Return of the buffalo: tourism enterprise development in Native American Indian gaming

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Abstract

Since European colonisation, Native American Indian tribes have been economically, socially and culturally decimated by centuries of war, removal, relocation, reservation policies, land theft and destruction of native species. While the United States Government has pursued a policy of self-determination for Indigenous peoples since the 1960s, there were few success stories of Indigenous enterprise development until the passage of the Indian Gaming Regulatory Act in 1988. The purpose of this Act is to promote tribal government initiatives, tribal welfare and tribal economic development, and to increase funding to
Introduction

The establishment and growth of Native American Indian casinos is a remarkable story of large-scale Indigenous enterprise development which has successfully tapped into international and domestic tourist markets in the United States of America. Since the passage of the Indian Gaming Regulatory Act in 1988, the staggering growth of most Native American casino operations demonstrates that 'given the opportunity, the conditions and the investment capital, Indian nations can be incredibly successful capitalists' (Spilde 2001). Indeed, these gambling operations now attract nearly one-quarter of all gaming revenues in the United States. Their success demonstrates that, under appropriate circumstances, significant hurdles to Indigenous tourism development can be overcome. The various obstacles to economic development for Indian tribes in North America have been similar to those in other countries, including the trust status of native lands which precludes their use as collateral to secure business financing, their remote location away from major markets, and reluctance by outsiders to work with native tribes due to perceived legal and political uncertainties (Spilde 2001). However, after centuries of oppression, cultural erosion, social disadvantage and economic hardship, many Native Indian tribes are now welcoming 'the return of the buffalo' in the form of gambling revenues.

This chapter firstly provides a brief history of the development of Native American Indian gambling operations and clarifies the types of gambling facilities and uses of gambling revenue allowed under the Indian Gaming Regulatory Act 1988. It then examines some of the pertinent impacts of Indian-operated gaming, while noting that the largely positive impacts have been accompanied by some undesirable and unintended consequences. The chapter concludes by presenting a case study of Foxwoods Resort Casino, the largest casino in the world, that has been an economic, social and cultural saviour for the Mashantucket Pequot Tribe in Connecticut.
A brief history of Native American Indian gaming

As experienced by many indigenous communities across the world, European colonisation in North America brought about the systematic extermination of native peoples, and the creation of reservations onto which tribes were forced from their native lands. By the end of the 19th century, the Indian population in the country had plummeted from as high as 15 million to 250,000; millions of acres of tribal land had been lost; and war, removal, reservation policies, land theft and destruction of native species had destroyed traditional Indian economies (National Indian Gaming Association 2004). For many centuries, North American Indian tribes struggled to improve their situation and raise living standards for their impoverished tribal members. Being displaced for centuries by successive government policies of removal and relocation, reservation and allotment, tribal reorganisation, and termination and relocation (Gonzales 2003), the current government policy of self-determination with government support offers new hope for native tribes and their members.

The US federal government now has responsibility for the welfare of Indian tribes by way of a ‘trust relationship’ which arose from treaties between the US and Indian tribes involving large-scale land surrenders, with the title to Indian lands held ‘in trust’ by the federal government for tribal members (National Gambling Impact Study Commission 1999). There have been numerous federal government initiatives to promote mainstream economic activities and to provide programs of assistance in Indian communities, although major federal expenditures on behalf of American Indians have declined in recent decades (National Gambling Impact Study Commission 1999). However, the federal government has a poor record of meeting its obligation to protect tribal members and promote their economic and social wellbeing (National Gambling Impact Study Commission 1999). After heavy reliance on governmental grants, agriculture, forestry, tourism, and some light manufacturing (Anders, Siegal & Yacoub 1996), in the late-1970s and early-1980s a handful of native tribes opened large-scale bingo halls and/or casinos with Las Vegas-style gambling, although the number and size of tribal gaming operations were severely restricted by state laws (Evans & Topoleski 2002).

