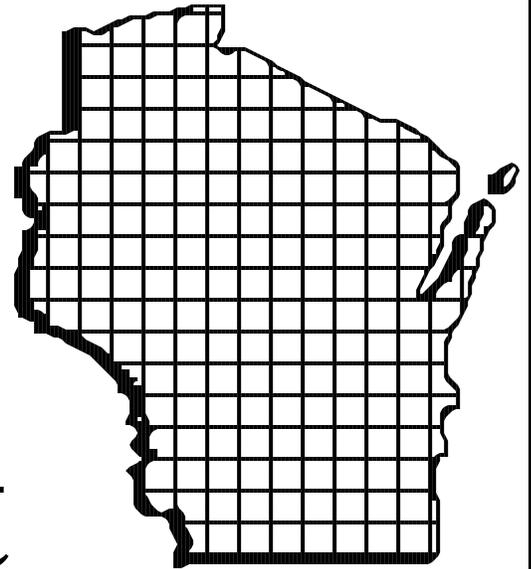


Wisconsin

Policy  
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Institute  
Report



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**THE IMPACT OF  
INDIAN CASINO  
GAMBLING ON  
METROPOLITAN  
GREEN BAY**

## REPORT FROM THE PRESIDENT:

This is our fourth major study on Indian casino gambling in Wisconsin. Our first three studies dealt with the economic, social, and criminal impacts of Indian gaming in our state. This particular study is a logical extension of the first three. We decided to examine the local effects of the largest Native American casino in Wisconsin. We asked Daniel J. Alesch, Ph.D., a senior fellow of the Institute, to examine the effect of Indian gambling on metropolitan Green Bay. Dr. Alesch is a professor of public and environmental affairs at the University of Wisconsin-Green Bay. His report paints a picture of a very complex issue that is cutting both ways in Green Bay.

There is little doubt that there are short-term economic gains to Green Bay from having the Oneida Casino. The Tribe is the largest employer in the metropolitan area, employing both Tribal members and non-Indians. In addition, some of the profits are being plowed into additional economic development that will not only benefit the Tribe, but also the community, in the long term. Tribal welfare rates have been cut dramatically.

There are some real and many potential problems associated with the Oneida casino, however. There is no question that there are social problems being caused by gambling in Wisconsin. Compulsive gambling has increased and there are few programs to help these victims. There is also the question of Indians having a governmentally sanctioned monopoly on a billion-dollar industry and whether a fair share of their profits should be returned to local and state taxpayers. Another issue that Alesch raises is the Oneidas' desire to purchase land that was originally part of the reservation. This could cause some serious political and economic problems for non-Indian residents in the specific communities where the Oneidas are purchasing large tracts of land.

The interaction between the Oneidas and the local communities seems to be very definitely on the upswing, and this is encouraging. While it is certainly true that the Oneidas are, for practical and historical reasons, different from other Wisconsin tribes, the fact that they are willing to negotiate may be a major indication that as the current compacts between the State and Wisconsin tribes expire, new agreements can be forged that benefit the tribes, local communities, and the State in general. That would be good news for all of us.



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# THE IMPACT OF INDIAN CASINO GAMBLING ON METROPOLITAN GREEN BAY

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## EXECUTIVE SUMMARY

The Oneida Tribe of Indians of Wisconsin is enjoying its first generation of prosperity in more than two centuries. For the Oneidas, the gaming franchise has been more successful than all previous anti-poverty programs in providing jobs, self-esteem, and a bright future. Today, the Oneidas employ 3,350 people, making them the Green Bay metropolitan area's largest single employer. The Tribe employs 1,200 non-Indians and about 300 non-Oneida Indians. The Oneidas see gaming as a capital-acquisition activity; they are helping to ensure their long-term economic future by investing income from gaming in diverse economic enterprises. Unlike many tribes, they are not splitting the gaming revenue "melon."

The real story, however, goes far beyond the surprising statistics and the prudent Oneida development strategy. Oneida gaming activities are having significant impacts on the surrounding community. Some effects are very positive. Others are not so positive.

All of the evidence suggests that Oneida gaming enterprises are having a positive economic impact on the region, but experts disagree on the size of the impact. One might think that money spent on gaming would not be spent elsewhere in the local economy. What is happening, however, is that the money spent at the gaming establishments quickly finds its way back into the local economy. Tribal employees spend their wages in the local economy, often on the same kinds of things the gamblers would have spent it on. Some individual businesses are, no doubt, feeling the effects — but one sees no evidence of widespread hardship.

The costs to the area, should Indian gambling be abolished, would be substantial. Tribal employment would decline precipitously. A substantial share of the money wagered is from out-of-state visitors. Not only would it be lost, but local gamblers report that they would leave the state to gamble elsewhere. The Oneidas would be unable to shoulder the costs of services to the reservation, so the costs would have to be borne by local governments.

Not all of the effects of gaming are positive, however. Legalized gambling contributes to increased problem gambling, with adverse consequences for families and increases in crimes like embezzlement. The compact regulating Indian gaming should provide for a "franchise fee" — a small percentage of proceeds — to help cover the social costs of problem gambling.

The Oneidas' efforts to buy back their original 1838 reservation make non-Indian homeowners inside the old reservation boundaries apprehensive about the future and frustrate planners and developers. Oneida land acquisition raises important questions for local governments overlapping the original reservation — questions about the impact on the tax base, about who pays for what services, and about how they can manage their futures, given the Oneidas' sovereign status. Affected parties should collaboratively develop a plan for the land area to reduce ambiguity and friction. The Federal government should not place any land in trust that is not within the boundaries of the 1838 reservation, to reduce adverse impacts on tax bases and the ability of local governments to carry out their obligations.

Two local governments, the Towns of Oneida and Hobart, will considerably be affected by the Oneidas' land-acquisition program should the Federal government continue to place the Oneidas' land in trust. In Hobart, the Oneidas own land (taxed and untaxed) with a "tax value" equal to approximately 36% of the Town's total tax levy. Before long, the Oneidas could elect a slate of Town officials in Oneida, creating a *prima facie* conflict of interest.

If this report had been written as little as two years ago, it would have been much different. Interaction between the Oneida Tribal government and local government was characterized mostly by confrontation and litigation. Few local officials were optimistic that relationships with the Oneidas would work out satisfactorily. Today, just a short time later, the story is much different — much better, and much more optimistic. Confrontation and litigation still exist, but one sees a lot more cooperation and collaboration.

The Oneidas are entering fee-for-service agreements with local governments. One sees cooperation in economic-development activities and infrastructure projects. The Tribal Chairperson participates in the informal

monthly meetings held by local-government elected officials. The Oneidas are participating in a cooperative effort with other local governments and the Wisconsin Department of Natural Resources in finding ways to improve regional water quality. Locals are finding ways to pragmatically work together to deal with important issues and concerns.

Not everything is rosy, and not everyone is happy. Many issues remain. Some non-Indians resent what they see as inequities between Indian and non-Indian rights and obligations, especially those involving taxes. Some cannot understand why a person who is mostly white can claim the special rights of being Indian. Nor can they understand why local taxpayers should bear costs generated by Indians. Some Oneidas harbor resentment against whites for 300 years of antipathy, neglect, and poverty. Oneidas see their tax exemptions as payment negotiated long ago for giving up millions of acres of land to white settlers. Each group looks at the situation from a different perspective — but, to their mutual credit, they have set aside some fundamental issues in order to pragmatically deal with issues that need resolution right now. Some processes are in place, and others are being developed. This is a major step forward.

Not all of the issues can be worked out at the local level. Some issues require new policies at the State and Federal levels. Some may require reconsideration and renegotiation of century-old treaty provisions. New issues will most certainly arise in the next five years that will require even more cooperation and collaboration than exists today.

## INTRODUCTION

After languishing for 150 years in the backwash of economic development in the Green Bay area, the Oneida Tribe of Indians of Wisconsin (hereinafter “the Tribe”) is experiencing its first generation of prosperity. The prosperity is the result of a bingo and casino gambling franchise, hard work, and a good location. The Tribe is using gaming proceeds to build a diversified economic base on the reservation, portending a bright future for its members. The new prosperity is having substantial impacts on both the Oneidas and their non-Indian neighbors in metropolitan Green Bay. Some of those impacts are very positive. Others are not. This report identifies and examines those effects.

The analysis is timely. The compact between the Oneidas and the State of Wisconsin that establishes the conditions under which gaming takes place on the Oneidas’ reservation lapses in 1998. It is being renegotiated now. An assessment of the effects of gaming on the Oneidas and the larger community, therefore, should be of immediate interest.

The importance of the story, however, goes far beyond the implications for a renewed compact. It has to do with how the Oneidas are using their earnings to secure a prosperous long-term future, providing a model for other indigenous people. It has to do, too, with the exceptional efforts of Oneida tribal leaders and local officials to work out ways to deal pragmatically with pressing financial and governmental issues. Finally, it has to do with how the Federal government is essentially ignoring the local economic, social, and political effects of its Indian treaties on non-Indian communities.

## RESEARCH OBJECTIVES

The Oneidas’ economic development during the past decade, funded by gaming, is a striking success story. Giving the Oneidas the gaming franchise turned out to be superior to any public anti-poverty program in raising both the short-term income and the long-term prospects of the Oneidas — a people who lived in abject poverty for a century and a half. It never would have been possible to levy a tax in Wisconsin or nationally that would have provided the Oneidas with the capital infusion for investment that gaming generated. Simply put, gaming made it possible for the Oneidas to reach a level of prosperity that, only a few years ago, was simply beyond hope or contemplation.

The new Oneida prosperity affects both the Oneidas and the larger community. Some of the direct and indirect effects raise important issues — issues largely ignored outside northeastern Wisconsin. The Oneidas and members of the larger community have been working to resolve some key issues and, while great progress has been made over the past few years, some issues and tensions remain.

Some impacts and issues have been explored by others. Several economic analyses exist. Each of them concludes that Indian gaming generates a net economic gain to the locale where the gaming takes place and to the State, but they differ as to the size of that gain. Some studies assess side effects of legalized gaming — crime and pathological gambling. Newspaper journalists have looked at the impact of Oneida land purchases on local tax bases. No one, however, has taken a comprehensive look at the economic, social, and governmental consequences of the Oneidas’ new prosperity on the local communities. This is an attempt to do just that. The focus is on the principal consequences and side effects of Oneida prosperity, issues that have arisen, and how the parties have attempted to deal with those issues. The lessons learned should be useful to the Oneidas and the local mainstream community as they try to cope with their respective and common concerns. Moreover, many of these same issues and concerns will arise elsewhere across the country as mainstream and Indian communities find themselves in similar situations.

The report has three major objectives:

- to identify and examine both the positive and negative effects of gaming and the use of gaming revenues on the Oneidas and on the greater Green Bay area;

- to identify and examine how the Oneidas and the larger community have tried to deal with issues arising from the Oneidas' exercise of their new prosperity, the extent to which they are working out rough spots in their relationship, the approaches they are using, and the difficulties that remain; and,
- to identify the implications of the Green Bay-Oneida experience for the Oneidas, the greater Green Bay community, the State of Wisconsin and Federal governments, and to make recommendations about appropriate policy.

### **SHEDDING SOME POSSIBLE MISCONCEPTIONS**

To understand the impacts of casino gambling on the Oneidas and the Green Bay community, it may be necessary for the reader to blot out some popular misconceptions. The Oneida reservation is not in Wisconsin's north woods, far from urban-industrial life. It is entirely within the 350,000-person metropolitan area running along the Fox River from Appleton and the Fox Cities to Green Bay.

The Oneida reservation was defined by treaty in 1838 to consist of 100 acres for each of the 654 Oneidas living there at that time — 65,400 acres. Today, the Oneida Tribe owns about 9,860 acres, scattered within the boundaries of the original reservation. That comprises about 15% of the original reservation. Some of the remaining 85% is owned by Indians, but not held in trust for the Tribe; most of the land within the boundaries of the original reservation is owned by non-Indians. The main campus of the Northeastern Wisconsin Technical College, Green Bay's Austin-Straubel International Airport, and Green Bay's main U. S. Post Office are all located within the 1838 reservation boundaries. So, too, are major highways, farms, and thousands of non-Indians living in comfortable suburban subdivisions. The undeveloped land within the old reservation boundaries is more than passable farm land and, because the land is conveniently located near Green Bay and Appleton, is under continual pressure for development.

Few Oneidas look much like the stereotypes many people have of Native Americans. Few are entirely of Oneida descent; most have mixed racial and ethnic heritage. This reflects a long history of intermarriage in northeastern Wisconsin between Indians and non-Indians, beginning when French-Canadian trappers frequently married Indians in 18th Century Green Bay and continuing today. Since members of the Oneida Tribe of Wisconsin can be as little as one-fourth Oneida, many tribal members are physically indistinguishable from their non-Indian neighbors.

Some Oneida men wear their hair long in the traditional way; many do not. Some women wear traditional adornments; others do not. Mostly, Oneidas dress like everyone else in northeastern Wisconsin, drive the same kinds of cars, shop in the same supermarkets, and frequent the same restaurants, video stores, and movie theaters.

### **HISTORICAL PERSPECTIVE: THE ONEIDAS MIGRATE TO WISCONSIN**

The Oneidas are a proud people with a history of more than two centuries of working with non-Indian American interests. The Tribe's ancestral home is upstate New York. Oneidas are quick to point out that the Tribe not only was never defeated in battle against the United States, but that it was never at war with the U.S. or the colonists. Indeed, they sided and fought with colonists against the British in the Revolutionary War. During the conflict, the Oneidas supplied corn to George Washington's troops at Valley Forge, saving them from starvation in that difficult winter (Halbritter, 1996). For their trouble, the Oneidas' homes were pillaged at the hands of other tribes and some colonists. Still, they are proud that their government was studied by Ben Franklin, one of America's founding fathers, and may have contributed to the American governmental model.

Over the years, they watched as hundreds of treaties with Indian peoples were ignored by the U.S. For the past 150 years, the Oneidas lived in poverty and obscurity in northeastern Wisconsin — while the community around them prospered. Now, in the first generation of prosperity, some Oneida people believe white people not only begrudge them their prosperity, but are trying to find ways to get their hands on the money. It isn't hard to understand a slow burn, some hostility, mistrust, and caution in dealing with the mainstream community.

