospects when they opened a casino, and in part because the consequences to the tribe and to the local area from their casino's short history is similar to so many tribal casinos from Connecticut to California. Oregon's Grande Ronde Confederated Tribes were terminated from federal services and stripped of federal recognition. Twenty-three years later the Confederated Tribes successfully sought Congress to restore federal recognition to them, and the Grande Ronde were awarded a reservation of about 10,000 acres located about sixty miles from Portland. When the timber industry in which they were engaged for more than a decade faltered, the tribe voted to avail itself of the IGRA. According to Michael Killeen, the tribe sought to create jobs for Natives and non-Natives while building an income base that would allow them to invest in education, the environment, and the arts, while also becoming a multiplier for the local area.¹² They intended as well to implement measures to avert gambling addiction and crime, and to create treatment centers for gamblers with problems.

In 1996, Grande Ronde established the Spirit Mountain Casino, hired a tribal member and attorney as CEO, and in its first year of operation generated a profit of \$30 million.¹³ Killeen points out that the tribe hired 1,200 people, only 200 of whom were Indians. And of the new hires, 46 percent had been out of work, 35 percent had been on welfare, and 42 percent lacked health insurance. In the first year alone, \$8 million in gambling profits were used to build and improve highways, the water and sewer system, and a new medical facility (for Natives and non-Natives), while \$335,000 was invested in studies on the negative impacts of gaming, rescue helicopters for Portland hospitals, and to an exhibition of Native American Art at the Portland Art Museum.¹⁴ The \$335,000 represents 6 percent of net revenues. This proportion is committed to a community fund for non-tribal causes.

The San Manuel Serrano Indians, located near San Bernardino, California, opened a bingo parlor in 1986, expand-

ing their types of games following passage of the federal gaming act. The tribe encountered opposition from the city and county of San Bernardino which they overcame by agreeing to finance road and traffic improvements for seven years (through 1993). They also overcame opposition from home owners in the area adjacent to the casino by agreeing in federal court to compensate them up to \$300,000 total for devaluation of property.¹⁵ In 1988 about 75 percent of the tribe's work-eligible population was unemployed and about the same proportion of tribal members received welfare benefits. In 1993, according to Mark Henry,¹⁶ the casino embarked on an energetic advertising program and soon began drawing 100,000 gamblers per month. In short order the casino eliminated tribal unemployment and welfare. Any member who seeks work obtains it so long as he or she passes the background check and drug test required of all applicants. In 1996 the casino had a \$26-million payroll, providing jobs for 25 percent of the tribe's total population and 1,400 jobs total. Employees come from a five-county area; most are non-Natives. As is the case for Grande Ronde, the San Manuel Serranos used casino profits to donate about \$600,000 to charities in 1996; build a new water system, roads, and homes for tribal members; and provide per-capita distributions among tribal members. The tribe offers to pay the cost of college educations for any member who wishes to attend. In 1997 one person had accepted the offer.

Three bands in San Diego County, California—Barona, Viejas, Sycuan—totaling about 700 members, were mired in poverty a decade ago. Each opened casinos on their reservations following passage of the federal gaming act. "Barona closed three times between 1988 and 1991 when management companies failed to make it profitable."¹⁷ Troubles were frequent: Video games were confiscated by San Diego County law enforcement officers at the direction of the state attorney general (only to have them returned by a federal court judge). By 1994, following Barona's lead, Viejas and Sycuan had become successful running high-stakes bingo games, off-track betting, Indian blackjack (cards), and video poker. By 1995 high-stakes bingo gave way to high-jackpot video poker (up to \$100,000 payoffs).¹⁸ Video machines account for 70 percent or more of profits. Currently, the three casinos have about 2,500 video games (total) and draw about 15,000 gamblers daily (5.5 million per year), mostly from within San Diego County. The aggregate revenues for the three casinos are estimated at well

over \$1 billion annually. The San Diego casinos have restaurants, snack bars, and stores, but no alcohol.