However, a landmark case in 1987 catalysed the explosion of Indian gaming operations. In California vs Cabazon Band of Mission Indians, the court affirmed the right of Indian tribes to operate gambling facilities on reservations, free of state government regulation (Borromeo 2002). The immediate growth in unregulated Indian gaming prompted the passage of the Indian Gaming Regulatory Act in 1988 to provide a statutory basis for the regulation of Indian gambling. For casino gambling, it requires that tribes negotiate a compact with their respective states. It also requires that Indian gambling revenues promote the economic development, self-sufficiency and strong tribal government of Indian nations (25 USC 2702 [1]). To support this purpose, Section 11 of the Act stipulates that net revenues from any tribal gaming can be used only to:

- fund Tribal Government operations or programs;
- provide for the general welfare of the Indian tribe and its members;
- promote Tribal economic development;
- donate to charitable organisations; or
- help fund operations of local government agencies.

The Indian Gaming Regulatory Act 1988 recognises three classes of gambling:

- Class I. Social games for prizes of minimal value and traditional forms of Indian gaming engaged in as part of tribal ceremonies or celebration. Class I games are subject only to tribal regulation.
- Class II. Bingo and games similar to it such as, pull tabs, tip jars, and certain non-banking card games. Class II games are subject to tribal regulation with extensive oversight by the National Indian Gaming Commission (NIGC).
Class III. All other forms of gaming including banking card games, slot machines, craps, parimutuel horse racing, dog racing, and lotteries. Tribes can only offer Class III games only when states allow these games elsewhere in the state and they are legal on reservations only if gaming has been authorised by a NIGC-approved tribal ordinance and agreed upon by a tribal-state compact. The characteristics of tribal-state gaming compacts vary from state to state. Most states restrict the types of games, some restrict the size and number of casinos tribes can run, while others specify annual payments to the states.

(Evans & Topoleski 2002)

The expansion of Indian gaming operations since 1988 has been phenomenal. Since that time, 224 of the 562 federally-recognised Indian Tribes have opened 354 gaming facilities in 28 states of the US (National Indian Gaming Association 2005a). Of these, 21 states have entered into tribal-state compacts for Class III casino-style gaming. Indian tribes in another seven states operate Class II bingo-style gaming, and in another two states, tribes operate Class I gaming (National Indian Gaming Association 2004). Indian gaming now attracts about 23 per cent of all gambling revenues in the US (National Indian Gaming Association 2004).

The revenues from Indian gaming have supported the shift in federal government policy towards self-determination for Indian tribes and placed greater emphasis on promoting social and economic development on reservations, while reducing dependence on federal funds (National Gambling Impact Study Commission 1999). As the National Indian Gaming Association (2004, p6) notes, 'Tribal government gaming has been a major catalyst for community growth and economic development, generating revenues for tribes like no federal stimulus effort ever has before. After decades of poverty and high unemployment on often geographically remote reservations, Native American people now see gaming as an integral part of tribal economies and a way to promote economic self-sufficiency for current and future generations'.

Social, cultural and economic impacts of Native American gaming operations

Clearly, such large-scale and innovative Indigenous enterprise development has had numerous social, cultural and economic impacts, the key ones of which are summarised below.

Revenues

In 2004, Native American gaming facilities generated gross tribal revenues of $18.5 billion (National Indian Gaming Association 2005b). Of the net revenues raised, 20 per cent is used for education, child and elder care, cultural preservation, charitable donations and other purposes; 19 per cent is used for economic development; 17 per cent goes to health care; 17 per cent to fire and police protection; 16 per cent to infrastructure; and 11 per cent to housing (National Indian Gaming Association 2004). About 75 per cent of tribes with gaming devote all their gaming revenue to tribal governmental services, economic and community development, to neighbouring communities and to charitable purposes, while about 25 per cent distribute per capita payments to tribal members on which federal income tax is paid (National Indian Gaming Association 2005a). In all, about 65 per cent of Indian tribes in the lower 48 US states use gambling facilities to generate revenue (National Indian Gaming Association 2004).