Most members of the Oneida Tribe came to Wisconsin in 1822. Their move to Wisconsin primarily was a consequence of a Federal policy decision to move Indian tribes out of the East to western lands. The policy was first contemplated during Thomas Jefferson's presidency, but did not become official U.S. policy until Andrew Jackson's administration (Nesbit, 1973).

The Removal Policy is subject to various historical interpretations. Some see the movement as well-intentioned. The idea was that Native Americans would be moved west to the limits of anticipated white settlement. There, they could be guaranteed perpetual rights on lands reserved for them. Nesbit reports that "there was a growing humanitarian movement directed toward justice for the Indian that advocated removal (from the East) as a solution that would save them from further degradation and despair." According to the Oneidas, on the other hand, "The state of New York and various land companies contrived to remove the Iroquois from their homelands, especially the Oneida whose land was in direct route of the Erie Canal" (Oneida Nation).

In 1820, Reverend Jedediah Morse of Connecticut was commissioned by the Federal government to make recommendations concerning relocating Indians. He visited Wisconsin that year and found, in Green Bay, a small population of mostly French, Indian, and French-Indian families. He concluded that the Green Bay area would be a particularly good place for Indians to settle. Two years later, Eleazer Williams led groups of Oneida, Stockbridge, and Brotherton Indians to Wisconsin from New York and New England to what is now the Grand Chute area, on the Fox River between Green Bay and Appleton. Williams, himself a St. Regis Indian and an Episcopal minister, was a colorful character (or charlatan, depending on what one reads). He had convinced some people that he was the lost Dauphin, heir to the French throne. Loretta Metoxin, Oneida Tribal Historian, reports that his remains were removed, not long ago, from New York where he died, and that they now lie buried on the Oneida Reservation. He is still remembered in the Green Bay area, where Lost Dauphin Road runs south from the De Pere, past Lost Dauphin State Park.

In 1823, about 1,500 Oneidas obtained a land parcel from the Menominee Indians, who had been living in the Green Bay area. The land, west of Wisconsin's Fox River and bordering on lands granted to individuals dating from the late 17th Century, subsequently became the reservation. About one-half of the reservation is in Brown County and about half is in Outagamie County (see Figure 1 on the next page).

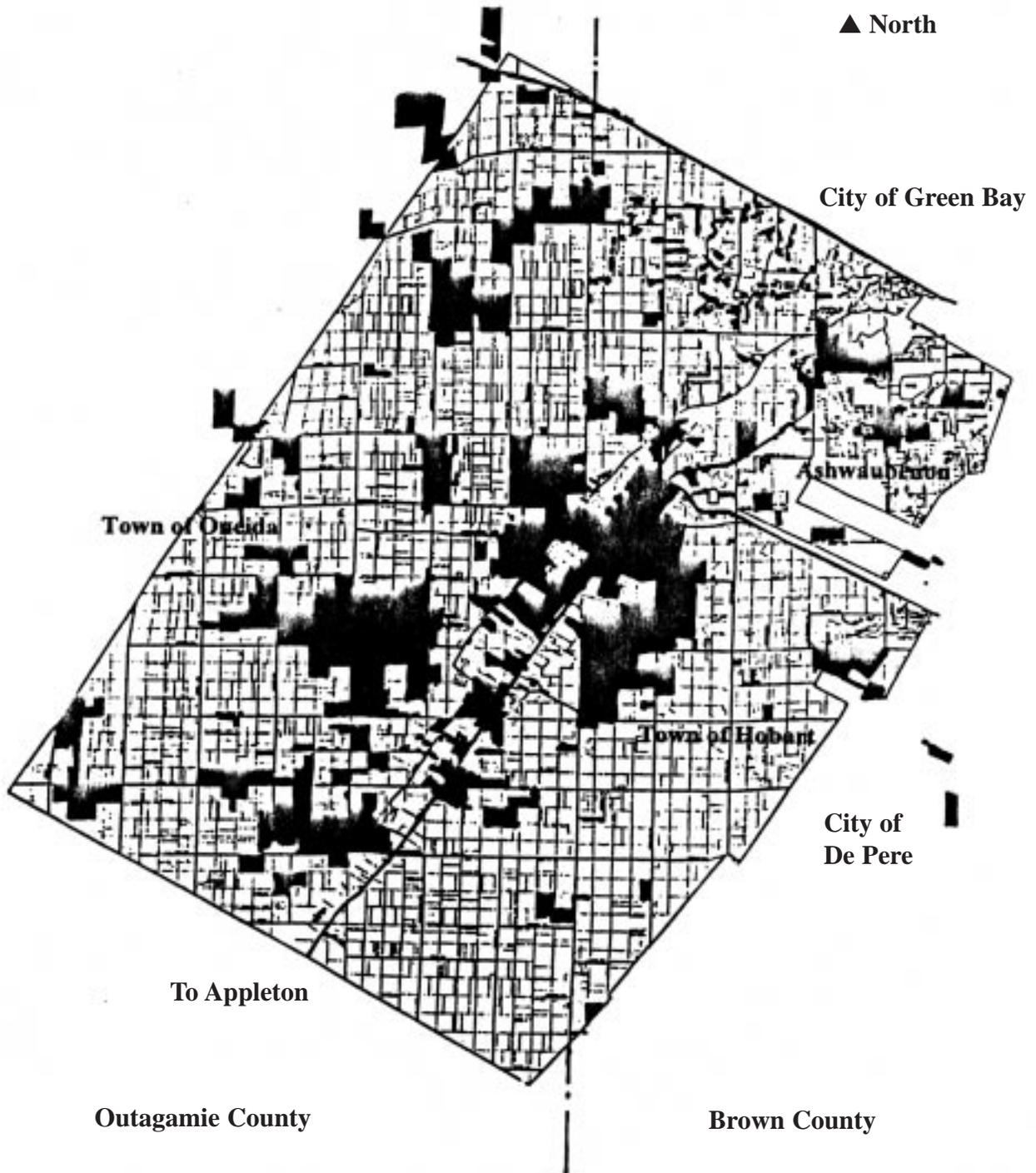
Sixty-five years after the Oneidas settled in Wisconsin, Congress enacted the Dawes Severalty Act (1887). Dawes appears to have been motivated by good intentions; his plan was to assimilate Indians into mainstream American culture by dividing tribal lands into 160-acre plots, giving those plots to individual Indians, and turning Indians into farmers. Land left over in each reservation after the allocations to individual Indians would be sold off to white settlers. It seemed like a good compromise at the time between westerners who wanted to get hold of some of the large western Indian reservations and those people who believed that bringing the Indians into mainstream American culture was in everyone's best interest.

The effects of the Act were not as Dawes had intended. In the case of the Oneidas, there was not enough land on the reservation for every Indian to get 160 acres. Heads of households got 90 acres. Unmarried persons more than 21 years old got 45 acres. Others got 20 acres. Some were given land parcels that added up to the correct allotment, but which were not contiguous. An individual's land could be spread over several locations (Metoxin, 1997).

In the years following the allotment, many Indians sold their property to white settlers, were cheated out of it by landgrabbers, or lost it when they did not or could not pay property taxes levied against the land. Unemployment among Oneidas was high and the prospects of a windfall from selling the land was often too tempting for the Indian family to hold on to it. In the case of the Oneidas, most parcels were sold off and settled by non-Indians by the end of the Great Depression, but some remained continuously in Indian ownership. The Oneidas' land consisted, after all this, of a relatively few land parcels scattered within the boundaries of the old reservation.

In the century since the Severalty Act, Green Bay, Appleton, and the communities between and around them have considerably grown, spreading out over much of the land that constituted the original Oneida reservation. In Brown County, the original reservation overlaps about 20% of the City of Green Bay, a portion of the Village of

**FIGURE 1** 1838 Oneida Tribe of Wisconsin Reservation Boundaries and Approximate Locations of Tribal Fee (Taxable) and Trust (Tax-Exempt) Property, February 1997



**Source:** Oneida Nation Land Management Office and the Bureau of Indian Affairs.

Ashwaubenon, and the entire Town of Hobart and, in Outagamie County, the entire Town of Oneida. The old reservation is now an integral part of the urban economic and social community.

Over the years, Oneida Tribal traditions faded, with only a few people keeping the language and culture alive. Many Oneidas left the reservation, seeking work in the Fox River Valley, Milwaukee, and Chicago. Many were assimilated into the mainstream economy and culture, becoming physically and socially indistinguishable from their white neighbors. During the past few years, however, the changes for individual Oneidas and for the Tribe have been astounding, as gaming profits improved the life and economic prospects of virtually every Oneida in northeastern Wisconsin.

### **THE ONEIDAS GAIN THE GAMING FRANCHISE**

Indian gaming emerged during the past two decades in Wisconsin. For all practical purposes, it dates from a 1973 statewide referendum approving a State-constitutional amendment permitting bingo games for charities (Thompson, 1995). In 1975, after the State issued rules regulating such games, the Oneidas offered a bingo game as a charity in the Green Bay area.

A series of actions and judicial rulings across the U.S. led to increased Indian gaming, so that by 1988, state governments pressed Congress into enacting an Indian Gaming Regulatory Act. The Act permits casino games on reservations if the games are permitted for any purpose elsewhere in the state within which the reservation is located. If the state permits gambling, it is obligated to negotiate a compact with tribes seeking to initiate gaming.

Wisconsinites have had mixed feelings and policies on gambling over the years. Slot machines and punch cards were visible almost everywhere in the State in the 1930s, but following World War II, church bingo and office football pools became about the only visible forms of gambling. Pressure for legalized gambling in Wisconsin came mainly from those who wanted a State lottery similar to those that Wisconsinites saw in neighboring states. Seeing an easy way to raise revenue without raising taxes, Wisconsin legislators and voters authorized a State lottery. Approval of a State lottery opened the doors for casino gambling on reservations. In June 1991, Federal District Court Judge Barbara Crabb required that the State open negotiations with all tribes so that they could have casino gambling. Shortly after the State's initial legal appeal failed, Governor Thompson negotiated compacts with the tribes. The compacts limited gaming to blackjack and machine gaming and stipulated that casinos would be permitted until 1998.

Shortly thereafter, the Oneidas built a large casino adjacent to their bingo hall and hotel, directly across from Green Bay's international airport. Casino gaming revenues began to flow into Tribal coffers, and the Oneidas and Green Bay changed forever.

### **THE ONEIDA PERSPECTIVE**

The Oneidas' culture embodies a strong sense of history and community. Tribal members talk about the Seven Generation perspective — a perspective in which policies are evaluated in terms of their effects today and through the lives of the seventh generation hence. In today's catchphrase, the Oneida Tribe is committed to "sustainable development." The Tribe seeks success for the long term, not for the next quarter's bottom line.

Oneidas never forget that the Tribe is both a sovereign body and a corporation. Besides being members of the sovereign body and the corporation, Oneidas are bound by a common culture and by extended family ties. In some ways, the Oneidas resemble a church- or faith-based community. Faith-based communities are cohesive and focused by the religious beliefs shared by the community's members. Members work to support the community and themselves. Similarly, the Oneidas are concerned, first, with development of the Tribal community and, second, with the prosperity of individuals and individual entrepreneurs. The commitment to long-term well-being and community are very important cultural elements and, to a great extent, drive the Tribe's development policies.

The Oneidas also resemble a large, diversified family business, with each family member having about the

same number of shares. Looking at the Tribe as a family business may help outsiders understand their processes. Like any other family-owned business, members do not always agree about what to do and when to do it. Tribal decision-making processes are often time-consuming, as in most family businesses. And, like some family businesses, not all individual members are happy with the leadership. Furthermore, some Oneidas are more committed than others to the Tribe's culture and traditions.

Today, the Tribe consists of 13,300 members, about one-fourth of whom live on the reservation. Many others live in Brown and Outagamie Counties outside the reservation. Oneida Tribal members live in every county in Wisconsin. A large number live in the Milwaukee area. In addition to the Wisconsin Oneidas, there are 1,100 Oneidas in upstate New York and 3,800 in Canada.

## **IMPACT ON THE ONEIDAS: THE FIRST GENERATION OF PROSPERITY**

### **THE ONEIDAS' STRATEGY**

#### **Gaming as a Means to an End**

Not all Oneidas like the fact that the Tribe is engaged in gambling. Indeed, the Oneidas lagged behind other tribes in getting into it. Gaming is, however, a means to an end. The Tribe is using gaming as a capital-acquisition machine that enables them to:

- provide employment to Tribal members;
- buy back land within the boundaries of the 1838 reservation;
- re-establish the Oneida language and cultural traditions;
- enhance individual and collective self-esteem;
- invest in non-gaming businesses to help ensure long-term economic well-being for the Tribe and its members; and,
- otherwise exercise the Tribe's rights under its treaty with the U. S. government.

The gaming enterprise not only provides jobs and training for Oneidas, but it enables them to set wage rates at reasonable levels. This is important, General Manager Artley Skenandore explains, because in some places, non-Indian investors have looked at Indian reservations as sources of cheap labor. The casino operation enables the Oneidas to set a wage-and-salary benchmark, sending a signal to others and providing an alternative to minimum-wage jobs.

#### **The Oneida Business-Investment Strategy**

The Oneidas began their economic-development efforts a decade or so ago in the traditional model. They created an industrial park and went out to find firms that wanted to lease land from them to build a store or factory and to do business on Green Bay's west side. A few firms did just that, but not many and not very fast. Some Oneidas may have seen this as the consequence of prejudice against them, but it is more probably the case that not many firms are interested in leasing property. It is often to business's advantage to own the land and, since there were many other industrial parks up and down the Fox River Valley that were eager to sell land, that's where they went.

