

Tribal Gaming: A Capitalist Adventure for the Navajo

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Summary: In spite of a long-standing Navajo Nation tradition to ban alcohol and gambling on tribal lands, in 2008 Las Vegas style casinos were opened. Gaming and alcohol had, officially, come to the reservation. These risks were weighed and have brought some economic prosperity to the depressed economy with an additional \$20 million a year going into the local economy. Gaming is a huge boost to a population that borders on a 50% unemployment rate and over 50% live under the Federal poverty level.

Background: Historical Public Policies that set Indian gaming in motion.

In sweeping campaigns from 1863 to 1866, the United States Army and U.S. government forcibly and violently removed the Navajo from their ancestral land. This became known as “The Fearing Time”. The Navajo were seized and marched about 400 miles during which many were killed, died, starved, or became ill in an internment camp in Bosque Redondo where another tribe, the Mescalero Apache, too, were kept. For the Navajo this period of captivity and suffering became known as “The Long Walk”.

While imprisoned, the Navajo tribe surrendered to the United States government. This surrender is known as the Treaty of 1868 and was signed in a field between the Fort Sumner in New Mexico and the modern day Bosque Redondo Memorial. This is important to note because by definition, a treaty can only be signed by two nations. Thus, the Treaty of 1868 established the sovereignty of the Navajo Nation.”

Treaties have made the U.S. government obligatory to tribes and tribal members. Tribes and members are subjugated through U.S. social and monetary policies, which contradict the guarantee of sovereignty. Federal intervention then violates the sovereignty of the tribe; an example of this violation is the regulation of Indian gaming on tribal lands. Generally, the U.S. government only observes sovereignty when it is convenient, often making federal intervention a negative force.

After conquest, the U. S. government continued to make policies that violated the Navajo’s sovereign nation. One such policy occurred in the 1930’s called the Navajo Livestock Reduction Act. In the late 19th and early 20th centuries, livestock became a form of economic prosperity for the Navajos. “Navajos in the past have explained their

livestock simply as, “Sheep is life.” And in cultural mythology the Gods created Big Sheep Mountain, made of rams and ewes, making these animals sacred to the Navajo.

At that time the average Navajo family owned 100 horses, 300 head of sheep, and 100 head of cattle. Unfortunately, the environment could not sustain that amount of livestock, which led to overgrazing and soil erosion. The U.S. government stepped in and made drastic changes that devastated the self-reliant economy of the Navajo. This along with earlier U.S. government intervention had robbed the Navajo of much of their land, affecting Navajo life and culture, and now it appeared that the government was going to take away their prosperity as well. This left tribal members bitter, degraded, and in poverty. It is easy to see why federal government intervention has been seen in a negative way by Native Nations.

After the Navajo’s economic system was destroyed it never recovered. The reservation saw many of the ill effects of poverty and unemployment on the economy and the spirit of the people. This has led to tribes to begin operating and developing Indian gaming and casinos as a way to alleviate some of the financial difficulties. Indian gaming has been a lucrative economic enterprise with little strain on natural resources and draws in off-reservation money to tribal lands. It is important because tribal economies suffer from the destruction of tribal economies during colonization, types of reservation lands Natives were forced onto, and the lack of resources afforded from the land at the time treaties were made.

For the Navajo people, along with other tribes, Indian gaming was a problem, because they have historically banned gambling. Tradition has been a factor in holding off casinos, a popular Navajo legend warns of the perils of gambling. The legend tells of

a divine gambler or gambling-god, named *Noqoilpi* or “He-who-wins-men”. Noqoilpi challenged the Pueblo people, neighbors to the Navajo, to all sorts of games and contests, and in all of these he was successful. He won from them, first their property, then their women and children, and finally some of the men themselves. The Navajos saw the Pueblo’s loss and made the cultural decision that gambling was a negative force. Culturally reinforcing the Navajo Nation’s long-standing decision to remain alcohol and casino free.

The gambling ban has now been wholly removed but previously it was enforced. The Navajo Nation tribal members put gaming initiatives on the ballot, in 1994 and 1997. These initiatives were voted down because of cultural objection and unintended consequences like addiction and alcoholism. But in 2004, with unemployment around 50 percent and with neighboring tribes profiting from gamblers, the tribal council opened up the reservation to casinos, a decision affirmed by Navajo voters at the polls. This decision came twenty years after the Indian Gaming Regulatory Act of 1988 had passed, meaning that the Navajo Nation did not enter into the gaming industry until quite late, comparatively. In spite of the historic ban and cultural implications, the Navajo Nation has opened Las Vegas style casinos and gaming as a form of economic stimulus and revenue.

The first Navajo casino, Twin Arrows, was built and finally opened in 2008. Since that time two more casinos have opened, Fire Rock and Flowing Water, and one casino resort, Northern Edge have been opened on tribal lands.

The tribal government created a department for administration and oversight of Indian gaming on tribal lands. The Navajo Nation’s Gaming Enterprises oversees the four

ventures. Their mission statement is “Developing a Navajo Gaming Economy.” NNGE’s long-term plan is to build approximately 5 to 6 casinos with the Navajo Nation. NNGE’s goals include creating jobs in the Navajo Nation relating to the casino industry; such as, casino operations, restaurants, hotels, golf course, tourism, construction, support development of small businesses that provide goods and services to the Navajo casinos and related businesses, and to generate gaming revenues for the Navajo Nation government.