Taxes

Because Indian tribal governments are government entities in their own right, they are not subject to federal income taxes, with gaming revenues flowing directly into the coffers of the tribal governments. Thus, no federal tax is paid where those revenues are used for the purposes identified under the Indian Gaming Regulatory Act, although per capita distributions to tribal members are subject to the usual rates of income
tax (National Gambling Impact Study Commission 1999). Nevertheless, Indian gaming does contribute to federal tax revenues through the income and social security taxes on jobs created. In 2004, this amounted to around $5.5 billion, which was further supplemented by the $1.4 billion saved in reduced welfare payments and unemployment benefits (National Indian Gaming Association 2004). State government revenues of $1.8 billion also flowed from state income, payroll, sales and other taxes and through direct revenue sharing payments negotiated in state-tribal compacts. In some cases, these compacts have allowed for state government reimbursement for the cost of regulating tribal gaming operations, while in others a percentage of gaming proceeds flows to the state government in return for protection of a casino monopoly in that state (National Gambling Impact Study Commission 1999). At a local government level, Indian gaming generated around $100 million in taxes in 2004 through sales and other taxes, as well as through governmental services agreements for fire, ambulance and similar services (National Indian Gaming Association 2004).

Employment

The employment created by Indian gaming is substantial. Of the 553,000 jobs attributable to the industry nationwide, 220,000 can be classified as primary employment at the gaming facilities, at ancillary facilities such as restaurants and hotels, and in other tribal government and enterprise positions. A further 79,000 jobs have been created as employees spend their income in local communities, while an additional 254,000 jobs have been created as Indian gaming facilities, ancillary facilities and tribal governments use the purchasing power derived from Indian gaming to buy goods and services and make capital improvements (National Indian Gaming Association 2004). Within the Indian gaming facilities, it has been estimated that about 25 per cent of jobs are held by Indian peoples, although in areas of high unemployment such as North and South Dakota, Indian held jobs can be as much as 80 per cent of the total (National Indian Gaming Association 2005a). However, in other states the vast majority of employees in Indian casinos are not Native Americans, with up to 95 per cent of some casinos’ staff being non-Indian (National Gambling Impact Study Commission 1999). Nevertheless, Indian gaming has been critical in reducing unemployment rates for some tribes. Indeed, the National Gambling Impact Study Commission (1999) cites examples of one tribe where unemployment has been reduced from 60 per cent in 1991 to almost zero, another where unemployment dropped from 70 per cent to 5 per cent after they opened a casino, and other more modest but still substantial drops from 40 per cent to 11 per cent and 55 per cent to 22 per cent.

Tribal welfare

The national gambling impact study commission (1999) notes that many tribes have used gambling revenues to build schools, fund social services, provide health care benefits, establish native language programs, fund scholarships for job training, colleges and universities, implement environmental protection initiatives, and build infrastructure, community centers and housing. Thus, tribal gambling revenues are helping to preserve tribal culture and language, strengthen tribal bonds, protect native land from environmental degradation and offer a brighter future for tribal members. Moreover, the revenues and success of tribal gambling facilities appear to have contributed to pride, hope and optimism among some tribes. As one tribal representative has noted, ‘Gaming has provided a new sense of hope for the future among a Nation that previously felt too much despair and powerlessness as a result of our long term poverty...and a renewed interest in the past. The economic development generated by gaming has raised our spirits and drawn us close together’ (in National Gambling Impact Study Commission 1999, p16).
Alleviation of poverty

The 2000 US census provides some indicators of how gaming has helped to alleviate poverty. Tribes with gaming facilities had an average poverty rate of 24.7 per cent compared to 33 per cent for non-gaming tribes, while per capita income was nearly double in tribes with gaming facilities than in those without. However, even on reservations with gaming operations, the poverty rate was still double the national average, and per capita income only two-thirds the national average. Thus, while Indian gaming has contributed to alleviating poverty amongst tribal members, it has not been a cure-all, with the greatest benefits accruing to those tribes with gaming facilities close to large population centres (National Indian Gaming Association 2004).