The Oneidas rethought their game plan and began to do some very smart things. Their basic strategy was to plow gaming revenues directly back into developing human resources, creating productive capital, and purchasing the land constituting the 1838 reservation. Casino profits do not get allocated to Tribal members — they go to building the Tribe's future. The Shakopee Tribe in Minnesota divides its gaming profits by the number of tribal

members and writes a check to each member. In a recent year, the check to each adult tribal member was for approximately \$450,000. This allocation is called the “per-capita” allotment. In contrast, the Oneidas are not splitting up the casino-profit “melon.” Their per-capita allocation last year was about \$225 — each adult’s share of interest earned on a trust settlement some years ago.

A critical mass of leaders understood that this was the first generation in which the Tribe and most of its members have escaped poverty. They knew, too, that there were not enough local Oneidas with the necessary business experience, education, and critical skills to accomplish Tribal goals. They needed more talent, at least until they could develop it among the Oneidas themselves.

- *First*, the Tribe decided to bring in the extra talent it needed, including educated Oneidas who were living outside the reservation and working in the mainstream economy. These people were attracted back to the reservation by good jobs with good futures as well as by their attachment to the Oneida community, even though some were essentially assimilated into mainstream, white society.
- *Second*, the Oneidas brought in some very highly respected consultants with international reputations. They helped the Tribe skip past the old management paradigms so many companies are now trying to shed. The Oneidas are attempting to move directly into contemporary management philosophies and models. The new management models fit traditional Oneida culture and values quite well, so they are a sensible element of the overall business strategy.
- *Third*, the Oneidas hired non-Indian professionals to work in key staff positions. This was serendipitous for both the Oneidas and the non-Indian community. In the early days of prosperity, the Oneidas and the surrounding communities had to learn how to work together. There was more mistrust than trust, more caution than optimism, and more questions than answers for both Oneidas and their neighbors. The non-Indians working for the Tribe made the white community a little more comfortable; they “spoke the same language” and were known to the community. The non-Indian hires were able to communicate Oneidas’ viewpoints and were able to relatively easily carry the Oneida message to the rest of the community. As they do their regular work for the Tribe, they serve as “translators” and as good-will emissaries, “greasing the skids” of communication for both Oneidas and non-Indians. They also add substantially to the Oneidas’ experience base and understanding of business in the mainstream. Finally, they are helping the Tribe accelerate its learning curve.

Today, rather than simply trying to attract businesses to their industrial parks, the Oneidas are applying a sophisticated approach to long-term development. Their approach dramatically differs from that of municipal governments, in that the Tribe expects to own all or a significant share of the economic enterprises developed on the reservation. The Tribe helps individual Indian entrepreneurs, but its first priority is to develop Tribal enterprises. The goal is to benefit all of the Oneidas over the long haul, and this goal is a central criterion for evaluating investment opportunities.

The Tribe’s economic-development strategy resembles that of a corporation looking for acquisition and diversification opportunities. The Tribe’s financial and economic analysts look for investment opportunities in growth industries with high potential for long-term payoff in jobs and income. Sometimes, it doesn’t work out; a Tribal scientific-testing joint venture did not prosper. Other investments, however, are doing well. ONE (Oneida Nation Electronics) is a Tribal enterprise aimed at developing employment in the electronics industry. The Tribe has invested in other, non-Indian firms with good job and income potential. In 1996, the Tribe teamed up with Plexus, a Wisconsin firm headquartered 40 miles south in Neenah, Wisconsin. Plexus provides design, manufacturing, and testing services to the electronics industry. The result of the collaboration is a \$22-million, 110,000-square-foot, state-of-the-art facility. The Oneidas financed and own the facility, which is operated by Plexus. Profits are shared (Haber, 1997). The plant employed 50 people in July 1997, with 500 employees projected for three years from now.

In addition to investing in new ventures with potential long-term payoffs, the Tribe’s development strategy calls for buying into existing ventures with good track records. The idea is that existing ventures will help provide a cash flow to the Tribe. New ventures typically require substantial cash infusions and take time to start paying off. It would be unreasonable for the Tribe to put all its eggs in one basket (Hill, 1997).

The Oneidas have begun diversifying economic enterprises on the reservation. The Oneida Farms raise beef and have 1,200 acres in cash and feed crops. The Tribe maintains an orchard and a cannery. It owns four convenience stores offering video gaming along with gas and sundries. The Tribe has retail tobacco outlets that sell tobacco products at reduced prices, since they are exempted from a portion of State taxes. The Oneidas also operate a large hotel, restaurant, and conference facility located between the Tribal bingo hall and casino. The casino boasts 125,000 square feet, with almost 3,000 slot machines and 100 blackjack tables. The Tribe operates a bank, a printing firm, and an industrial park. Sam's Wholesale Club and Wal-Mart serve as anchors for a shopping center in the Tribal industrial park on Green Bay's far west side.

In addition to their investments in plants and equipment on the reservation, the Oneidas have made financial investments — much like an insurance company would have — across the country in a wide variety of business enterprises. These investments, looked after by professional analysts, have the promise of providing the Tribe with the protection of diversity as well as with an income stream to finance other operations.

The Oneida strategy is prudent. Gaming revenues grew rapidly the first few years, but now seem to be leveling out and perhaps even declining slightly. Gaming is, after all, just one of many recreational products available to consumers who are being bombarded constantly by many and diverse interests seeking their business. National figures show that gambling revenues fluctuate from year to year, so relying solely on gaming for Tribal and individual income is risky. Moreover, it is always possible that the Indian monopoly in casino-style gaming will come to an end. Diversification makes sense.

### **Investments in Property**

A long-term goal of the Oneida Tribe is to buy back the entire 65,400 acres within the boundaries of the 1838 reservation, "even if it takes 100 years." It might take 100 years, but if the Oneidas continue to purchase land at the rate they have during the past five years, it will only take 50. Like everyone else, the Oneidas understand that it will be some time before they are likely to have an opportunity to purchase the land on which the technical college, the Post Office, or the international airport are located.

As shown in Table 1 on the next page, the Oneida Tribe bought relatively little land before gaming revenues began to flow in the early 1990s. In the five years from 1992 through 1996, however, they added approximately 1,150 acres a year to their Tribal holdings. About one-half of the Tribe's total land holdings today were acquired since 1992. In 1995, the Tribe spent about 12.3% of its income on land acquisition and other investments (Murray, 1995). The Tribe bought land with an estimated fair-market value of about \$1,900,000 in 1992 — but, as revenues increased, land acquisitions increased. In the four years from 1993 through 1996, the Oneidas bought more than \$39,000,000 worth of property (estimated fair-market value) in Brown County alone (Brown County). This does not count land purchased in Oneida County. Most of the land that the Oneidas are buying is in the Towns of Oneida in Outagamie County and Hobart in Brown County, but they are also buying land in the City of Green Bay and the Village of Ashwaubenon in Brown County.

It looks as though, in the first years of prosperity, the Tribe bought land as it became available and as it had money. More recently, it looks as though it is making acquisitions that help it to strategically influence development patterns on land they do not yet own.

### **Investments in Human Capital**

For many years during the 19th Century, Oneidas were recruited by eastern schools like Carlisle and Hampton. Many who were educated moved away from the reservation because of limited prospects there. Some highly educated people are numbered among the Oneidas, but high levels of unemployment and limited expectations kept most Oneidas from going much beyond high school. Even with the new prosperity, relatively few Oneidas are enrolled in colleges. Despite recruiting efforts, the University of Wisconsin-Green Bay — the nearest State-supported comprehensive institution — has only about 100 Native American students in its 5,000-person student body, including Oneidas, Menominees, and members of other tribes. The number of enrolled Indians has grown slowly over the past few years, and, for the first time, the University of Wisconsin-Green Bay has about a dozen Native Americans enrolled in its graduate programs.

**TABLE 1**      **Acres of Land Purchased by the Oneida Tribe of Indians of Wisconsin in Brown and Outagamie Counties, 1981-96, by Year, Minor Civil Division, and Total Acres Owned by Minor Civil Division**

(Year Purchased)	Town of Oneida	Town of Hobart	City of Green Bay	Village of Ashwau- benon	Town of Pittsfield	City of De Pere	Total	% of Total Oneida Holdings
1981	10	0	10	0	0	0	20	0.2%
1982	543	0	23	0	0	0	566	5.7%
1983	215	7	0	0	0	0	222	2.2%
1984	0	5	0	0	0	0	5	0.1%
1985	232	0	0	0	0	0	232	2.4%
1986	1	0	12	0	0	0	13	0.1%
1987	286	14	0	0	0	0	300	3.0%
1988	89	5	0	0	0	0	95	1.0%
1989	0	1	12	0	149	0	162	1.6%
1990	198	37	2	0	0	8	244	2.5%
1991	2	0	1	0	0	0	3	0.0%
1992	793	145	2	8	0	0	948	9.6%
1993	1,005	359	27	19	0	8	1,419	14.4%
1994	955	114	24	181	0	0	1,275	12.9%
1995	969	144	83	0	0	0	1,196	12.1%
1996	271	614	29	1	0	0	914	9.3%
<b>Total Purchased, 1981-96</b>	5,569	1,446	224	210	149	16	7,614	77.2%
<b>TOTAL HOLDINGS</b>	6,850	1,996	266	266	152	16	9,862	—
<b>% OF LAND IN JURISDICTION</b>	69.5%	20.2%	5.9%	2.7%	1.5%	0.2%	100.0%	—

**Note:** Totals may not sum due to rounding.

**Sources:** Brown County, Wisconsin Property Listing Office; Outagamie County, Wisconsin Property Listing Office; Oneida Tribe of Indians of Wisconsin.

The Tribe eases the burden of paying for post-secondary education with a generous academic-assistance program. With the Oneidas only half a decade into the new prosperity, it may be too soon to expect large numbers to be enrolled in higher-education programs, but the Oneidas are investing heavily in preschool and elementary education. They built a modern elementary school and operate Head Start and early-childhood-development programs on the reservation. Consistent with their long-term view, the Oneidas are building human capital, beginning with the very young.

#### WHERE THE ONEIDAS ARE TODAY: A RECORD OF ACCOMPLISHMENT

Native Americans historically are among the very poorest of the poor in the U.S. Their unemployment rates historically are extraordinarily high, partly because most tribes are far from the centers of commerce and in-

dustry. Where tribes live in or near larger urban areas, gaming is changing that. The Oneidas dramatically raised average Tribal-member income in the past decade. Unemployment, said to be 40% or more a few years ago, is now about 15% and moving down toward the metropolitan average of under 5%.

In 1969, the Oneida Tribe employed just nine people. Today, the Tribe employs 3,350 people and is the largest single employer in Brown County. Fifty-five percent of these employees are Oneida Tribal members, 9% are other Indians, and 36% (1,200) are non-Indian persons. About two-fifths (42%) of the Tribal employees work for the Gaming Division. The rest — 1,910 employees — work for other programs and enterprises. Only about one-third of the Tribal budget is spent on gaming. Two-thirds is spent on the non-gaming expense budget.

The Oneidas' development strategy is beginning to pay off, but it is still in the very early stages of implementation. The Oneidas have not had money to invest for very long — and, while the future looks bright, the Oneidas still rely heavily on gaming revenues, and probably will for some time. In fiscal-year 1995, gaming comprised 84.7% of the Tribe's total income of about \$203 million (Murray, 1995). Grants accounted for another 7.9%. Only 7.4% of income came from non-gaming Tribal enterprises.

Along with increased employment and self-reliance, self-esteem of individual members has grown remarkably, and education, income, and life style have all improved since gaming was introduced on the reservation.

A local, high-ranking law-enforcement officer says he remembers that, before casino gaming, Indians were a substantial part of the problem on Green Bay's Broadway Street — an area historically jam-packed with lower-class saloons and drunks. It kept police busy most nights of the week. Indians are no longer a major part of the problem. Not many years ago, a traditional hang-out at the reservation, the White Eagle, was a frequent site of violence on Saturday nights. It no longer is.

Oneidas were once readily visible because many of them drove large, old, rusted-out "Detroit Iron." Today, Oneidas drive the same kinds of cars as everyone else, dress like everyone else, and are enjoying the benefits of prosperity.

The Tribe runs a host of social programs for its members — child care, alcohol- and other drug-abuse programs, mental-health services, a nursing home, a boys' group home, a career center, health-care and reproductive-health-care services, early-childhood-development and Head Start programs, elementary and secondary schools, higher-education assistance programs, employee assistance and fitness programs, housing and home-improvement programs, job-training and summer youth employment programs, a recycling program, sports programs, and a senior center. Tribal members enjoy health insurance; the Tribe pays the larger share of the premium and Tribal members pay a portion, just as in most business enterprises. The new elementary school and day-care center are large and attractive. Cultural programs include a library, a museum, and a language-revitalization program. The Tribe created a compact disk to help teach the Oneida language.

This, indeed, is the first generation of prosperity. Not all Oneida people are yet sharing in it; some Oneidas, on and off the reservation, are still caught up in living the life of the "old reservation" — trapped in underclass or lower-class values, behavior, and income. Some recently returning to the reservation are not yet fully integrated into cultural traditions. But, for the first time in 150 years, the future looks bright for the Oneida people.

### **THE EFFECTS ON METROPOLITAN GREEN BAY**

It is clear that casino gaming has had a positive impact on the Oneidas and that it holds the prospects for a bright future for them. What about the impact on the rest of the Green Bay area, though? Has the gaming that created the Oneidas' first generation of prosperity had a positive effect on its economy? What other effects have been felt? This section explores those questions.

### **ECONOMIC EFFECTS ON METROPOLITAN GREEN BAY**

Is Oneida gaming contributing positively to the Green Bay area economy? Or is it the equivalent of an economy based on pitching quarters with a "house" take of about 15%? Isn't gambling just a simple transfer of

money from one part of the economy to another? Isn't the money that goes to gambling siphoned off from some other parts of the economy, creating hardships there? To what extent have Oneida enterprises generated "net sales" outside the community; that is, to what extent do revenues from gaming and other enterprises come from outside the local community? Do the revenues from outside the region exceed the cost of goods and services purchased from outside the region?

All of these questions have been asked about Oneida gaming in metropolitan Green Bay. The next few pages attempt to answer them.

