

West Coast Game Hunting

Gaming revitalizes the Grande Ronde Tribe

by Bruce Thomas

The Grand Ronde Tribe has made one of the most remarkable social and economic turnarounds in Oregon history. The Tribe has gone from a "terminated" tribe only 15 years ago, with the tribal graveyard as its only asset, to operating one of Oregon's top 150 companies and helping tribal members change their lives for the better.

Spirit Mountain Casino, named after the high point on the tribe's reservation, has been the engine that has enabled the Grand Ronde Tribe to begin to achieve self-sufficiency. In the process, all of Oregon's taxpayers have benefited as tribal members have reduced their need for taxpayer assistance, such as welfare.

To fully understand the Grand Ronde Tribe and why it got into the gaming business, you must know a little bit about its

history. The Confederated Tribes of the Grand Ronde community of Oregon consists of various tribes that once inhabited Oregon's inland valleys—tribes named Mollala, Umpqua, Rogue River, Kalapuya and Shasta, recognizable today as geographical references. They once had diverse, rich cultures based on trading, hunting game, and gathering fruits and vegetables. By the 1830s, tribal populations had been reduced by as much as 90 percent by diseases spread first by seafarers making contact with tribes on the Oregon coast and later by fur traders dealing with inland tribes. In spite of these catastrophic plagues, the tribes still occupied their aboriginal lands as permanent settlers began to arrive.

As the pressure of westward expansion increased in the mid-1800s, the federal government sought ways to remove tribes from their aboriginal land in order to make that land available to white settlers. Tribal "sovereignty" was the basic principle that allowed the government to acquire tribes' land. By recognizing tribes as sovereign governments, the United States could negotiate with one or a few leaders rather than having to deal with hundreds or thousands of individuals.

In 1855, the army conducted a roundup of the native people in the inland valleys and placed them on reservations, including the 69,000 acre reservation at Grand Ronde, Oregon, an area just west of Willamina. Grand Ronde received its name, French for "large round valley," from early French/Canadian fur trappers.

Over the next century, various federal actions resulted in the reduction of the reservation's size until only a fraction of the original reservation remained. Trustees sold most of the land to non-Indians for pennies an acre. In 1954, the federal government "terminated" the Grand Ronde Tribe and many other western tribes. The

termination policy, championed by former Oregon Governor Douglas McKay, was intended to integrate Indians into the dominant society. As a result of termination, the Grand Ronde Tribe was no longer recognized as a sovereign nation and many of the tribal members were given one-way bus tickets to major cities. After termination, only the six-acre tribal cemetery remained of the original 69,000-acre reservation.

Not all of the Grand Ronde people left. Despite termination, the Grand Ronde retained their identities as Indians and most still considered themselves members of their tribes. In 1983, after nearly thirty years of termination, a group of local tribal members and their supporters succeeded in having the tribe restored to federal recognition.

Like most tribes, the Grand Ronde people have suffered disproportionately from social ills. Termination failed as a social experiment. Before recent economic development, as many as 40 percent of Grand Ronde tribal members were unemployed. Incomes and education were substantially below average, and an inordinate number of tribal members were on welfare or receiving other forms of public assistance.

Most efforts at revitalizing tribal economies have failed. Reservations are generally located in remote areas with few resources because tribes did not have equal bargaining power when negotiating treaties. Because of widespread poverty and lack of education, many tribes do not have expertise or attractive labor forces for high technology or other modern industry. Few tribes have capital to start up new industries.



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In the 1980s, tribes in New York, Florida, California and elsewhere conducted bingo games to raise money for tribal needs. Some of the tribes offered larger jackpots to their customers than non-tribal bingo halls. States objected and a number of courts decided cases on the issue. The tribes prevailed in the cases based on the fact that they, like states, are able to set their own regulations and policies about bingo and other issues normally handled by governments. Tribal sovereignty, which enabled tribal leaders to negotiate away aboriginal lands, also enabled tribal leaders to set tribal gaming policy.

The U.S. Supreme Court, in *Cabazon v. California*, held that the same principles that permitted tribes to offer higher bingo jackpots also allowed tribes to decide broader gaming issues, including whether to offer casino gaming. In 1988, as a result of extensive negotiations between tribes and states, Congress passed the Indian Gaming Regulatory Act (IGRA). Congress specifically stated that IGRA's purpose was to create economic development opportunities for tribes.

Oregon is a model of success under IGRA. Oregon governors Barbara Roberts and John Kitzhaber both negotiated with tribes in good faith to arrive at gaming compacts. The compacts allow Oregon tribes to offer games that are not illegal in Oregon. Consistent with Governor Kitzhaber's goals, the compacts contain safeguards to assure that gaming is fair and safe and that the State Police have a meaningful role in regulating casinos. Compacts also limit the number of tribal casinos in Oregon.