Tribal economic diversification

Indian gaming appears to have catalysed other Indigenous enterprise development which, in turn, contributes to sustainable tribal economies. The growth of small tribal businesses has been particularly noticeable and is attributable, at least in part, to the positive economic effects generated by Indian gaming which can provide access to capital for business investment (National Indian Gaming Association 2004). Indeed, the number of Indigenous Indian and Alaskan owned small businesses increased by 83.7 per cent from 1992–97, compared to a national average of 6.8 per cent (National Indian Gaming Association 2004). Additionally, tribal gambling revenues have been invested directly into on-reservation shopping centres, recreation parks, gas stations, convention centres, cinemas, museums, cultural centres, arts and crafts markets, special interest tourism activities and campgrounds (National Indian Gaming Association 2004). This ‘first wave’ of non-gaming business is typically related to and dependent on the gaming facilities, relying on casino customers and the improved infrastructure associated with the casino (Spilde 2001). A ‘second wave’ sometimes follows, where businesses are established off-reservation and are less dependent on casino customers, but are financed by casino profits (Spilde 2001). In some cases, tribal casinos also support other Indian businesses by purchasing their products and services, including food, beverages, souvenirs and artefacts (National Indian Gaming Association 2004).

Support for tribes without gaming facilities

Because Indian gaming facilities can only be established in states where that type of gambling is already legal, many tribes are unable to become gambling operators. However, there are numerous examples of support for non-gaming tribes which have been extended from those with gaming facilities. For example, the Indian Gaming Revenue Sharing Trust Fund in California provides for Indian tribes with no gaming or with fewer than 350 slot machines to be paid up to $1.1 million per year, with overall disbursements to date totalling $123.7 million and over 70 tribes benefiting from this fund in 2004 alone (National Indian Gaming Association 2004). In Arizona, several tribes that do not operate casinos lease their Gaming Device Operating Rights to other tribes in the state, which now operate around 20 per cent of all slot machines in the state (National Indian Gaming Association 2004). Other support takes the form of grants to non-gaming tribes, dedicated for purposes such as housing, energy assistance, economic development or casino development (National Indian Gaming Association 2004).

Local community impacts

The impact of native Indian casinos on their surrounding communities varies depending on the scale of the casino and its visitation levels, its distance from local towns and settlements, and the contributions of the casino and state and local governments to community infrastructure. For example, the National Gambling Impact Study Commission (1999) notes that state and local governments typically provide and maintain roads and bridges near reservations that tribal gaming facilities rely
upon. They may also provide water, sewerage and electricity supplies, and fire and emergency services for these casinos, although the tribes may pay for these or make a general contribution that is redistributed by the state to local communities. However, for large-scale tribal casinos, surrounding residents may be impacted by increased traffic, pressure on infrastructure, increased crime, property devaluation and loss of amenity (National Gambling Impact Study Commission 1999). Nevertheless, a study of the socio-economic effects of tribal casinos on 100 non-Indian communities found that Indian casinos have substantial economic and social benefits for surrounding communities which outweigh those of non-Indian casinos, and that there was no evidence of harmful economic or social impacts due to Indian casino introduction discernible in the 30 indicators of economic and social health examined (Taylor, Krepps & Wand 2000).

Charitable donations

Philanthropic contributions from tribal gambling facilities have been extended to both Indian and non-Indian causes, totalling over $100 million in 2004 alone and extending to projects such as community food banks, toy drives, youth sports, educational programs, emergency relief services and the UNICEF Tsunami Relief Fund (National Indian Gaming Association 2004).