### **Is There a Net Positive Effect on the Local Economy?**

Dr. James Murray was among the first to estimate the economic impact of Indian gaming in Wisconsin and in Brown County. Murray (1993 a, b) reports that, statewide, only about one-half of the employees working at Indian gaming facilities had jobs before taking a job in gaming. Many of those people worked at part-time, seasonal jobs before being hired. Just more than 31% were unemployed before they took a job at the gaming facilities. Almost one-fifth (18%) of those working at casinos at the time of Professor Murray's study were both unemployed and receiving some form of public assistance before they took the job. Murray estimates that in 1992, across Wisconsin, Indian gaming removed 820 people from welfare and employed 1,400 unemployed persons.

Murray also estimates that the direct benefits of Indian gaming to Wisconsin were \$562 million in 1992 — about \$1.6 billion if one counts indirect effects. He estimates, too, that gaming generated about 4,500 jobs directly from gaming enterprises, with many more temporary jobs generated in 1992 by construction and still more created by the multiplier effect.

Thompson, Gazel, and Rickman (1995) agree with Murray that Indian gaming has a net positive effect on the State and an even bigger positive effect on the economies of areas where facilities are located. They contend, however, that Murray's estimates of benefits are too high. Accurately assessing the economic impact of gaming on the local economy, they argue, requires one to look at both positive and negative economic effects — one must, they say, look at net economic effects.

Positive effects include payrolls and other expenditures made by gaming establishments and the ripple effect of those expenditures through the economy. From that, one must subtract the portion of money that would have been spent in the local area anyway. That is, if casino customers would have spent entertainment money at the local restaurant or movie theater, then, to the extent that they spend that money at the casino, there is a loss at the other establishments. If one does not subtract those effects, then applying the multiplier to casino payrolls, etc., would count the benefits twice. One must also, Thompson and his associates argue, subtract the amount of money spent by the Oneidas outside of the region for equipment and supplies, and other "leakage," like payroll taxes, that go outside the area. Thompson takes these things into account in making the lower estimate.

Professor Thompson and his associates conducted their research with the cooperation of the Oneida and Potawatomi Tribes, basing much of their work on surveys of gamblers that they conducted in gaming facilities. The analysts did not have access to Indian casino financial records, except as reported by other studies commissioned by Indian tribes, so they used data drawn from non-Indian gaming in Nevada and New Jersey to triangulate their findings.

Professor Thompson's team concluded that Indian gaming enterprises in Wisconsin generated a net gain of more than \$400 million in 1994 for local areas within 35 miles of Indian gaming establishments, not counting social costs. The net gain for all of Wisconsin, however, was less — about \$330 million. The reason is simple: the gambling houses attracted spending from people in parts of Wisconsin without casinos, thus having a negative economic impact on those areas.

It is clear from the research that Indian gaming has a net positive impact on Wisconsin's economy and that the Oneida gaming enterprises have a direct positive impact on the economy of greater Green Bay. There is, however, quite a disparity between Murray's and Thompson's estimates of those benefits — \$1,600 million versus \$330

million. The differences primarily are attributable to differences in methodology. Murray chose not to account for expenditures that would have been made in the local economy in any event and to include a one-year infusion of construction spending in 1992. Thompson and his associates subtracted the local effects all Indian gaming proceeds spent or sent to outside communities. They did not, however, estimate the amount of money spent on gambling by locals that would have otherwise been spent outside the region. Consequently, the impact is likely to be higher than Professor Thompson's admittedly conservative estimate, but not as high as Murray's estimate.

### **Simply Moving Cash from One Pocket to Another?**

If all of the residents of an island have money, but keep it buried in a can in the back yard, the economy slows and falters. If those same residents give it to their neighbors in exchange for goods and services, the economy begins to move and flourish. The extent to which the economy flourishes depends on the rate at which the money changes hands for goods and services and the mix of those goods and services. The rate is important because spending or lending money generates additional income; if money goes around the island twice during a given time period instead of once, income is essentially doubled. The question is whether spending the money on gaming instead of on other services increases the rate of spending or the total amount spent.

The mix of goods and services also makes a difference. An economy based on everyone taking in everyone else's laundry or an economy based on moving money from one to another by pitching quarters is not sound. Someone actually has to be producing goods and services that can be traded for other goods and services if the system is to work. If goods and services must be imported to meet demand, then the economy must produce something to export or continually have its assets drained away. Thus, it is important to understand the extent to which the Oneida gaming franchise simply moves money from one pocket to another within the local community. To determine that, one must look at who gambles, where the money comes from, and where it would go if there were no casinos in the area.

### **Where Do Gaming Revenues Come From?**

The odds-on favorite, if one were trying to characterize the first person he or she would run into in the Oneida gaming establishments, would be a white woman more than 60 years old who lives within 50 miles of the casino and has an annual household income of less than \$30,000. Professor Thompson's survey of gamblers in Wisconsin reports that one-half of the gamblers come from within 50 miles of the casino. About two of every five come from within 35 miles. Two-thirds of all players are women. Three of every five have household incomes under \$30,000. Half are older than 60 years, and almost two-thirds are older than 50. Clearly, a substantial amount of revenue comes from older local residents with relatively low incomes (Thompson, Gazel, and Rickman, 1995).

If the locals were not gambling, where would they spend the money? According to Professor Thompson, et al. (1995), only 30% of local players said they had cut back on the number of times that they go to movies and shows or participated in other recreation so they could gamble. Of the 30% who cut back on other expenditures, four of five reduced their attendance at movies and the like. About three of five cut back on the number of times they ate out. The expenditures represented by reductions in those activities look like the equivalent of moving money from one pocket to another in the local economy — but, in reality, they get cycled through the economy an extra time, coming back to groceries, movie houses, and clothing stores when the casino employees get their paychecks.

The Thompson survey clearly indicates that casinos draw money from local gamblers that very likely would have otherwise gambled outside the region. Half reduced their travel in Wisconsin and almost 80% reduced the amount that they travel outside Wisconsin — not just to gamble, but for all reasons. Local gamers did say, however, that they reduced their travel to other places because there was nearby Indian gaming.

Clearly, not all the money wagered and lost or otherwise spent at the casinos comes from money that would be spent on other recreational activities. When asked what they would do with the money they spend on gaming if the casino were gone, about one in eight said he or she would go to more movies and shows, but more than a fourth said they would spend more on clothes or eat out more often.

Thompson's survey did not include questions about whether gamblers at Indian casinos reduced the frequency with which they visited local taverns or other night spots. Tavern keepers have pressed the State for video-gaming privileges; they maintain that the casinos are attracting business away from them with an unfair advantage. It is extremely difficult to judge the effects of gaming on tavern business. Changing values, tougher drunk-driving laws, and changing demographics all work against the tavern business, so it is hard to separate the effects of gaming.

If the local casino were to close down, money now being spent at the Oneida casino would leave the area. The Thompson survey shows that approximately 40% of local gamblers said they would travel to other casinos if they did not have an opportunity to gamble in the Green Bay area. About one-third of respondents said they would travel outside Wisconsin if they could not gamble in the area. Casino gambling provides safe, relatively inexpensive entertainment for a large number of people in the Green Bay area, most of whom are older. There is much to be said for a safe recreational environment, particularly if the money spent on it otherwise would leave the State.

### **How Much Money Comes from Outside Wisconsin?**

Visitors from outside the Green Bay area substantially contribute to gaming revenues. Professors Murray and Thompson agree in their separate studies that out-of-state visitors account for between 15% and 20% of the players at the Oneida gaming facilities. License-plate surveys in the casino parking facilities help confirm Professor Thompson's survey research. He also found, in his survey, that out-of-state visitors wager about twice as much per visit as gamblers who travel less than 50 miles to get to the facilities — about \$100 compared with \$50 for locals. Assuming loss rates are the same for locals and visitors, out-of-area gamers may account for as much as 30% of casino revenues.

Visitors to Wisconsin Indian casinos appear to make most of their expenditures in the gambling facilities themselves. Almost three-fourths of out-of-state gamblers reported spending nothing on food or lodging outside the casino. Ninety percent said they do not spend money on any shopping or entertainment outside the casino. Given the survey results, Professor Thompson and his associates conclude that out-of-area visitors spend an amount on purchases in the community equal to about 10% of their gaming expenditures.

### **There is Some Reshuffling Within the Economy, but Not as Much as One Might Think**

If there were no bingo or casino gambling, those who spend money there would spend it somewhere else or place it in financial investments. Consequently, in the first round of spending by area gamblers, those who provide alternative goods and services lose out to the gaming facilities. However, those same merchants stand a very good chance of benefitting in the second round of spending, so that any net adverse effect on them is rather substantially reduced.

The second round of benefits comes because, in 1995, the Oneidas paid 36% of their total revenues in wages and salaries, 40% in private-vendor purchases, and another 9% in fringe benefits (Murray, 1995). That means a substantial proportion of the profits were turned back into the economy. A large share of the money, according to both Murray and Thompson, was spent in the Green Bay area. The money spent by Oneidas' employees was spent much as it would have been spent had the gamblers spent it in the local economy rather than wagered it. The Tribe does not have movie theaters, supermarkets, clothing stores, or new car dealerships — so the money was "spent back into" the Green Bay and Appleton area economy.

A major effect of the gaming industry is that it inserts an additional round of income earners and spenders into the local economy. It would be unreasonable to assume that gaming has not altered expenditure patterns and incomes among retailers and wholesalers in the region, but there do not appear to be any sectors of the economy that can be singled out as big losers. Certainly, individual establishments cater to different age groups and tastes, so there is every reason to believe that some individual retailers, for example, have been hurt by the availability of gaming — but, at the same time, there is every reason to believe that other retailers gained by an equal or greater amount.

### The Added Effects of Oneida Reinvestment

Most analyses of the Oneidas' impact on the local economy focus on the effects of the gaming enterprise. Unlike many other tribes, the Oneidas plow the net proceeds of the gaming enterprise back into nongambling enterprises, social programs, and land acquisition. It is important to consider the effects of those activities to the overall assessment. These are not really secondary effects of gaming; they are direct, long-term, positive impacts on the economy. So, when one looks at the effects of gaming, one must look, too, at the economic impacts of those investments. So far, the employment numbers are relatively small, amounting to only a few hundred of the Tribe's 3,350 employees. The likelihood, however, is for continued growth in both jobs and total income. The advantage to the community is that employment in electronics and agriculture, for example, will provide positive regional benefits for a long time without any of the social costs associated with gaming.

#### EXTERNALITIES: PROBLEM GAMBLING AND ASSOCIATED SIDE EFFECTS

Unless Oneida gaming is unique in the nation, it generates externalities — social costs not borne by the enterprise. Net increases in pathological (compulsive) gambling and crime are associated with legalized gaming virtually everywhere. Someone bears those costs.

Gambling interests argue steadfastly that gambling does not cause crime; other observers disagree. Illustratively, a study commissioned by the Wisconsin Policy Research Institute indicates increased crime in counties near Indian Casinos as a consequence of those casinos. A subsequent study commissioned by the Oneidas finds no increases (Thompson, 1996; API Consulting Services). Part of the difference in findings is because of methodologies. API looked at total, property, and violent crime rates per 100,000 persons in Wisconsin counties with and without casinos. The study used only descriptive statistics. No standard tests of statistical significance were employed, so one could not conclude whether differences in crime rates were associated with gaming franchises. Nor were any attempts made to account for temporal fluctuations in crime rates. Those who employ standard scientific approaches to the question typically find a statistically significant relationship between crime and legalized gambling, including even state-run lotteries (Mikesell and Pirog-Good).

Another part of the difference in findings is that the most-prevalent crimes associated with legalized gambling are pilfering and embezzlement, not armed robbery or violence. Moreover, measuring changes in criminal activity is relatively easy; measuring the effects of specific causes is extraordinarily difficult. Estimating the impact of gaming on criminal activity is even more difficult because prosecutors tend not to know the motivation for the crime, sometimes even after convictions. The fact that it is difficult to estimate does not mean that efforts to learn the causes of criminal activity should be stopped. Instead, it means more work is needed by independent analysts. The fact that it may take some time does not reduce the need for the work.

### What is Problem Gambling?

Scholars agree on what constitutes problem gambling behavior and that compulsive gambling is a problem. They do not agree, however, on its causes — the number of people affected by it or the extent to which legalized gaming contributes to how many are afflicted. Scholars discuss and debate physiological, psychological, sociological, and behavioral reasons for problem gambling — but, as yet, they have not agreed on exactly what causes it and how to deal with it. They know that some gamblers become problem gamblers and that some problem gamblers become compulsive or pathological gamblers.

Rosenthal (cited in Thompson, 1996) describes four basic symptoms of compulsive gambling. *First*, compulsive gamblers bet more and more often and more and more money through time. *Second*, compulsive gamblers cannot accept losing; they try continually to make up their losses. *Third*, compulsive gamblers are preoccupied by gambling. *Fourth*, compulsive gamblers display a disregard for the consequences of their gambling.

Compulsive gamblers have real problems. They spend their income, draw down their family savings, and — when those are gone — they often borrow to continue gambling. Many steal money to gamble. For those with access to money in businesses, embezzlement is a preferred means. The Wisconsin Department of Justice is unable

to provide statistical information concerning motivations for crimes, but anecdotally, there are instances of embezzlement cases related to compulsive gambling in which each gambler stole more than \$100,000 (Kessner). There is a lot of anecdotal evidence of pathological gambling, but not much in the way of good statistics. Last year, for example, a young male employee in the Green Bay area held another employee hostage at gunpoint at a fast-food restaurant for a day after having been caught pilfering money from the till to feed his gambling problem. Compulsive gamblers miss work, develop family problems, and suffer individually. There is anecdotal evidence of “cross-addiction,” in which a person addicted to drugs or alcohol “trades” that addiction for a gambling addiction (Teske, 1997).

### **How Many Problem Gamblers Are There?**

Scholars do not know the incidence of pathological gambling among adults in the U.S. It clearly is not as big a problem as alcoholism, but it is big enough to generate large social costs. Various surveys show that the proportion of adults with compulsive-gambling problems ranges from about less than 1% (0.7%, or seven in 1,000) in the general population to about one in seven (14%) in specific populations in specific places (Thompson, 1996; Lesieur; Stoil; Hawaleshka). Thompson (1996) reports that Kallick’s 1979 study, one of the very few broadly based surveys, reports that 0.77% of adults could be considered to be pathological gamblers. That number — about eight problem gamblers in 1,000 adults — seems reasonable in the context of most related studies.

