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Resistance to Indian Casinos Grows Across U.S.

By IVER PETERSON

Connecticut's two large Indian casinos pump \$400 million into state and local treasuries each year, but so many residents dislike the casinos that the state's legislature repealed the law that allowed them to be built.

In New York, Buffalo has a shot at a new casino to help revive its sagging downtown and bring in new cash. But residents oppose the idea.

And in Pennsylvania, Gov. Edward G. Rendell has promised lower property taxes if slot machines are allowed at racetracks in the state, but the measure to permit the machines is still bottled up in the General Assembly.

Throughout the Northeast and across the country, casinos hold out the promise of easy money to balance budgets, cut taxes and increase school spending, yet in an odd inversion of the usual public eagerness for new investment and more jobs, opposition to the casino industry is, if anything, picking up strength, particularly where casinos already exist.

It is a situation Mayor Anthony M. Masiello of Buffalo knows well. He has been working for more than two years to attract an Indian casino already authorized by the State Legislature for his city or for surrounding Erie County, but voters in public opinion polls and those he meets on the street oppose it.

"What is shocking to me is that if you had any other company that was going to employ 2,500 people and pay them \$30,000 a year and up and generate millions of dollars in private investment, people would be falling all over them," Mayor Masiello said in an interview. "I don't know what the big deal is."

Nowhere is the anti-casino sentiment stronger than in Connecticut, where officials from Gov. John G. Rowland on down are in an uproar over the Bureau of Indian Affairs' decision last week to grant federal recognition to the Schaghticoke Tribal Nation of Kent. The Schaghticoques (pronounced SKAT-a-cokes) have not yet said they want a casino, only "economic development." But few officials doubt that they will want their own casino on the New York border. As a newly sovereign tribe, they are beyond the reach of state and local controls, and under federal law are able to force Connecticut to negotiate a casino compact with them if other forms of gambling are allowed in the state.

Last year, the Connecticut General Assembly repealed the state's charity gambling law, which had allowed Indian tribes to build casinos and churches and other charitable endeavors to raise money by holding Las Vegas nights. But Governor Rowland has said he will appeal the recognition of the Schaghticoques just the same, a statement that tribal leaders interpret as anti-Indian, not anti-casino or anti-gambling.

"It's very unfortunate they took a people who are one of the first families of the state and turned this into a gaming issue," Richard L. Velky, the chief of the Schaghticoke, said of the governor and his staff. "They don't care about our culture, history or survival. It's bordering on racist."

A major element driving the opposition to Indian casinos, particularly where they already exist, is the question of Indian sovereignty. There is the perception that a huge financial windfall is going to people who many believe are not any different from society at large, or have not suffered disproportionately, said Bennett Liebman, coordinator of the program on racing and wagering at Albany Law School.

"You have a number of issues among opponents, but one is a belief that it is unfair because most of the benefits go to a group that has not earned it," Mr. Liebman said. "In spite of what casinos may be paying to the state, it seems very little compared to the benefits they give to a very few tribal members."

When the tribes are not part of the gambling debate, popular attitudes toward existing casinos are more favorable, as in New Jersey, where the Atlantic City casinos are commercial ventures that are taxed, regulated and audited in a way that tribal casinos could never be.

A 1999 poll of New Jersey residents by the Quinnipiac Polling Institute found widespread approval of Atlantic City casino gambling, both for the hundreds of millions of dollars it pays to the state, and because the big resorts are perceived as improving the state's national image.

But this is not necessarily the case in upstate New York. The Oneida Indian Nation's Turning Stone Casino in Verona is just about the only business generating new jobs and income, but the Oneidas' sovereignty, including their exemption from zoning laws and their tax-free gas and cigarette sales, has produced a strong anti-casino, or anti-Indian, reaction, although hardly a universal one.

"Truthfully, we have people on both sides of the line," said Peter F. LaMacchia, a professor of gaming and casino management at Morrisville State College outside Syracuse and a consultant for Turning Stone and other casinos. Despite the more than 3,000 people Turning Stone has hired, and the millions of dollars the Oneidas have paid to friendly local governments in lieu of taxes, Professor LaMacchia said he thought that a referendum to close the casino would have a 50-50 chance of passing.

"I believe it's because the gaming industry is misunderstood," he said. "We still have this mystique about us."

The president of the Connecticut Alliance Against Casino Expansion, Jeff Benedict, maintained in an interview that morality has little to do with the gambling debate anymore. "It used to be that politicians would not touch gambling because it was morally stigmatized, but that's not true anymore," Mr. Benedict said. "The stigma now is political: do you want to be associated with an industry that has literally trampled on the rights of voters and the community in which it lives? The answer is no, and voters are taking that message to the politicians more and more."

According to the National Coalition Against Legalized Gambling, there were 45 efforts to introduce or expand gambling in 30 states last year, and all but three of them failed. New Jersey's governor, James E. McGreevey, backed away from a proposal to put slot machines in racetracks, and in Maine, while voters in Bangor approved slot machines at a local track, residents of Saco and Westbrook rejected slots at their horse track in December.

But the biggest gambling initiatives in the New York region are still moving ahead, and apparently with broad public support. Slot machines were recently installed at the Saratoga racetrack, and the Seneca

Indians in western New York will soon open their second of the six Indian casinos that Gov. George E. Pataki plans for the state. In Pennsylvania, Governor Rendell has said he is confident that he can break the legislative logjam that is holding up his plans to install slot machines at eight tracks and to allow four new casinos, including two in Philadelphia, which he believes could produce \$600 million to \$1 billion a year in property and wage tax reductions.

And in Maryland, Gov. Robert L. Ehrlich Jr., worried about losing revenues to the slot machines already installed at Delaware racetracks, hopes to install slots at four tracks and perhaps build casinos with slots along Interstate 95.

Two polls by Quinnipiac University in 2002 showed broad public support for the new casinos in New York and Pennsylvania when their income was tied to school financing or tax relief, and another poll found support in Maryland for Governor Ehrlich's plans.

Tom Grey, executive director of the National Coalition Against Gambling Expansion, said opinion polls do not predict the outcomes of fights over gambling.

"You will find when a governor talks about gambling for education or for property tax relief, he gets poll support because he's only talking about the benefit," Mr. Grey said. "But when we start talking about the cost, we win, as we did in Maine and in Alabama. That's why polls don't scare us off the battlefield."