Increased political influence

An indirect impact of the growth of tribal gaming operations has been increased Indian political activity and influence at various levels of government. For example, in a study that examined the political empowerment of Native Americans, Boehmke & Witmer (2002) found that the presence of Indian gaming allows Indian interests to expand their lobbying with US Senators, and make contributions to political parties, Indian interest groups and election campaigns. They distinguished three theoretical motivations for these tribal contributions—ideology, access and influencing electoral outcomes. As Woods (2004, p6) further explains, ‘the success of tribal casinos has also raised the stature of Native Americans in the world of politics. For the first time, Indian tribes now have the monetary power to influence political campaigns and lobby for legislation that supports Native Americans. Many tribes have used the profits achieved through casino operations to donate to political campaigns. The success of tribal casinos has given Native Americans a level of authority and influence in state and federal government that was previously considered impossible’.

Social conflict, tribal factionalism, and cultural antagonism

While the impacts of tribal casinos have been largely positive, concerns have been raised over some negative effects relating to various forms of cultural displacement. For example, Gonzales (2003) notes three of these. First, the materialism fostered by gambling is ‘inherently antithetical to tribal culture’, threatening cultural values, practices, and traditions (Gonzales 2003, p131). Second, the huge revenues from Indian casinos have squashed suggestions and efforts by some tribal members to promote alternative Indigenous enterprise development more aligned with traditional livelihoods, lifestyles and social and cultural organisation. These tribal members, Gonzales (2003, p131) explains, are in danger of being ‘culturally displaced’, albeit in situ on their reservations. Third, Indian gambling revenues have altered traditional social relations, political power and control of resources in some areas, along with ‘internal displacement’ whereby tribes exercise a certain amount of power over who is officially recognised as tribal members and so eligible to share in the economic windfall that gambling has brought. The result has been intra-tribal disputes and factionalism ‘that pits brother against brother’ (Gonzales 2003, p130). Further, the
‘rags to riches’ experience and newly acquired power of tribes which operate gambling facilities has ‘raised the unpleasant spectre of racism and the organisation and mobilisation of anti-Indian opposition in a number of states’ (Gonzales 2003, p.128). Other researchers have referred to additional potential negative effects of exposure of Indian people to ‘outside’ influences and practices, such as falling into compulsive gambling and alcoholism which is often associated with casino development, exploitation by non-Indian casino management companies, and the possibility of organised crime infiltrating tribal casinos (Woods 2004). Concerns over threats to Indian sovereignty have also been noted as potentially arising from the substantial powers that the Indian Gaming Regulatory Act gives to federal and state governments over Indian gaming operations (National Indian Gaming Association 2004).

Discussion

The establishment and success of Indian casinos demonstrate the possibilities that have opened up since the US Government has pursued a policy of self-determination for tribal nations. Previous policy initiatives had met with little success, and indeed worked against the economic, social and cultural advancement of the Indigenous peoples of North America. Gonzales (2003) identifies four preceding government policy phases since colonisation which have had various displacement effects for tribal people. From 1778–1887, the colonists pursued a policy of removal and relocation which resulted in the involuntary displacement of many Indian tribes from their traditional lands. The years 1887–1934 were characterised by a policy of reservation and allotment where displacement occurred through the allotment of collectively held tribal land and through increased welfare dependency and forced assimilation. A third phase of tribal reorganisation (1934–1946) imposed constitutional forms of government that displaced the traditional social and political organisation and leadership amongst tribes. A fourth phase of termination and relocation (1945–1961) saw the extermination of the federal trust relationships with some tribes and their members, and the displacement of tribal members to urban areas for employment and education opportunities. It is only in this present phase of self-determination (1961–present) that the more coercive forms of displacement have ended, with Native tribes finally given the opportunity to become self-sufficient. Indian gaming operations have played a substantial role in achieving this. In fact, according to the National Indian Gaming Association, ‘Gaming has replaced the buffalo as the mechanism used by American Indian people for survival... (and is)... the first—and only—economic development tool that has ever worked on reservations’ (cited in Peroff 2001).