No one knows for sure how big the problem is in Wisconsin, but it is a safe bet that it exists and that casinos, lotteries, and dog tracks have made the problem worse. We do know that one-half of the local players interviewed at Wisconsin Indian gaming facilities said they play at least once a week (Thompson, 1995). The median number of visits reported by gamblers is 51 each year (half visit more often and half less often), but the mean number of annual visits to Indian gaming facilities (total visits divided by total visitors) by survey respondents was much higher — 71. Since the mean is substantially higher than the median, it is evident that some players visit the casino much more often than once a week.

The evidence leads one to conclude that a very high proportion of gaming action and revenue comes from a relatively small number of players. It is also safe to conclude that some of those are problem gamblers.

Unhappily, almost four of every 10 people surveyed at Indian gaming establishments in Wisconsin (37.8%) said they reduced their savings because of gambling at the Indian facilities (Thompson, et al, 1995). One-half of those respondents said that they took more than \$800 from their savings to gamble. The average (mean) decrease in savings among local gamers was, however, substantially higher — \$1,600. That means some gamblers reduced their savings by very-substantial amounts. Some of these may be drawing down vacation and recreation accounts. Some in Green Bay have been known to wager away the money set aside for their children’s college education. Many older people live on their savings, so one might interpret virtually any spending by them as a draw-down of their savings. The issue calls for more research. An alarming statistic, however, is that approximately 10% of those interviewed said they would spend more on groceries if they were not using the money to gamble.

Thompson, Gazel, and Rickman conducted another survey on problem gambling in Wisconsin (1996). They interviewed more than 1,000 adults about their gambling behavior. Their questionnaire was based on criteria used to diagnose pathological gambling developed by the American Psychiatric Association and published in its *Diagnostic and Statistical Manual of Mental Disorders*. Their results led them to estimate that there are more than 32,000 problem gamblers in Wisconsin.

### **What Are the Social Costs?**

In that same study, Thompson and his associates conducted a separate survey of Gamblers Anonymous groups in Wisconsin. They learned that serious problem gamblers in Gamblers Anonymous lost an average of \$100,000 during their gambling careers and that they owed more than \$38,000 at the time they sought help. Approximately one-fifth of the respondents had declared bankruptcy to ward off creditors. One-fifth lost their jobs as a result of their problem gambling. Perhaps most surprisingly, one-third of the Gamblers Anonymous respondents admitted that they had stolen money to feed their gambling habit. The third of problem gamblers who admitted stealing said they stole an average of \$6,000 each.

Professor Thompson, et al., estimate the social costs of problem gambling in Wisconsin to be approximately \$300 million a year; that is, about \$9,500 for each of the estimated 32,500 serious problem gamblers in the State. The cost estimate includes employment-related costs (\$2,940), bad debt and theft-related losses (\$3,220), police and judicial costs (\$2,600), and health- and welfare-related costs (\$700). They attribute about one-third of the total social costs to casino gambling.

The Wisconsin Council on Problem Gambling operates a toll-free telephone help line for problem gamblers. In the first six months of 1997, the Council received almost 1,800 calls for help, even though the office was closed for parts of May and June. The callers said they owed an average of almost \$39,000 as a result of their compulsion, a number very close to the Thompson, et al., estimate above (WCPG, 1997).

Some instances of problem gambling are particularly unsettling. One such case involves Joe Murphy, a man in his 30s who suffers from manic depression and who is mildly mentally retarded. He learned that he was eligible for almost \$41,000 in disabled-adult benefits from Social Security, dating back to 1984. He fought with the Social Security Administration office in Janesville, Wisconsin, to have the money given directly to him. The usual practice for people in his situation is to have the money paid to a protective payee who serves as financial trustee. The Social Security Administration finally succumbed to his continued attack and paid the money to Murphy. Two weeks later, it was all gone. He lost all the money at the Ho-Chunk casino in Baraboo. Murphy, the father of three with a live-in girl friend, is once again penniless. "Murphy blames the government for giving him the money he demanded when they knew he couldn't handle it" (*Green Bay News-Chronicle*, Associated Press).

### **Who Should Bear the Burden?**

Who should bear the costs of pathological gaming? Certainly, the individual problem gambler and his or her family will — one way or the other — bear a large share of the financial, psychological, and social costs. Some will be able to recover some costs of treatment from their health insurance plans. Government will bear some costs. Others will depend on charitable organizations for help. Consumers ultimately will bear the costs of business theft.

Those who benefit from gaming and from problem gambling should not be able to externalize the social costs of pathological gambling onto the public. Those who benefit should pay. That principle is applied in the U.S. over a broad range of activities, from toll roads to environmental cleanups to the health effects of tobacco. Professor Thompson's research shows that casino gambling is not solely responsible for all problem gambling — they account for less than one-half. State lotteries and dog tracks account for some more. An unknown amount of pathological gambling would exist even if gambling were entirely illegal in the State.

The Oneidas contributed \$35,000 to the Wisconsin Council on Problem Gambling in each of the past two years to help operate its help line and publish brochures on the problem. That donation is a step in the right direction, but it seems entirely appropriate that all casinos, dog tracks, lotteries, and any other government-sanctioned gambling be made to pay their share of the social costs of problem gambling.

## **EFFECTS ON LOCAL GOVERNMENT**

The net economic effects of Oneida gaming are positive in the Green Bay area, even with the social costs of problem gambling. There are, however, other effects that warrant discussion. Among these are the effects on local government.

### **Effects of Oneida Land Acquisition on the Tax Base, Indebtedness, and Who Pays for What**

If there is a single Oneida activity that generates intense feelings among non-Indians, it is the Tribe's land acquisitions during the past few years. The Oneidas are committed to securing ownership of the 65,400 acres (about two townships) that comprised the 1838 reservation. To that end, the Tribe is actively buying land with gaming proceeds. Moreover, the Tribe is trying to influence the use of land within the old reservation that they do not own. The Oneidas' land-acquisition program affects neighboring governments because of Oneida sovereignty, tax exemption of Indian land in trust, and the fact that local governments and the Oneidas have different ground rules.

***Do Indians Pay Taxes?*** It is the tax-exempt status of tribally owned land in trust and confusion about tax-exemption for Indians that makes the land-acquisition program particularly troublesome for non-Indian neighbors. Few people understand Indians' tax status; it is complicated.

Indians who are both tribal members and live on reservation land do not pay Federal income taxes if their income is generated from land that is placed in trust, such as rent or lease income. Nor do they pay State taxes on income earned on the reservation, if they live on the reservation. The tribe does not pay property taxes on reservation land placed in trust with the U.S. Indians do not pay State gasoline taxes on gasoline bought on reservation land. Nor do Indians pay sales taxes on purchases made on the reservation.

Indians do, however, pay Social Security taxes. They also pay Federal income taxes — unless, as indicated above, the income is derived from reservation land. They pay Federal income tax on income earned working at casino jobs. They also pay State sales taxes if the item is purchased off the reservation, but not if it is delivered to the reservation. They pay State motor-vehicle-registration fees, unless they establish their own Tribal licensing program, which the Oneidas have not yet done. Indians on reservation lands pay Federal gasoline taxes and Federal and State taxes on liquor, wine, and beer. They pay part of the State cigarette tax (IRS, USATF, and Wisconsin Department of Revenue, as presented in the *Green Bay Press-Gazette*, April 7, 1996).

Not all of the land the Oneidas own has been placed in trust. A member of the Oneida Tribe who owns a house in Allouez, for example — far from the reservation on the east side of the metropolitan area — pays taxes on his or her home like everyone else. Land owned by an individual Tribal member on the original reservation can be placed in trust for that member; it then becomes tax-free, but it is not owned by the Tribe. Some Oneidas who own land within the old reservation boundaries prefer not to put the land in trust, because it limits their options and gives the Tribe practical, if not legal, rights to affect what is done on the land. Land owned by the Tribe, but not held in trust, is taxable regardless of whether it is within the boundary of the original reservation. Land owned by the Tribe and placed in trust by the U.S. Secretary of Interior is tax-free, regardless of whether it is within the boundary of the original reservation.

***Concerns about the Tax Base.*** Municipal governments in Wisconsin rely heavily on property taxes to pay for services and infrastructure. Local governments understandably are concerned with the proportion of property within their boundaries that is tax exempt — regardless of whether it is owned by government, churches, charities, or Indians. Local governments are obligated to provide many services to their residents and the land on which they live. Such services include public safety, education, transportation, and libraries. Since the 1838 reservation overlaps parts of two counties, virtually all of two towns, small parts of two other towns, a village, two cities, and six school districts, the tax-base issue is important to many people.

At present, even if all Oneida-owned property were tax-free, the impact on local governments in the metropolitan Green Bay area would not be back-breaking — except, perhaps for the Towns of Oneida and Hobart. The 4,000 or 5,000 Oneidas living on the reservation are a small proportion of the 350,000 people living in Brown and Outagamie Counties.

Deficits flow downhill, so — during the past few years, as the Federal deficit slid or was pushed or shoved onto the states — the states responded by pushing it down to local governments as much as they could. Wisconsin laws, budgets, and mandates have placed considerable stress on municipal governments across the State. Tax-levy and spending limits imposed on local governments by the State, coupled with increasing costs and growing demands for obligatory services, have local-government budgets between a rock and a hard place. Money for discretionary expenditures, like parks and libraries, is being squeezed from local budgets like the last bit of tooth paste from the tube. Government jobs are being cut and services are being cut back. Consequently, local governments rail against any threat to their resource base. As land is placed in trust and removed from the tax base, local governments become even more pressed to meet their obligations and are more hostile to outside threats.

The two jurisdictions that contain the most land within the boundaries of the 1838 treaty stand to experience the greatest loss of tax base. These are the Towns of Oneida in Outagamie County and Hobart in Brown County. Most Wisconsin townships were established through a survey establishing section, town, and range lines

along north-south and east-west axes. The land east of the Fox River was surveyed in 1834 and 1835. The west side of the Fox River was laid out from 1840 to 1843. Townships generally are six miles by six miles, laid out along town and range lines. Town governments, Wisconsin's basic minor civil division, are usually coterminous with a surveyed township. Green Bay, however, was founded long before town and range lines existed. Property was granted to early French and English settlers in private claims. The private claims run at right angles to the Fox River — which, in the Green Bay area, flows from southwest to northeast. Therefore, when the Oneida Reservation was established in 1838, it too ran at about 45 degrees off north. It was roughly the size of two townships — but, when Wisconsin counties were formed more than a hundred years ago, the Brown County and Outagamie County dividing line ran right up the middle of the Reservation, placing it in both counties. Consequently, the reservation is located primarily in the Towns of Oneida (Outagamie County) and Hobart (Brown County). As villages and cities annexed parts of Hobart, they annexed parts of the original reservation.

The Oneidas now own approximately 30% of the land in the Town of Oneida and about 10% of the land in Hobart. At this level, the townships are still viable political entities. Neither Town has substantial debt, so it is not the case that less and less property-tax base is burdened with more and more debt. Hobart, in fact, had about a 10% increase in assessed value last year, even though the Oneidas bought about 614 acres — which have been removed from the tax base or that will be removed if and when they are placed in trust. In 1996, the local “tax value” of Oneida land in Hobart was \$247,655. The “tax value” is the revenue that would be generated for the Town from the property if the local property tax rate were applied to it. The Town did receive some of that tax value, probably about one-half, because only about half the Indian land has been placed in trust. The Town of Hobart will generate a total of about \$683,000 from property taxes this year. That means the tax value of Oneida-owned land is equal to about 36% of the Town's total tax value (see Table 2 below).

The Town of Oneida is even more affected. Its tax base is only approximately \$100,000,000, so Oneida land purchases are eating away rapidly at the tax base and will pose difficulties for Town government before long.

**TABLE 2** “Property-Tax Value” of Oneida Lands: Property Taxes That Would Have Been Paid to Minor Civil Divisions in Brown County for Real Property Purchased by the Oneida Tribe of Indians of Wisconsin, Including Both Taxable and Non-Taxable Land, Based on Full Market Value of Land and Improvements at the Time of Sale, by Jurisdiction, for 1996\*

(Year Purchased)	City of Green Bay	Town of Hobart	Village of Ashwaubenon	City of De Pere	Total
1992	\$13,004	\$6,203	\$16,238	\$0	\$35,445
1993	\$37,379	\$73,151	\$50,230	\$27,859	\$188,619
1994	\$62,967	\$27,687	\$39,635	\$0	\$130,289
1995	\$108,398	\$60,206	\$0	\$0	\$168,604
1996	\$109,368	\$80,408	\$7,732	\$0	\$197,508
<b>Total</b>	\$331,116	\$247,655	\$113,835	\$27,859	\$720,465
<b>TOTAL 1996</b>	\$31,942,770	\$683,000	\$7,329,989	—	—
<b>PROPERTY-TAX LEVY FOR THE JURISDICTION</b>					
<b>ONEIDA PROPERTY AS A % OF 1996 PROPERTY-TAX COLLECTIONS</b>	1.04%	36.3%	1.6%	—	NA

Sources: Brown County, Wisconsin Property Listing Office; Outagamie County, Wisconsin Property Listing Office.

\* A substantial portion of the land included in this table is not held in trust and currently is subject to taxation.

The City of Green Bay has Oneida land within its boundaries that would generate about \$331,000 if it were all subject to taxation, but that is equivalent to only about 1.05% of the \$32 million in property tax that the City collected in 1996. Since the Oneidas pay tax on some of their Green Bay property, the burden is not nearly so great there as in the smaller Towns.

***Financial Agreements: Locally Working It Out.*** Tax-free Oneida land has not yet become an extraordinary burden on local government for three reasons. *First*, the Oneidas have not yet acquired and converted a sufficiently large portion of the original reservation to make a large dent in most local-government revenues. *Second*, the region is growing economically, and the value of land and improvements continues to grow. Even the Town of Hobart experienced a 10% increase in its tax base in 1996 as the Oneidas were purchasing property.