The Grand Ronde Tribe is an example of successful tribal gaming. The Tribe developed and operates Spirit Mountain Casino on its own without an outside management company. Spirit Mountain earned more than \$30 million in its first full year of operation and more than \$40 million in its second year. The tribal government taxes all of the Casino's profits and uses them for badly-needed social programs that deliver basic services to tribal members. These include:

- pensions of \$400 per month for tribal elders;
- a medical center that provides a full range of medical services not only to tribal members but also for all those living in the West Valley;
- an affordable housing development for elders and low income tribal members;
- education programs, including college scholarships for 17 students over the last year;

- meals for elders;
- medical insurance coverage for tribal members;
- legal aid services; and
- assistance with home ownership and rehabilitation.

As Tribal Chair Kathryn Harrison says, "We want to teach people how to fish, not give them fish." Is it working? Last year alone, 352 tribal members left the welfare rolls.

The tribe has built infrastructure projects that benefit all its neighbors,

including a two million dollar highway improvement project that has dramatically reduced accidents, expansion of the Grand Ronde water system, and subsidization of police protection which otherwise would be totally absent in the Grand Ronde area.

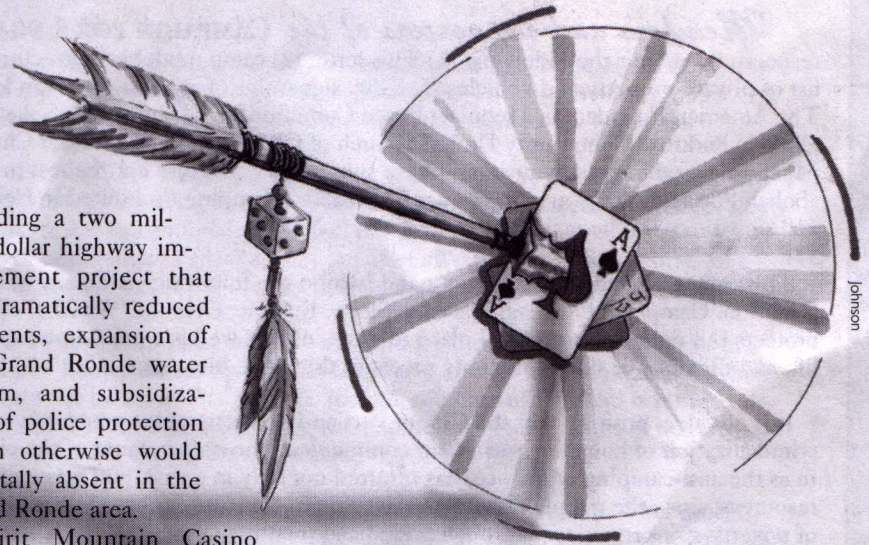
Spirit Mountain Casino provides 1,500 jobs that have revitalized local economies devastated by the decline of the timber industry. The casino's \$25 million annual payroll not only pumps up overall economic activity but also saves the taxpayers of Oregon over \$7.5 million per year by taking people off the welfare, unemployment, and medical assistance rolls. Moreover, the casino has created many, many stories of good people who have taken control of their lives as a result of good jobs at Spirit Mountain.

Well before the start-up of Spirit Mountain Casino, the Grand Ronde Tribe embarked on the course of economic diversification. Casino revenue has provided capital necessary for the tribe, through its Spirit Mountain Development arm, to enter into businesses unrelated to gaming. These include retail projects in Salem and Redmond, a real estate development in Albany, a major housing project in Portland, and an exciting vendor relationship with Hewlett-Packard in Corvallis.

The tribes that make up the Grand Ronde Tribe have ancient traditions of sharing and giving back. Today, the tribe continues that tradition through the Spirit Mountain Community Fund. In 1997, the Tribe unilaterally agreed to donate six per-

cent of its profits from Spirit Mountain Casino to the Community Fund. These funds have been used to help OMSI, the Portland Art Museum, Lifelight, Self Enhancement, Inc., the Raphael House, hospice programs, environmental projects, and a number of important causes in local communities.

The Grand Ronde Tribe recognizes that the advantages of gaming come with a cost. Before Spirit Mountain Casino ever got off the drawing board tribal officials met with



problem gambling agencies to learn about and address the issue. Before it had revenue to commit to problem gambling, the tribe volunteered managers to serve on boards and help address concerns. The Community Fund has made problem gambling a priority and has funded studies and treatment programs throughout the Willamette Valley.

While Spirit Mountain Casino is only three years old, it has already made huge strides in turning things around for the Grand Ronde Tribe, its members, casino employees, local communities, and numerous charitable organizations throughout Oregon. Through further economic diversification made possible by the casino, the tribe hopes to assure self-sufficiency long into the future.

Bruce Thomas, a member of the Confederated Tribes of the Grand Ronde Community, is the president and CEO of Spirit Mountain Gaming, Inc. and Spirit Mountain Development Corp. He has a law degree and an MBA from Willamette University, served on the Governor's Task Force on Gaming, and has worked extensively to assist the Grand Ronde tribal community to achieve economic independence.