The data presented above clearly demonstrate that Indian gaming has provided an economic boost for the tribes that operate it, creating revenue streams and employment that allow them to address issues of poverty, poor health, low levels of education, cultural preservation, land degradation, and lack of infrastructure. In this way, Indian-operated gaming facilities appear to be meeting the objectives of the Indian Gaming Regulatory Act to promote tribal government initiatives, tribal welfare and tribal economic development, and to increase funding to charities and local government agencies. However, Indian gaming operations have also had some unanticipated and undesirable consequences and concerns. Threats to traditional tribal values, social conflict, factionalism within tribes, a rise of anti-Indian sentiment, and concerns for increased problem gambling, alcoholism and crime are amongst these. Nevertheless, most commentators would agree that these consequences pale in comparison to the former hardships experienced by Indigenous people in the United States, while the economic and political power generated by Indian gaming facilities at least give them some means to address these negative consequences.

While Indian tribes have welcomed the ‘return of the buffalo’, much remains to be done to address the economic and social disadvantage experienced by Native Americans. The following social and economic
Foxwoods Resort Casino: A case study in successful Indigenous tourism enterprise development

FOXWOODS RESORT CASINO, opened by the Mashantucket Pequot Tribal Nation in 1992, is now the largest casino in the world. In fact, it comprises six casinos that collectively operate over 7,400 slot machines, 388 tables offering 17 games, a hi-tech Race Book and the world’s largest bingo hall, all housed in its 340,000 square feet of gaming space in a complex that covers 4.7 million square feet. The resort casino provides nearly 1,500 hotel rooms and suites, extensive conference facilities, 25 restaurants, theatres, auditoriums, pools, beauty and fitness facilities, adventure rides, and large shopping malls. Located in Connecticut and within convenient distance of the large population centres and transport hubs of New York City and Washington DC, it attracts over 40,000 visitors each day (www.foxwoods.com/Home/PressCenter/).

Whilst there, many patrons also visit the Pequot Museum and Research Centre, also located on the reservation. It is the world’s largest and most comprehensive Native American museum and research centre, with exhibits occupying four acres of space, and depicting 18,000 years of Native American and natural history through its life-size dioramas, movies, live cultural and artistic performances, static and interactive displays, and extensive libraries (www.pequotmuseum.org/).

However, the scale and opulence of Foxwoods Casino today belies its humble beginnings and, more particularly, the centuries of hardship which its founding tribe previously experienced. A review of the history of the tribe drawn from published information (www.foxwoods.com/TheMashantucketPequots/History/TribalNationHistory.htm; www.foxwoods.com/TheMashantucketPequots/History/TimelineofEvents.htm; www.foxwoods.com/TheMashantucketPequots/History/MashantucketPequotsComeHome.htm) reveals how Indian gaming has reversed the fortunes of the Mashantucket Pequot through innovative Indigenous enterprise development.

Thus, even today, Native Americans, including those living on reservations, still experience some of the highest rates of poverty, unemployment, welfare dependency, school dropout, alcoholism, and other indicators of poverty and social distress of any communities in the United States (National Gambling Impact Study Commission 1999). Nevertheless, the recently acquired means to self-sufficiency through gaming operations bode well for the future alleviation of these problems. The case study below highlights how one tribe, the Mashantucket Pequot, has benefited from the ‘new buffalo’ after centuries of physical, social, economic and cultural displacement.