The *third* reason is more important in terms of our inquiry. The fact that the Indians do not pay taxes on some of their property and income does not mean they are not shouldering a share of the burden. The Tribe provides many “municipal” services to itself — including housing, health, education, and social services to Tribal members. The Oneidas also build some of their own community infrastructure. They have, therefore, removed some burden for service delivery from other local governments.

Just as important, the Oneidas have begun to contract with some local governments for direct services. One of the first contracts for service was developed between the Oneidas and the Green Bay Metropolitan Sewerage District. The Oneidas wanted a sewer pipe extended to the unincorporated Village of Oneida to replace their inadequate treatment facilities that were polluting Duck Creek. The District was eager to oblige, seeing an opportunity to reduce the flow of pollutants into an important local waterway. Negotiations went slowly, even though both parties were eager make the agreement work. Both parties were tentative, naive, and cautious. They were, however, persistent — so agreement was reached and the pipe was built at the Oneidas’ expense, just as though any municipal customer had wanted the pipe. The Oneidas pay the same rate for wastewater treatment as any other of the District’s wholesale customers. Relations between the two organizations are more trusting, relatively easy, and more matter of fact.

Ted Pamperin, President of the Village of Ashwaubenon, described the early days of interaction between the Tribe and the Village as difficult. Perhaps the low point of Tribal-Ashwaubenon relations came in 1994, when the Tribe bought 180 acres of the Village’s industrial park. Apprehension in the Village ran high that the Tribe had, with that act, done serious damage to the Village’s future economic development. The Village recovered by annexing land from the neighboring Town of Lawrence and adding it to the industrial park. That, of course, put the Town of Lawrence in a more-difficult position in terms of its tax base.

The Village wanted tax base and the Oneidas wanted both economic development on and municipal services for the property they owned in the Village. “It would be nice to report that the tribe and the Village sat at the negotiation table and worked out a win-win agreement, but it didn’t quite work out that way,” reported Jeff House, Oneida Director of Communications, and Jerry Menne, Ashwaubenon Village Trustee (House and Menne). “As one might expect,” they report, “[n]egotiations eventually broke down and both parties found themselves in the midst of controversy, with the threat of litigation prevailing.”

Pamperin says that Loretta Metoxin, Tribal historian and former Tribal chairperson, taught Village officials about Oneida culture and governance. “She is a really wonderful teacher,” explained Pamperin. The Village and the Oneidas worked hard to avoid litigation and to cut a deal. They finally reached agreement to provide fire services. The Tribe provides primary police, ambulance, and rescue services within the boundaries of the reservation. Both the Tribe and the Village provide mutual aid in the form of backup assistance in police services, ambulances, and emergency medical and rescue services (House and Menne; Pamperin). The Oneidas pay the Village an amount equal to the Village tax levy times the appraised value of the improvements on Oneida land within the Village. This may sound like the Oneidas are paying taxes or making payments in lieu of taxes to the Village, but they are not. The Oneidas explain that they are simply paying fees to the Village for services; it just so happens that the fee is calculated essentially the same way Village taxes are. In 1996, the “property-tax value” of Oneida property in Ashwaubenon was about \$113,000. This year, the Village expects fee-for-service payments of about \$100,000 from the Oneidas.

In addition, the Oneidas previously had provided a one-time payment of \$120,000 to the Village for an additional fire truck and other capital improvements. Since the initial agreement, the Oneidas and the Village of Ashwaubenon have amended the agreement to include sewer and water services and planning.

The Ashwaubenon model is being extended to other local governments. The Town of Hobart and the Oneidas are in fee-for-service negotiations. Agreements have not been struck between the Oneidas and all the affected jurisdictions. Negotiations with the City of Green Bay and Brown County government are scheduled to follow negotiations with Hobart. The Town of Oneida and the Oneidas have not discussed fee-for-service, but the Town receives \$6,000 annually from the Tribe and received a \$100,000 gift to help pay for a new fire truck. Town Chairman Norman Austin — himself part Indian, but not Oneida — says the costs to the Town far exceed the \$6,000 payment, but there has been no discussion of a fee-for-service agreement.

Basically, the Tribe wants to buy services it does not now provide for reservation land within the various municipalities from those local governments. The Oneidas are unwilling to pay taxes or make payments in lieu of taxes, but they are willing to pay negotiated fees. The Oneidas are also willing to bring other things to the table, including Federal grants-in-aid to finance projects for which they are eligible. Combinations of grants, cash, and in-kind services provide the *quid pro quo* essential to both parties for cutting the deal.

The Tribe sweetens the pot by contributing substantial gifts to community organizations, charities, and causes — especially to help with exhibits and programs that help non-Indians understand the Oneida culture. Tribal enterprises support the University of Wisconsin-Green Bay men's basketball team by sponsoring the Green Bay Classic each year. The Oneida Tribe was one of the early contributors to a County-operated household-hazardous-waste center, providing \$20,000 for construction and continuing funds for operations, while one village and two town governments opted not to support the effort at all. The Tribe also gave a municipal bus to the City of Green Bay's Transit Authority in exchange for expanded routes to serve the Oneidas.

Some of the dollar amounts given by the Oneidas are relatively small, but keep in mind that there are fewer than 5,000 Oneidas living on Tribal lands and about one-half of the Indian-owned land still pays property taxes to local government, school districts, and the County. Moreover, in most cases, the Tribe has no legal obligation to pay local governments anything for services. The new approach of negotiated fee-for-service is part of a good-neighbor policy intended to turn liabilities into assets — to create good will and win-win situations for the Oneidas and affected local governments.

For the many years before the first generation of prosperity, the Oneidas were not big players in the local-government scene. When gaming revenues began to flow into the Tribal treasury, the Oneidas became an important new actor — a new actor with money and sovereignty. The old, generally understood rules governing intergovernmental relations at the local level no longer applied. No one knew what the new rules were, including the Oneidas. The concept of two separate governments governing the same space at the same time was not one with which most local-government actors were comfortable, especially when tribal sovereignty was still being defined and redefined. Working things out at the local government level is taking time — but, during the past year or two, it has moved along surprisingly well.

Almost every local official interviewed for this report, Oneida and non-Indian alike, had much the same story. They remember early negotiations as characterized by confrontation, mistrust, and difficult negotiations that ultimately resulted in agreements. Almost to a person, they say that now, agreements on most issues are reached much more easily. Relationships are more trusting, more collaborative, and more like business as usual. To some extent, both local and Tribal officials still walk on eggshells when entering into discussions of new issues — no one knows just what button might trigger some untoward response, but communication and cooperation are getting easier.

The future of relationships between the Oneidas and other local governments in the metropolitan area looks brighter than it ever has. Very likely, it will continue to be an eclectic mix of collaboration, cooperation, confrontation, and litigation. Collaboration and cooperation will continue to characterize more and more of the interrelationships. Confrontation and litigation will arise when issues simply cannot informally be worked out or that must be decided in another venue.

Tribal General Manager Artley Skenandore talks about the need to turn liabilities into assets in the Tribe's relationships with others (Skenandore). With that approach in mind, the Tribe and its local-government neighbors are looking to see what each can bring to the table to serve mutual interests efficiently and effectively. It is beginning to work.

### **Continuing Concerns About Equity**

Some equity issues understandably remain. As previously mentioned, fee-for-service agreements are just now being negotiated between the Oneidas and Green Bay, Brown County, and Hobart. Negotiations between the Oneidas and the Town of Oneida have not yet been discussed, much less scheduled. Some non-Indians argue that Tribal members living on the reservation are not paying a fair share of "overhead" costs. That is, they get to use the museums, parks, local streets, and other services without paying for them — because they are not "direct" services that the agreements with local governments cover. To the extent that Indians do not pay property tax or State income taxes and because tuition charges pay for only about 15% of tuition at the Northeastern Wisconsin Technical College, with most of the rest coming from local property taxes, local non-Indians believe they are subsidizing Tribal members. Several hundred Oneida children living on Tribal lands do attend public schools. Since some of that land is tax exempt and the Oneidas do not make tuition payments to the schools, locals see themselves bearing costs they do not think they should have to bear. The Oneidas, on the other hand, do not see it that way. They argue that the treaties and laws providing them tax exemptions are part of the payment for land they ceded to the U.S. long ago. Each group, in terms of its own perspective, is right. Moreover, both points of view have merit. Locals bear an as-yet-unmeasured financial burden to cover services and overhead costs because of the Oneidas exemption from many taxes. The Oneidas, too, are correct that the deal was cut long ago and, from their perspective, they have already paid a lot.

Taxation was not much of an issue when the Indians didn't have anything to tax. When Indian children did not live on tax-exempt property, they attended schools on the same basis as everyone else and, if they were from low-income families, they were subsidized like other poor children. Non-Indian locals see a fundamental difference, however, between subsidizing poor Indians and subsidizing prosperous Indians. The more prosperous the Oneidas become and the more land that is put into trust, the more irritating tax-exemption is likely to become for non-Tribal members.

The fact is that the Federal government has shifted much of the onus of its financial burden onto local taxpayers. The Federal government should step up to its responsibility and cover the cost burden it created for local government. It, after all, signed the treaties and created the tax provisions for the Indians. Wisconsin and its local governments should not have to bear the financial burden. Nor should other local governments affected by reservations. Cities affected by Federal installations, like military bases, receive special assistance. Communities that are affected by tax-exempt Indian property should receive similar consideration.

### **Oneida Sovereignty and Emerging Local Governance Issues**

Oneida sovereignty, coupled with the Tribe's desire to secure control over its 1838 reservation, poses difficult problems for non-Indians. Emerging struggles over who controls land development within the bounds of the 1838 reservation illustrate key issues that the Oneidas and the larger community will have to address sooner or later.

***Controlling Planning and Land Development.*** For the Oneidas, land is more than a commodity; it is a fundamental component of their cultural heritage. It only makes sense, then, that the Oneida are deeply concerned about land development that runs counter to what they believe to be in their long-term interest.

The Oneidas have much more control over their Tribal land in trust than non-Indian land owners have over theirs. The Oneidas are able to develop land with little regard for the plans or ordinances of the County government or the municipalities within which the reservation exists. Their lands are largely exempt from municipal regulation.

Some attractive, high-end residential areas already exist within the boundaries of the original reservation, but new developments face challenges. One developer has been particularly frustrated. He is attempting to create a

housing development situated around a golf course within the reservation boundaries. The Oneidas have resisted his attempts to add 18 holes and 312 home sites to his existing nine holes in the Thornberry Creek development. The *Green Bay Press-Gazette* (April 7, 1996) reports that the developer has met all U.S. Department of Environmental Protection (EPA) and U.S. Corps of Engineers standards, but the Oneidas have continued to oppose the development. Oneida officials maintain that the development has too great a density, while Brown County planners believe the density is appropriate.

A fundamental difference in perspectives leads to the conflict. Artley Skenandore, Tribal General Manager, pointed out the differences in perceptions to me. “You see the reservation as the land the Oneidas own and that the government holds in trust,” he explained. “We see it as the land within the boundaries of the 1838 treaty” (Skenandore). That is a fundamental difference. Non-Indians believe that they should be able to do whatever the law permits with their land. They think that they should be able to buy, sell, or develop it — regardless of whether it used to be part of an Indian reservation. The Oneidas believe that it is still in the reservation. Since the land is attractive and conveniently located, pressure exists for development. Developers fear that the Oneidas’ land acquisitions and their opposition to the Thornberry proposal will cause potential buyers to look elsewhere. Regardless of whether that is their intent, such an outcome would benefit the Oneidas in their quest to buy back the reservation. Municipal governments, concerned about their property-tax base and the quality of life in their community, have to be concerned about the extent to which they are able to manage land use and development within their boundaries.

The Oneidas and Ashwaubenon have already agreed to work on some elements of community planning together. Hobart and the Oneidas may agree next. If relationships continue to develop between the Oneidas and the municipalities as they have in the past few years, it is possible that the parties may be able to develop a mutually acceptable development plan for the land within the boundaries of the 1838 reservation.

***Treatment as a State by the Environmental Protection Agency.*** A matter of particular concern to Wisconsin State government, local government, and property owners was EPA’s decision to grant the Oneida Tribe “Treatment as State” status for governing water quality within the reservation. Locals and the Wisconsin Department of Natural Resources were deeply concerned that “treatment-as-state” would enable the Tribe to regulate water quality outside the reservation. This was particularly troublesome because some very-innovative water-quality initiatives for the Fox Wolf River Basin were underway. It was also difficult for the State to accept because, arguably, it is the premier water-quality agency in the nation. Lawsuits were filed almost immediately to require the EPA to rescind the Oneidas’ “treatment-as-state” status. The EPA did rescind the status when word got out that the agency had based its decision to grant the Oneidas special status on the basis of reports that were not written until after the decision.

The Oneidas maintained that they would not create untoward water regulations, but almost no one believed them. The “treatment-as-state” status was on the verge of becoming a major impediment to relationships between the Tribe and local and State governments. If it arises again, one should expect litigation almost immediately.

***A Looming Local-Government Crisis.*** The Oneidas bought almost 60% of the land they own in total in the five years from 1992 through 1996. Soon, as the Oneida Indian population increases and the Tribe continues to buy property, fundamental issues of governance will arise in the Towns of Hobart and Oneida.

Members of the Oneida Tribe are already a population majority in the Town of Oneida. It is not much of a stretch to imagine the Tribe owning more than one-half the land in the two Towns. Within a few years, if not today, the Oneidas could elect a slate of Town officials in Oneida. At that point, a fundamental conflict of interest will arise, regardless of any amount of good will and honorable intentions on the part of those involved. If they control Town of Oneida government, the Oneidas cannot negotiate a contract with the Town to deliver services to the reservation without a *prima facie* conflict of interest. Nor could they agree to have the Tribe deliver services to the Town. In a worst-case scenario, the Oneidas’ slate of Town officials could vote to make major capital improvements to benefit Oneida-owned land, affect the value of land that the Tribe wants to buy, and otherwise incur costs for which they would not be liable, since their land in trust is tax-exempt.