All tribal members who desire employment are employed by the casinos. But of the 1,600 employees at one casino, only sixteen are tribal members. If but one person per household is employed, about 30 percent of the households have a casino employee. Inasmuch as all tribal members receive per-capita distributions from profits (about \$4,500 per month for Barona tribal members), the modest number of casino employees per Indian household is not surprising. Per capitas are distributed each month only after basic services, improvements, and investments are determined by the tribal governments. Within the bands, improvements and public investments include gymnasiums, college funds, trust funds for all persons eighteen years of age with high school diplomas, libraries, computer centers, Head Start programs, homes. Outside the bands, contributions totaling over \$2.4 million in 1995 and 1996 were made to San Diego area charities, symphonies, community centers, and the like. And as for investments in the area economy, Viejas purchased a controlling interest in a local bank, and is building a discount outlet shopping center-entertainment complex. Barona operates a gas station that cost the band \$600,000 to build and that employs sixteen people. Sycuan runs a regional health clinic.¹⁹

Many of the personal problems associated with Indian gaming are similar to problems associated with non-Indian gaming, namely, gambling addiction, the setting and occasions for crime, and the stresses that can occur within families because of gambling habits. Tribes have sought to counter these problems through the ways in which they advertise (some downplay enormous payoffs), prohibiting the sale and use of alcohol, prohibiting the use of checks or credit cards, prohibiting the development of tabs (credit) for regular customers, and educating persons against gambling addiction.

Problems of other kinds emerge as well. Former non-Indian managers and investors in Indian casinos have been convicted of operating illegal gambling operations and sentenced to prison terms and fines (while having charges dropped for skimming millions of dollars from one tribe).²⁰ Small casinos located in close proximity to large and successful casinos, such as the Cahuilla Creek casino in the little town of Anza near the profitable Indian casinos of the Palm Springs area, struggle to maintain a work force of seventy-five people, down from 150 in

1992. It draws no more than two hundred customers on a good night. The casino is unable to donate money to the community or to tribal services, nor is it able to invest in other businesses.²¹ The National Indian Gaming Commission, established by the IGRA, requires all Indian casinos to submit annual audits and background investigations of key employees. In 1997 the commission found that nearly half of the 273 tribal casinos failed to submit either audits or background investigations of their key employees.²²

And finally I call to attention problems that have been created within and between tribes as a direct consequence of the Indian Gaming Regulatory Act. The Juaneño Band of Mission Indians in Orange County, California, are not recognized by the federal government. In 1978 the Juaneño Band sought to be recognized through provisions of the Federal Acknowledgment Process. A list of tribal membership was prepared and a petition responding to the requirements of the acknowledgment process were submitted. The Federal Acknowledgment Process, administered by the Bureau of Indian Affairs (BIA) has had a hoary history. Not until 1994 was the Juaneño Band's petition close to being decided by the BIA. Between 1990 and 1994, however, the tribal leaders responsible for filing the petition were approached by Nevada gaming investors who offered to invest in a casino when the tribe gained recognition, established a sovereign government, and received land on which the casino could be placed. Soon an anti-gambling faction formed and filed a second petition with a different, but overlapping, list of tribal members, and new responses to the questions posed in the BIA petition guidelines. By 1998 the person who had been the chairman when the original petition was prepared, but who did not stand for reelection, returned to represent the original petition, bringing with him several persons. Yet the faction that had stuck with the original petition had elected a new chairman. Thus, the original petition was claimed by two factions, while the second petition retained a faction and chair of its own. The confusion of petitions and petitioners has not been resolved by the BIA's Branch of Acknowledgment Research, but if and when they recognize the Juaneño Band, it will be only one of the petitions, hence only one of the tribal membership lists will be approved as enrolled members.²³

A second problem pitted the Torrez-Martinez tribe against several casino-operating tribes in the Palm Springs area of California. Half of the Torrez-Martinez reservation was flood-

ed in 1905 by a famous accident in which a Colorado River canal burst, causing the formation of the Salton Sea. The Salton Sea has inundated Torrez-Martinez land ever since. Recently the Torrez-Martinez received 14 million dollars from Congress to purchase new land farther north in the Palm Springs-Palm Desert-Coachella Valley area (approved by the Department of Interior), and sought the assistance of Full House Resorts to help them establish and manage a casino. The casino has not gone forward because of intense lobbying by established Indian-owned casinos in the area that do not want to see their own revenues reduced by another casino in their vicinity.²⁴

The problems in starting and maintaining successful gaming operations are many. Gaming offers, however, the most likely source of sustained economic successes for impoverished tribes, and is a remarkable employer and multiplier for moribund rural areas.