Indicators compiled by National Indian Gaming Association (2004) emphasise the bleak living standards of American Indian peoples compared to the general US population:

- Health: Indian people have a 22 per cent higher infant mortality rate, five years less life expectancy, 627 per cent higher rate of death from alcoholism, 249 per cent higher incidence of diabetes and 72 per cent higher rate of suicide than the national average.
- Housing: 40 per cent of homes in tribal areas are overcrowded compared with 6 per cent nationally, and 12 per cent of homes in tribal areas lack complete plumbing facilities compared with 1 per cent nationally.
- Education: Indian people have a 40 per cent higher drop out rate from high school than the national average, and only 13.3 per cent have a bachelor’s degree or higher compared to 24.4 per cent nationally.
- Poverty: Indian people have a poverty rate of 24.7 per cent compared to a national rate of 12.4 per cent.
- Unemployment: Unemployment amongst American Indians is 11.5 per cent compared to 4.0 per cent nationally.
- Crime: American Indians are victimised by violent crime at a rate almost 2.5 times higher than the national average, and there is a 32 per cent higher rate of death by homicide.
Prior to European contact in the early 1600s, native peoples had continuously occupied Mashantucket for over 10,000 years, and the resident Pequot had about 8,000 members and inhabited 250 square miles. The Pequot occupied the drainage basin of the Pequot River (now the Thames) and survived through hunting, fishing and trading. From around 1620, the Pequot developed trading relationships with the Europeans in fur and wampum, but a smallpox epidemic in 1633–34 killed thousands of native people in the New England area. After various conflicts, the English burnt a Pequot village in retaliation for the murder of an Englishman, initiating hostilities that lead to the Pequot War from 1636 to 1638 between the Pequot and the colonies of Connecticut and Massachusetts. The war had a devastating impact, with many tribal members killed, some enslaved, and others placed under the control of other tribes who had supported the Europeans in the conflict. Only around 600 members of Pequot tribe survived. The signing of the Treaty of Hartford, which ended the war, meant that these survivors were forbidden to return to their villages or use their tribal name, and the tribe was divided amongst the Mohegans, the Narragansetts and the English colonists who enslaved them. It was not until 1666 that the tribe was given back some land at Mashantucket, about 3,000 acres at the head of the Mystic River where they established a reservation. However, in 1761 this reservation land was reduced to 989 acres by the colony of Connecticut, and in 1856 to just 213 acres after the State of Connecticut passed legislation that allowed for this sale without tribal consent.

During this time, the already decimated tribe lost further members. A colonial census in 1774 recorded 151 tribal members residing in Mashantucket; by the early-1800s there were just 30–40 members resident, as others moved away to join the Christian-Indian Brotherton Movement that attracted Natives from New England to a settlement in upstate New York and later, Wisconsin. By 1935, a state commission report numbered Pequot residing on the reservation at 42. However, a turnaround was catalysed in the early-1970s when one of the last two Mashantucket Pequot to remain on the reservation, Elizabeth George, urged the new generation to hold onto the land and reunite the tribe. In 1975, the first tribal chairman was elected, the grandson of Elizabeth George, with the priority of moving people back to the reservation. However, with its isolated location, rocky soil, no businesses and only two houses, this was a daunting task.

The tribe instituted legal action to recover the land that had been sold by the State of Connecticut in 1856 and gained some state assistance to build 15 new houses. When tribal members began moving back, they embarked on a series of economic ventures in the hope of restoring their land base and community, attaining self-sufficiency and revitalising tribal culture. These included a swine project, selling firewood, maple syrup and garden vegetables, and the opening of a hydroponic greenhouse. These, however, met with limited success. The swine project began with 18 pigs but ran into difficulties when, in the words of the Executive Director of the Mashantucket Museum and Research Centre, 'we could feed them, we could grow them bigger than anybody else but we had a hard time when it came to butchering them because we fell in love with the animals' (www.foxwoods.com/TheMashantucketPequots/History/MashantucketPequotsComeHome.htm). The community market gardens and hydroponic lettuce ventures also faced problems, given the rocky soil and no access to regional markets. The maple syrup business did well, but was too seasonal to sustain the tribe. It was not until 1983, when the Mashantucket Pequot Indian Land Claims Settlement Act established the tribe's land claim, provided federal recognition, and created a trust fund for land acquisition and for economic development, that the way was paved for economic revival. These developments encouraged other tribal members to return to the reservation. Once the land claims were settled, the tribe used some of the trust funds to purchase a restaurant, Mr Pizza, which provided a steady, but limited cash flow, and to establish a sand and gravel business.