Indians are able to vote in Town elections, but non-Indians do not get to vote in Tribal affairs. At what

point would non-Indians become disenfranchised in Hobart and Oneida? At what point would the newly developing sets of relationships become entirely unworkable? At what point will the City of Green Bay conclude that it is unable or unwilling to contract to deliver services to one-fifth of the municipality — if that part of the City that overlaps the 1838 reservation ever becomes wholly owned and occupied by the Oneidas?

It is time to begin thinking about how to address these issues before they become local-government crises. Except for *ad hoc* solutions, the locals are powerless to change the situation. No solution can be reached without policy changes at the State and Federal level.

### EFFECTS ON HOMEOWNERS AND NEIGHBORHOODS

The Oneidas' new prosperity enables them to operate social-welfare programs for lower-income members of the Tribe. These programs help meet pressing needs for Oneida people, but sometimes there are unpleasant side effects. One such instance stems from a Tribal-housing program.

The Oneida Housing Authority buys homes in existing subdivisions within the boundaries of the old reservation and places lower-income Oneida families in them. The properties are typically placed in trust, thus becoming tax-free. From the waiting list of about 300, a family is selected to move into a unit when it is purchased. The family pays the Housing Authority a proportion of its income to live there, typically only a small fraction of the monthly costs that non-Indians pay for mortgages, utilities, maintenance, and taxes. The Housing Authority retains social workers to help the low-income Tribal members adjust to their new middle-class surroundings. It usually works out, but sometimes it doesn't.

John and Sally — not their real names — are a young couple with children living in a pleasant middle-class subdivision in the old reservation. The Tribe has purchased several houses near theirs. The Tribal members who were moved into those houses live a lifestyle wholly incompatible with their neighbors, and inconsistent with that of most Tribal members as well. They don't work, parties regularly run through the night, they don't mow their lawns, and they only occasionally place their trash curbside for pickup. Neighbors regularly call the police and public officials show up to press the occupants to clean up both their yard and their act.

The Tribal Housing Authority recently evicted the occupants of one of the homes and things quieted down a little. But John and Sally, like almost two dozen other families in the neighborhoods, have put their home up for sale.

"I'm so angry," Sally says. "We both work full time so we can afford to live here. Now, we feel like we're being forced to leave. We're going to have to sell our house for a lot less than we could have a couple of years ago."

John and Sally have been put into a tough position through no fault of their own. The Tribe bought just a few houses in their neighborhood. If the Tribal members who moved in had shared enough of the middle-class values of their neighbors, there would have been no problem and no rash of "For Sale" signs — but the occupants' display of underclass values has neighbors scared.

"We know what pot smells like," worries Sally, "and we know it is being smoked there even during the day. We don't want our kids growing up in a neighborhood where that is going on."

The anger is compounded by uncertainty. "The Oneidas haven't bought any houses in the neighborhood for the last few months," John explains, "but we don't know when or whether they will start buying again. Maybe they're just waiting for the prices to drop further."

Faced with uncertainty about the future value of their home and prospects of more bad neighbors, John and Sally faced a tough decision. Should they bite the bullet and take a loss on their house today, or should they stick it out, hoping the Oneidas will do a better job of placing people in middle-class neighborhoods?

“We moved here originally because we liked the neighborhood so much. The idea of having to lose money and to start over in a different part of town is not something we like to think about, but it has come to point where we’ve got to do something soon.”

Last week, John and Sally sold their home and moved outside the boundaries of the reservation.

Nobody with whom I spoke thinks that the Oneidas are engaged in “block-busting” — a practice in which unscrupulous real-estate broker traditionally would buy a few homes in a white neighborhood, move in some rowdy black families, buy white homes at deep discounts, and then sell them at inflated prices to black families eager to move into better neighborhoods. Instead, this looks like an unfortunate and painful side effect of the Oneidas’ efforts to improve the lives of Tribal members. In this case, those members either don’t know or don’t care about the obligations of living in middle-class urban neighborhoods. The same kind of thing has happened all across the U.S. where “scattered-site” housing projects bring low-income families into working and middle-class neighborhoods; the housing authorities do their best to ensure that the families meet neighborhood expectations of behavior. Sometimes it works and sometimes it doesn’t.

There is no evidence from my interviews that there is any underlying racism associated with their anger and apprehension. The anger primarily is directed toward the occupants’ lifestyle and secondarily toward the Tribal Housing Authority — first, for its complicity in the problem, and, second, for allowing it to continue. Were the offending parties white, the neighbors would not have hesitated to mount an all-out offensive against the local housing authority and City Hall to get the offensive neighbors out. They know how to do that, but they do not know how to deal with the Tribe — it simply doesn’t operate like city government — and many believe that any complaint to the Tribe would be viewed as just another case of white racism and dismissed out of hand. So, while neighbors believe you can fight City Hall, they are reluctant to take on the Tribe.

Indians have complaints, too. Oneidas report that some Indian families who moved into neighborhoods like John and Sally’s have received threatening and obscene telephone calls. At least a few Oneidas who need housing do not want to move into some Green Bay neighborhoods (Langenkamp).

Situations like this are a matter of great concern to Artley Skenandore, Tribal General Manager (Skenandore). He says that it is important to create win-win situations between the Oneidas and the rest of the community. Situations like the one involving John and Sally are a potential win-win situation that isn’t working out as well as anyone would like.

## **CONCLUSIONS AND RECOMMENDATIONS**

### **THE GAMING FRANCHISE HAS ENABLED THE ONEIDAS TO CREATE THEIR FIRST GENERATION OF PROSPERITY**

The gaming franchise has done what no anti-poverty program has been able to do. It has enabled the Oneidas to lift the Tribe and its individual members into the first generation of prosperity since before the founding of the U.S. Their newly acquired prosperity is a consequence of a monopoly franchise to operate casino gambling, a good location in a large, easily accessible population center, and hard work.

Today, the Oneida Tribe employs 3,350 people, making it the largest single employer in metropolitan Green Bay. Unemployment among Oneidas has declined precipitously. In addition to providing employment to Oneidas, other Indians, and non-Indians, gaming serves as the means for the Oneidas to generate investment capital. Rather than splitting up the casino revenues among Tribal members, the Oneidas plow back gaming revenues into land acquisition, diversified business enterprises, and development of human capital. The development program has been in place only for a few years and is just now beginning to pay off. Consequently, the lion’s share of Tribal income is still derived from gaming. The proportion of total income from the diversified economic base should continue to grow, however, portending a bright future for Tribal members. The Oneidas’ economic-development strategy is exemplary and should serve as a model for Indian people across the nation.

## **THE NET ECONOMIC EFFECT OF ONEIDA GAMING ON THE REGIONAL ECONOMY IS POSITIVE**

This study evaluated research conducted by others on the economic impact of gaming on the area and State economies. Qualitative research was conducted to confirm research findings and to discern additional economic effects. The conclusion is that Oneida gaming adds positively to the regional and State economy, even if all social costs and other externalities are accounted for. Gaming acts as an export business, drawing substantial revenue from out-of-state visitors. Local gamers spend money at the gaming facilities they otherwise would have spent locally, but there does not appear to be any major adverse effect on other recreation centers directly because of that. The reason is that gaming inserts an income and spending cycle in the Green Bay area economy. Gamblers spend money at the casinos, but Oneida Tribal employees spend much of that money in the local economy. Local businesses that might have lost sales to gamblers gain sales to Oneida employees. Without doubt, some individual businesses have lost and some have gained because the gaming cycle was inserted into the economy — but, overall, the economy has gained.

The Green Bay area is now an important tourist destination in Wisconsin. The Green Bay Packers and the Packer Hall of Fame, the National Railroad Museum, proximity to Door County and the near North, and conventions all attract visitors. In addition to its direct effects, Oneida casino gaming significantly contributes to the size of the magnet drawing tourists and tourist dollars to the area.

Economists do not agree on the size of the gain because of differences in their approaches to the question, but all agree that there is a positive gain at the local level and statewide. Their studies demonstrate that Indian casinos provide a net economic gain to the State. More accurately, they provide a great gain to the Indians, a gain to the local community, a net loss to parts of the State without gaming, and a more modest overall gain to the State.

The most-conservative estimate of annual benefits to all Wisconsin localities close to casinos is more than \$400 million. Some localities, like Green Bay, benefit more than more remote areas that do not get much local business. The benefit to the State is estimated at more than \$300 million. (Areas not near casinos lose recreational dollars to areas that are close.) When estimated social costs are subtracted, the overall economic benefits from gaming decline. Depending on the estimate of social costs, total statewide economic benefits range from a wash to about \$170 million annually. More-optimistic modeling efforts place benefits far higher.

## **SOCIAL COSTS OF LEGALIZED GAMING ARE HIGH AND EXTERNALIZED TO THE PUBLIC**

If legalized gambling does not result in increased pathological gambling and associated crimes in Wisconsin, then it is the only place in the world where it doesn't. Pathological gambling is not nearly so common as alcoholism or clinical depression in our society. It affects fewer than one adult in 100. However, for those affected, the consequences are ugly. Driven to gamble more and more and to gamble for higher and higher stakes, compulsive (or pathological) gamblers believe they will win, but seldom do. Problem gamblers lose their savings, their jobs, and often their families. Many end up in bankruptcy. Almost one-third of Gamblers Anonymous members said they stole money to finance their gambling. No one knows the extent to which legalized gambling contributes to pathological gambling.

Those who benefit most directly from legalized gambling are externalizing the costs of problem gambling to the public. These are the State-run lottery, Indian casino gaming, and private dog tracks.

## **ONEIDA INDIAN CASINO GAMING SHOULD CONTINUE, WITH SOME CHANGES**

### **Renew the Gaming Franchise**

The gaming franchise has enormously contributed to the well-being of the Oneidas and contributes positively to both the greater Green Bay and Wisconsin economies. Gaming has worked better than any set of public anti-poverty programs to improve the lot of the Oneidas today and to provide bright prospects for the future.

The State of Wisconsin should renew the compact for Oneida gaming. While the State may be able to present a sound legal argument against renewal, the argument would fail to meet the tests of good economics and good policy.

The costs of closing casino gaming in the Green Bay area would be very high. The Oneidas would no longer be able to employ 3,350 people; many would lose their jobs. The economy would suffer because the flow of out-of-state tourist dollars would substantially decline and locals would take their money to gamble in the neighboring states with casinos. The Oneidas' economic progress would suffer substantial damage. Local governments would end up supplying services to the Oneida properties without fee-for-service agreements and the Tribal land would still not be on the tax rolls.

Indeed, if one wanted to stimulate the local economy further, one would add games like roulette and craps to attract more tourists from adjoining states where those games are permitted.

### **Those Who Benefit from Gambling Should Contribute to the Costs of Fighting Problem Gambling**

The State lottery, dog-track owners, and Indian casino gaming should contribute a portion of their proceeds to public and private programs aimed at reducing the incidence of problem gambling, the costs of treatment, and the cost of damages to innocent third parties. It would be unreasonable to require these enterprises to cover the full costs associated with problem gambling — some unknown amount would exist even if all gambling were prohibited in the State — but it is only equitable that those who benefit contribute significantly to dealing with the problem. Currently, only the Oneidas contribute and their contribution is inadequate to mount a campaign sufficient to address the problem.

In turn for a monopoly on casino gaming and electronic games of chance, the Indians (and the State lottery and private dog tracks) should pay a “franchise fee” to help cover some costs associated with problem gambling. The Michigan gaming compacts suggest an appropriate model. In that model, a modest percentage of gaming proceeds is returned to local government to help cover costs associated with gaming that are not otherwise compensated. A similar provision in the Wisconsin compact would cover some of the costs associated with problem gambling and ensuring the Indians' monopoly is protected.

The advantage of an arrangement in which a relatively small percentage of gaming proceeds are returned to local non-Indian jurisdictions is that it helps convert Indian gaming to a more obvious win-win situation for the larger community. Getting a small percentage of gaming revenue to cover costs associated directly with gaming makes it in the best interests of the larger community to help ensure the success of gaming. Even a modest flow of funds to the two counties would help create a sense that the Oneidas and the community are in this thing together and reduce community feelings that the Oneidas are not carrying their fair share of the burden.

### **THE LAND-ACQUISITION STRATEGY MAKES SENSE FOR THE ONEIDAS, BUT IS CAUSING MANY LOCAL PROBLEMS**

It is not difficult for local non-Indians to understand the Oneidas' desire to obtain title to the lands in the original reservation created in 1838. That does not mean, however, that conflicts stemming from that land-acquisition program do not and will not exist.

Problems arise for several reasons. *First*, well more than half of the land in the original reservation is owned by non-Indians, many of whom have lived there all their lives. Others moved into suburban subdivisions there before the acquisition program began, with no understanding of the potential implications of living on what they perceived to be a “former” Indian reservation. Consequently, there is a conflict of visions and of expectations about the land within the old boundaries between Oneida and non-Oneidas. Non-Oneidas are uncertain about the future status of their land or neighborhoods. Emotions run high. They are exacerbated by occasional instances of social friction. Friction sometimes occurs when lower-income Oneidas are housed by the Tribe in middle-class neighborhoods, resulting in instances of real or perceived racial animosity. Both Oneidas and their neighbors feel they are being treated inequitably. Processes are not in place to help mitigate the situation.

A *second* set of problems has to do with the tax-exempt status of Indian lands held in trust by the U.S. government. Two Towns, Oneida and Hobart, are on the verge of being hard-pressed to meet their obligations to non-Oneida residents because a large portion of their property-tax base is at risk. In Hobart, for example, Oneida holdings have a “property-tax value” of almost 36% of the total Town property-tax value. The Oneidas have eased the impact of tax-exempt lands in several ways. First, they provide many of their own services to Oneidas living on reservation land, thus reducing the obligations of non-Indian local governments. Second, only a portion of land owned by the Tribe or individual Oneidas has been placed in trust; the land not in trust continues to generate tax revenue. Third, the Oneidas have begun to pay fees for services provided to Oneidas by local government. Fee-for-service agreements with the Village of Ashwaubenon provide the Village with essentially the same amount of money it would have received if the land had remained taxable and in the same use as it was when purchased by the Tribe. Negotiations for fee-for-service agreements have begun with other jurisdictions.