In conjunction with successful gaming operations made possible by the IGRA and agreed to in good faith compacts struck with state governments, the Self-Determination Act can be used by tribes to gain (and in some instances, regain) control over the federal services they now receive. If they are careful, obtain good advice, and are situated within good transportation networks, they may be able to create assembly firms similar to those of the Mississippi Choctaw as well, further lifting local economies. The obstacles to the smallest tribes located the longest distances from markets and population centers are, as in the past, structural and many. Yet the initiative placed on the ballot by California gaming tribes goes a long way to sharing wealth among tribes that do not have gaming operations and would not enjoy success if they had them.

NOTES

1. "Native America: Faces of the Future," Conference held at the University of Tulsa, Tulsa, Oklahoma (April 15-16, 1994).

2. For a full development of Hume's position, which is much richer and much more cautious than my claim about it, see Frederick L. Will, "Will the Future Be Like the Past," *Mind* (1956) for the most widely accepted critique of Hume's position.

3. About twenty years ago the Choctaw of Philadelphia, Mississippi successfully penetrated the automobile industry in the United States by installing cassette decks into the baskets which were hung in Ford, General Motors, and Chrysler cars and trucks for a lower price than any of those corporations could

match should they install the cassettes in-house. Choctaw labor was eager and the price was right. Hours for employees were flexible, health benefits for Indians were covered by the Indian Health Service, and jobs were provided for non-Indians in the community as well. The Mississippi Choctaw recognized the niche and the competition posed by businesses that fled across the border to Mexico. Manufacturers sought lower costs and higher profits. For more than twenty years the Choctaw have been successful in acquiring new contracts to assemble a wide variety of products; hiring more local whites, blacks, and Indians; and building more buildings to assemble the items that come to them. The future of the Choctaw enterprise is surely bound to the future of manufacturing and to their ability to provide high-quality assembly at low cost to the manufacturers. Their competition is *maquilladore* operations along the U.S.-Mexico border.

4. These issues have been addressed in detail from various perspectives in the past. My view has undergone only modest change in the past thirty-five years. See Joseph G. Jorgensen, *The Ethnohistory and Acculturation of the Northern Ute*, Ph.D. Dissertation in Anthropology (Indiana University, 1964); "Indians and the Metropolis," in Jack O. Waddell and O. Michael Watson, eds., *The American Indian in Urban Society* (Boston: Little Brown, 1971), 67-113; *The Sun Dance Religion. Power for the Powerless* (Chicago: University of Chicago Press, 1972); "A Century of Political Economic Effects on American Indian Society," *Journal of Ethnic Studies* 6:3 (1978a): 1-82; "Energy, Agriculture, and Social Science in the American West," in Joseph G. Jorgensen, et al., *Native Americans and Energy Development* (Cambridge: Anthropology Resource Center, 1978b), 3-16; "Energy Development in the Arid West: Consequences for Native Americans," in Cyrus McKell, ed., *Paradoxes in Western Energy Development*, American Association for the Advancement of Sciences (Boulder: Westview Press, 1984a), 297-322; "The Political Economy of the Native American Energy Business," in Joseph G. Jorgensen, ed., *Native Americans and Energy Developments II* (Boston: Anthropology Resource Center, 1984b), 10-51; "Federal Policies, American Indian Politics and the 'New Federalism,'" *American Indian Culture and Research Journal* 10:2 (1986a): 1-13; "Sovereignty and the Structure of Dependency at Northern Ute," *American Indian Culture and Research Journal* 10:2 (1986b): 75-94; *Oil Age Eskimos* (Berkeley: University of California Press, 1990). Differences are rather slight between my view and those expressed by several recent contributors to the analysis of American Indian economic development, including David F. Aberle, "Navajo Economic Development," in Alfonso Ortiz, ed., *Southwest*, Vol. 10, gen. ed., William Sturtevant, *Handbook of North American Indians* (Washington, DC: Smithsonian Institution, 1983), 641-658; Matthew C. Snipp, "The Changing Political and Economic Status of the American Indians: From Captive Nations to Internal Colonies," *American Journal of Economics and Sociology* 45:2 (1986): 145-158; Irene Castle McLaughlin, *Colonialism, Cattle, and Class: A Century of Ranching on the Fort Berthold Indian Reservation*, Ph.D. Dissertation (Columbia University, 1993); Sandra Faiman-Silva, "Multinational Corporate Development in the American Hinterland: The