Then, the tribe considered opening a bingo hall. After three years of deliberation about its potential to attract crime, prostitution and
other social ills, they opened a high stakes bingo operation with a loan from the United Arab American Bank. It appears the operation was a phenomenal success, and provided for the first time a steady cash flow that enabled a centralised water system and electrical service to be built, along with the opportunity for ongoing employment for the tribe’s members. This, in turn, encouraged more tribal members to return. The subsequent opening of the first phase of the Foxwoods Resort Casino in 1992 marked the end of centuries of economic hardship for the tribe which, immediately before the casino’s opening, was the state’s poorest group according to the 1990 census. The success of the casino was underpinned in 1998 with the opening of the Mashantucket Pequot Museum and Research Centre, and today the tribe also owns a pharmaceutical company, a shipbuilding company, and several inns and hotels. Thanks to these enterprise developments, the Mashantucket Pequot Reservation remains one of the oldest, continuously occupied Indian reservations in North America.

While Foxwoods Resort Casino has clearly been an economic boon for the Pequot tribe and allowed it to address many of its social and cultural concerns, it has also had much wider positive economic impacts. In fact, a study by the Connecticut Center for Economic Analysis at the University of Connecticut (2000) concluded that the Mashantucket Pequot Tribal Nation has become an economic growth marvel for the State and the immediate region and that there is substantial evidence of the profoundly positive impacts of their enterprises on the local, regional and state economy. The following findings, summarised by Spilde (2000), underpin this evidence:

- The Nation has added $1.9 billion to the State’s aggregate personal income, with New London County capturing $1.1 billion in of this personal income.
- The Nation has increased total (direct, indirect, and induced) employment statewide by 41,363 jobs.
- The Mashantucket Pequot’s enterprises have sustained positive residential property values in nearby towns during a period when substantial cutbacks in employment in New London County occurred.
- Seventy-three per cent of the visitors to Foxwoods Resort Casino come from other states, whose spending is new to the region. This spending stimulates the expansion of the lodging and restaurant businesses in the area.
- Tribal enterprises have provided millions of dollars in property tax money to the three local towns.
- The Nation has assumed a leadership role in welfare reform, including lifting families out of poverty through training and employment through its Work ETC Program.

- The Nation has passed on revenues from slot operations to the state that topped $US1 billion in January 2000. These revenues are distributed to the 169 towns in Connecticut.
- The Nation has developed high-speed ferry operations that connect New London with Glen Cove, New York and Martha’s Vineyard and will intersect the nation’s first high-speed train, the Acela, in New London.
- The Nation has built a $US193 million Native American Museum that is a leading cultural attraction in the area.
- Over 80 per cent of employees of the tribal enterprises live in the towns of Ledyard, Preston and North Stonington.
- The development of Foxwoods Resort Casino and other tribal operations dampened the recession in employment and housing prices in the early-1990s and contributed substantially to the region’s
economic rebound after about 10,000 jobs had been lost with a downsizing of the defence and manufacturing industries.

Conclusion

This chapter has detailed a largely positive example of Indigenous enterprise development that has proved a saviour for many Native American Indian tribes in the United States. It demonstrates that, under favourable circumstances, self-determination and economic opportunities can empower Indigenous people to become economically self-sufficient, to address many social disadvantages and to preserve their culture and tradition. While some challenges remain, Indian-operated gambling facilities in the United States have signalled the ‘return of the buffalo’, with the potential to reverse the fortunes of tribal nations.

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