## **Recommendations**

***Make a Plan.*** The Oneidas, Brown and Outagamie Counties, and affected local governments should work together to create a long-term, strategic-development plan for the land within and adjoining the 1838 reservation. From the Oneidas’ perspective, such planning would be consistent with its Seventh Generation philosophy. Such a plan would reduce uncertainty and anxiety on the part of both the Oneidas and the non-Indian community. It would also address issues on which the Oneidas and a local town have distinctly different views of how various large sites should be used. This would make it much easier to develop infrastructure, like sewers, roads, interchanges, and schools. Like any strategic, long-term plan, this plan would have to be subject to periodic review and revision but at least the process would bring to the fore issues that should be addressed sooner rather than later.

***No Land in Trust Outside the Reservation.*** The Oneidas and the State should work together to help ensure a Federal policy that prohibits the U.S. Department of Interior from placing any lands in trust outside established reservation boundaries without the permission of the State Legislature. This would appear to be consistent with the Oneidas’ desire to regain ownership of their lands in the 1838 reservation and would go far to reduce the anxiety level of local officials and land owners.

The burden of tax-exempt land on local governments is significant and shortly will become a matter of serious concern. Local residents and officials should not be burdened by the uncertainty associated with the prospect that the Department of Interior will place lands outside the reservation in trust, thereby frustrating local governments’ attempts to shape their own destiny. If the Department of Interior does place lands in trust that are outside the reservation, it would generate serious animosity — not only toward the Oneida Tribe, but toward the Federal government as well.

***Continue Fee-for-Service Agreements.*** The Oneida Tribe and local governments should continue to negotiate fee-for-service agreements. The agreements reduce the burdens on hard-pressed local governments, reduce feelings of inequity, and facilitate agreements on unrelated matters.

***Address Social Concerns Collaboratively.*** Local government and the Oneidas should work to find processes for dealing with problems arising from the Oneidas’ housing programs. These efforts should take place in the context of finding ways to deal with similar problems for scattered-site Section 8 and Housing Voucher programs throughout the country. They should also be integrated into efforts to deal with existing and potential housing and social problems associated with rapidly growing southeast-Asian, Hispanic, and African-American minority populations.

***Federal Government Should Provide Assistance to Local Governments Affected by Tax-Exempt Indian Lands.*** The local service agreements that are emerging in metropolitan Green Bay are a tribute to the desire of Tribal and municipal officials to work things out. With different incumbents in the various positions, negotiations easily could have degenerated into litigation and still be in dispute.

As good a start as the service agreements are, the non-Indian community is still bearing costs generated by Oneida people. Some of these are costs that have not been compensated for generations. Even with the Oneida

school program, Oneida children living on Tribal land attend public schools at the expense of non-Indian taxpayers. Oneidas benefit from tax-supported parks, highways, cultural facilities, game management, pollution-prevention programs, and higher education supported by both property and State income taxes — even though some Indians are exempt from those taxes.

No one suggests that the Oneidas should not participate in the rest of the community. Quite to the contrary, it is to everyone's benefit if the Oneidas integrate themselves as full members of the community, notwithstanding their separate status. What is important is that the Federal government step up to its responsibilities and cover at least some of the overhead costs associated with the Tribe's presence in metropolitan Brown and Outagamie Counties. It was the Federal government, after all, not Wisconsin or its local governments, that made the agreements to exempt Indian peoples from taxes under certain conditions. The Federal government should bear the cost of its impact on the community, just as it does when a military base has an adverse effect on local governments. The cost to the Federal government could be as little as a few million dollars each year to each County and preferential treatment in receiving certain kinds of community-development grants. It would be a small price to pay for facilitating continued improvement in Oneida-community relationships and for developing a model that can serve to instruct others across the country who find themselves in similar circumstances. The non-Indian community would appreciate efforts by the Oneidas to help obtain such impact assistance, thus furthering developing good relations.

Many states do not have Indian reservations or have only small reservations. The people in those states should help bear the special costs incurred by places that do have reservations — just as states, like Wisconsin, that do not suffer earthquakes and hurricanes provide support to places that do.

#### **RELATIONSHIPS IN METROPOLITAN GREEN BAY HAVE BEEN RAPIDLY CHANGING FOR THE BETTER**

After a shaky start, the non-Indian community and the Oneidas have begun effectively working together on issues important to both of them. People in the Green Bay area are pretty pragmatic; they largely are dealing with most immediate and most practical problems using an eclectic combination of cooperation, collaboration, confrontation, and litigation.

Gambling is not the fundamental issue. Some people, both Indian and non-Indian, think gambling is immoral or causes problems beyond any possible value. The real issues arise from the collision of visions and expectations. For the first time, Oneidas have enough money to pursue their vision — so, for the first time, clashes between dominant and minority visions became explicit. Some of the conflict is between cultures. The Tribe puts the collective interest first, while the mainstream culture tends to put the individual first and the community second. More important, though, the emergence of the Oneidas as a political and economic force has resulted in some denial of traditional expectations for mainstream residents. Among these are the right to develop property subject to municipal law — not to the wishes of a people who used to own the land, who hope to own it again, but who do not own it now. Homeowners, busily pursuing the American Dream, become angry and frustrated when the future of their neighborhoods is clouded.

Underlying these denials of traditional expectations is the clash with the national myths of “One nation, indivisible ...” and America as the great melting pot. Indian sovereignty and emphasis on distinctiveness runs counter to these elements of the national myth. “Why,” people ask, “aren't the Indians like the rest of us? We have cultural and ethnic traditions, but we are also mainstream Americans.” The Indians see it differently.

Against this backdrop, progress is being made. Oneida economic-development staff members participate in regular, monthly meetings with representatives of all of the other local-government, economic-development programs in Brown County to discuss ways to make the County even more prosperous. The Oneida Tribal chairperson, Deborah Doxtator, sits in on the meetings of the executives of Brown County's governments as a full partner. The recent successes in negotiating fee-for-service agreements should pave the way for future successes as both the Oneidas and the locals learn more about how to work with one another.

Fortunately, some forces are working to ease relationships. Locals are learning that cooperation is cheaper

and easier than conflict. The non-Indians are encouraged by the Oneidas' contribution to local expenses. The pending compact renewal provides the Oneidas with an incentive to be cooperative. Paradoxically, the Oneidas — who are using their new resources to maintain their separate identity — are becoming more assimilated into some aspects of mainstream culture as they pursue business investments and compete in regional, national, and international markets.

In addition, the Oneidas are not entirely self-sufficient on the reservation. One reason that non-Indians are not more concerned about the potential threat to their interests from a well-to-do Oneida Nation is that the Oneidas, so far, remain part of the community. They shop and play in the non-Indian community. That ensures continued contact between Indians and non-Indians. Increased contact around common interests tends to build positive relationships. To paraphrase Oneida General Manager Skenandore, "You don't know what is on the other side of a closed door until you open it." Oneida trade in the non-Indian community also helps keep some sales-tax revenue flowing into the State treasury and income flowing between the two communities. It is a lot easier to justify spending money at the Oneidas' hotel and gaming complex if one knows that some of it will come back as sales in the next go-around.

To their distinct credit, the Oneidas are not bombastic or militant about pressing their agenda. Nor do they continually raise age-old agendas that would cloud current issues and hamper pragmatic local efforts to make the best of the current situation. That does not mean, however, that they are not determined. Oneida and non-Indian, local-government leaders deserve much more recognition than they have received for working together as well as they have to make things happen. The relationships started out rough, but have improved significantly in the recent past.

### **Recommendations**

Both the Oneidas and non-Oneida local leaders should publicly be encouraged to keep up their efforts. A small, informal group of Oneida and non-Indian leaders should be created to monitor, think, and brainstorm about current and emerging issues and opportunities. This group should be organized so that it presents a continuing non-threatening, non-binding opportunity to increase mutual understanding and foresee and forestall unnecessary conflict. The group might include some State and Federal officials, who should learn about the unique problems and opportunities that exist in situations where Indian reservations are part of a metropolitan area.

### **THE TREATIES AND CURRENT FEDERAL POLICY DO NOT ADDRESS IMPORTANT ISSUES**

Nothing lasts forever. Yesterday's solutions rarely match today's problems. That is why we amend the U.S. Constitution and have a Supreme Court that helps adapt the Constitution so it can be applied to circumstances never before imagined, much less experienced. Treaties negotiated almost two centuries ago, typically with a lot less care than the Constitution was drafted, do not address many of today's important circumstances and questions. The typical American response to Indian treaties that are no longer convenient is simply to abrogate them. Indeed, many non-Indians today think that is what should be done with current Indian treaties. Assimilation, they argue, is essential for both the Indians and the dominant culture.

Certainly, emerging problems were never conceived by any of the parties to the old treaties and, consequently, they provide fertile ground from which continuous litigation springs. One looming problem has to do with the potential governmental issues in the Towns of Hobart and Oneida. Simply put, the Oneidas very shortly could control local government and incur large expenses for which they have no tax liability. It is unlikely that they will do so, but that is not the point. The point is that it is a fundamental flaw in existing policy and formal relationships that would permit *prima facie* conflicts of interest in government. The issues of Indian sovereignty and tax-exemption are complex and hold the promise of generating bitter conflict and interminable litigation.

Overlaying these complex issues are even more difficult questions. One of the inevitable questions has to do with determining status as an Indian. Today, individual tribes determine who is a tribal member. The typical basis is genetic history. People who can demonstrate more than some proportion of a direct blood line to the tribe can become members. The reality is that each year, a smaller proportion of the American population is all-Caucasian,

all-Indian, all-Asian, or all-African-American. We rapidly are becoming a people of mixed races. More and more people have smaller and smaller proportions of Indian blood. Is it appropriate or equitable that someone who has lived in white society for most of his or her life and has seven-eighths Norwegian ancestry and one-eighth Indian ancestry should benefit from special status as an Indian? If so, what about 1/16th or 1/32nd, or 1/64th. At what point does the dominant society refuse to permit the minority population from making that determination?

If the archeologists and paleobiologists are correct, and the evidence suggests they are, we are all descended from global wanderers who left their African home to settle the planet. Issues between early arriving, indigenous populations and new arrivals exist throughout the world: Lapplanders, Basques, Australian Aborigines, American Indians, and indigenous Japanese peoples, among others. Historically, the dominant population exterminated the minority population or chased it away. We can do better. That is being demonstrated now in the Green Bay area.

## **Recommendations**

It is time for a collaborative review by Indians and non-Indians of the old treaties and of the current set of provisions that passes as Federal Indian policy. This does not mean that the treaties should be abrogated. It means that the treaties should be reviewed and, if necessary, amended or renegotiated to deal with new realities and to protect the rights of the involved parties. The proposal is for a reasoned, collaborative look at existing and emerging issues and a look at how they can best be addressed with win-win solutions. It would be an attempt to go beyond where we are to an improved set of relations and, perhaps, new institutional arrangements capable of handling new situations.

Such a review should begin informally, perhaps as a series of workshops among open-minded individuals interested in mutual understanding and our collective well-being. The participants should be people less interested in posturing than in learning, more interested in exploring than in drawing lines in the sand.

Fundamental problems exist when two independent bodies attempt to govern in the same space at the same time. The U.S. has had problems in having church and state govern simultaneously in the same space and time, even though the two institutions focus primarily on different sets of concerns. In the case of Indian and the non-Indian governance, both parties are dealing with what was rendered unto Caesar; that is, they are both focusing on human activity on the land. The fee-for-service agreements are doing a passable, perhaps even a good, job today of getting urban services to the Oneidas and cash to the local governments supplying them. Increasingly, however, fee-for-service contracts will not address the emerging issues of representation, governance, and the full range of public services.

One way to address the issue may be to create a new institution — the Indian-nation municipal corporation. Tribes are already treated as and act as private corporations and governments. It would be possible — without giving up any treaty rights — to create an institution that enables other, non-Indian local governments to deal with urban tribes, like the Oneidas, as another municipality within the metropolitan area. The Indian municipal corporation would take on the role of municipality for land in trust for individual Indians and for the Tribe. It would take on the full range of municipal services or contract with other local governments to provide them, much as the Oneidas are doing today.

A primary difference would be that residents of the Indian-nation municipal corporation would be empowered to vote in their local elections and all other elections, but would not vote in the elections of the minor civil division within which their trust land is located. Like all other American citizens, the Indian would vote in his or her municipal elections, but not in the municipal elections of another town, village, or city. Such a policy would eliminate inherent conflict-of-interest issues and dramatically simplify the gradual disappearance of local-government jurisdictions taken over by Tribal ownership.

The recommendation is that, as part of a changing jurisdiction over a piece of land within a municipality into an Indian-nation municipal corporation, the share of any municipal-debt burden associated with that parcel should also be transferred to the Indian-nation municipal corporation. This would dramatically reduce concerns of the non-Indian community about tribes in urban areas reinstating original reservations.

The proposal for a collaborative review of treaties and of Federal Indian policy is a departure from past ways of dealing with conflicts between tribes and the dominant society, but times have changed and new approaches are appropriate. No one, Indian or non-Indian, should be shackled by ancient provisions that do not address today's dramatically different circumstances and needs. Rather, it is important that the involved parties collaboratively work to retain the very best of the past and invent new ways to deal with the present in ways that will advance their mutual and respective interests.

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# ABOUT THE INSTITUTE

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Under the new federalism, government policy increasingly is made at the state and local levels. These public-policy decisions affect the lives of every citizen in the state. Our goal is to provide nonpartisan research on key issues that affect citizens living in Wisconsin, so that their elected representatives are able to make informed decisions to improve the quality of life and future of the state.

Our major priority is to improve the accountability of Wisconsin's government. State and local governments must be responsive to the citizenry, in terms of the programs they devise and the tax money they spend to implement them. Accountability should apply in every area to which the state devotes the public's funds.

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