Case of the Oklahoma Choctaws," in John H. Moore, ed., *The Political Economy of North American Indians* (Norman: University of Oklahoma Press, 1993), 214-239; Thomas D. Hall, "Northwest New Spain," in Matthew C. Snipp, ed., *American Indians and Economic Dependency* (Norman: University of Oklahoma Press, 1998); and Shepard Krech, "Dependency Among the Northern Cree," in Matthew C. Snipp, ed., *American Indians and Economic Dependency* (Norman: University of Oklahoma Press, 1998).

5. "Symposium, Indian Gaming," *Arizona State Law Journal* 29:1 (Spring 1997).

6. Eric Henderson, "Indian Gaming: Social Consequences," *Arizona State Law Journal* 29:1 (1997): 205-50.

7. If every tribe had equal access to the \$10 million at the same time, each would receive about \$36,000—an amount that may not have been sufficient to buy a McDonald's franchise in 1980. Another contrast of rich and poor will give perspective to that \$10-million revolving credit fund in 1995: The CEO of the Walt Disney Corporation received about twenty-three times the amount of the total revolving credit fund as his annual compensation in 1995.

8. I skirt the details of tribal-state compacts here except to point out that under federal law the regulation of certain types of games—called Class III gaming—must be governed by an agreement between the tribe that establishes a casino and the state in which it is located. The state must negotiate these agreements with tribes in good faith (see Henderson, "Indian Gaming: Social Consequences," 1997).

9. Eleven tribes from northern Santa Barbara County to southern Riverside County gain more than 75 percent of their revenues from video games.

10. The Pala compact allows a tribe to operate a maximum of 975 video machines if they buy allocations from other tribes. Several Indian casinos in the Palm Springs-Indio area (southern California desert) currently operate more than 1,000 electronic games.

11. The measure seeks to extend the benefits of tribal gaming to tribes that do not have gaming facilities by dedicating part of the net revenues from Indian gaming to non-gaming tribes for health care, education, economic development, and cultural preservation programs. It will direct part of the net winnings to supplement emergency medical resources in each county in California and to a local benefits grant fund for cities and counties where Indian gaming facilities are located. It also puts into law strict gaming limitations, regulations, and public health, safety, and environmental standards.

12. Michael Killeen, "Prosperity in the Cards," *Hemisphere* (1997): 41-45.

13. Killeen, "Prosperity in the Cards" (1997): 42.

14. Killeen, "Prosperity in the Cards" (1997): 44.

15. Mark Henry, "Gamble Pays Off," *The Press-Enterprise*, reprinted in *Indian Times* (Spring 1997), 6.

16. Henry, "Gamble Pays Off," 1, 5.

17. Henry Garfield, "Casinos Deal County Indians a Winning Hand," *City Magazine* (San Diego, February 1997), reprinted in *Indian Times* (Spring 1997), 4-6.

18. Garfield, "Casinos Deal County Indians a Winning Hand," 4.
19. Garfield, "Casinos Deal County Indians a Winning Hand," 4.
20. George Ramos, "4 Plead Guilty to Running Illegal Reservation Casino," *Los Angeles Times* (November 7, 1996), A32.
21. Stephanie Simon, "Legal Dispute Simmers in Remote Casino," *Los Angeles Times* (Saturday, May 27, 1997), A24-5.
22. "N.M. Tribe Casinos Fail Fed Standards," *The Albuquerque Tribune* (Wednesday, April 9, 1997).
23. Yoriko Ogawa, "Honors Paper in Social Science" (School of Social Sciences, University of California, Irvine, June 1998).
24. Tom Gorman, "Dispute Stalls Land Deal for Impoverished Tribe," *Los Angeles Times* (Monday, September 23, 1996), A3, A15.