All of the casinos share the culture of the Navajo people in their architecture and artwork. The Northern Edge has many beautiful elements of tribal culture. The image below is of the Twin Arrows Resort and Casino’s grand entrance. The central focus of the rotunda is a custom, shimmering chandelier. It symbolically depicts the vertical rise of the people through each world. Hand blown black, blue, yellow and white glass rings represent the colors of each world. Droplets of crystal cascade down through the rings, like water streaming from above. Through the center of the shimmering chandelier, two chrome tubes recall the reeds that were used to enter through the hard sky of the world.



The lobby also has a sign that reads “ya at eeh” which is a Navajo greeting. It also invites guests to explore the culture more deeply by provoking thought and questions about the word’s meaning. For example, if someone were to ask the meaning they may receive the answer with the traditional handshake that usually comes along with the greeting. The fact that it is a rotunda is also indicative of the culture representing traditional Navajo housing called a Hogan.

The Navajo casinos also offer artwork from Native artists in the interior design.



The floor design has an artful inlay of different natural stones that represent the Four Corners. It is a Navajo monument and is the only place in the United States where four states intersect at one point: Arizona, New Mexico, Utah and Colorado. It is sacred to the Navajo because it is where our ancestors came from, out of the Mother Earth to look on the Father Sky.

There are pieces of artwork that display in the casinos, this piece is currently on display at Twin Arrows Resort and Casino. It illustrates a horse, a revered animal



to the Navajo.

Findings:

Public policy concerning the Navajo have been regularly been repelled by tribal members. However, tribes have proven that they can create their own policies that address the needs of their members. One such policy is the addition of Indian gaming on tribal lands. Many tribes have adopted the industry but with it comes concessions. One example is the that these casinos, for the most part, allow, sell, and distribute alcohol. This goes against an old standard that maintains and enforces an alcohol ban on the reservation because of the harmful role it plays on reservation life. According to a study

reported by Phillip May and Matthew Smith's article in the Journal of Studies on Alcohol and Drugs, 81% of Navajos oppose legalization of alcohol on tribal lands and 52% of those consider alcohol consumption as negative. But the introduction of casinos in Navajo country has allowed a relaxation of that law. It is now permissible to sell and consume alcohol only in casinos. The tribe has made a decision in the interest of business to allow alcohol.

One case study shows the Cheyenne River Sioux exercising tribal sovereignty in regards to alcohol control policy and public health policy for members. The tribe's war on alcohol had initial successes. For example, one expert testified that the tribe's efforts, including the operation of Drug Abuse Resistance Education (D.A.R.E.) programs by the tribal police in the junior high schools, had contributed to a 30% reduction in students at-risk for drug and alcohol abuse on the reservation between 1985 and 1989.

The traditionally negative interactions between the federal government and Navajo and other Native Nations require that tribal sovereignty must be observed and respected if self-determination is to grow and be successful. In addition, the case study above is an example that tribes have proven sovereignty is appropriate and necessary for Native governments to effectively lead and help heal their communities. The idea of sovereignty gives the power to take control over native economies, issues, and policies, which inspire self-determination.

The current economy of the Navajos shows they are competing in a market in which 24 other casinos exist. The Navajo Nation's competitive edge is that they have legalized alcohol sales and consumption in the casinos, while other tribes have maintained the alcohol ban. Navajo tribal President Ben Shelly is in support of the bill

that allows alcohol sales in the casino's and said the people should go even further to decriminalize the sale of alcohol at all the tribe's tourism businesses. He said that would boost the economy and bring outside revenue to the reservation.

Concerns have been expressed that state-tribal gaming compacts undermine tribal sovereignty and that casinos encourage social ills such as crime, addiction and alcoholism. This threat is bigger to the Navajo who have not only legalized gaming on the Reservation but slackened laws that allow alcohol in the tribal casinos. Many fear that this may be a slippery slope.

Beyond historical oral traditions that disaffirm games of chance, a pragmatic Edmund Yazzie, chairman of the Tribal Council's Law and Order Committee, said he would not support alcohol sales unless the tribe first establishes a tax on liquor sales that would be earmarked for Navajo police. He anticipates an increase in criminal activity such as child abandonment and domestic violence as alcohol is made more widely available. Nevertheless, public policy will have to address the negatives of Indian gaming as well as the positive.

We can attend to those matters after the Native American community has had an opportunity to gain economic self-reliance especially without interference from the Federal and state governments.

Findings:

The Navajo Nation should be observing direct benefits from opening casinos and a resort on the reservation. The Indian Gaming Regulatory Act requires that net revenues from any tribal gaming are not to be used for purposes other than to (i) fund tribal government operations or programs; (ii) to provide for the general welfare of the Indian

tribe and its members; (iii) to promote tribal economic development; (iv) to donate to charitable organizations; or (v) to help fund operations of local government agencies

Compared with other Native nations, whose initial entry into the gaming industry occurred even before the Indian Gaming Regulation Act of 1988, the Navajo tribe opening casinos in 2008 is quite delayed. The revenues from the casinos have yet to make a big difference for the tribe because only a short period of time has elapsed since the openings. The revenues from the casinos, so far, have been put back into the casinos and resort themselves in repaying loans, building costs, infrastructure, maintenance, payroll, and player payouts. The Navajo Nation decided not pay a per capita payment because the tribe has about 300,000 members. This means that the amount of revenue would not be significant enough to improve the lives of people individually so the assets remain pooled. "The Nation decided not to do per capita payments, but to do a distribution plan," he said. "As a result of those terms, it frees up dollars that can be contributed back to the Navajo Nation. That money does not go into the Nation's general fund, Bates said. It likely will be distributed to individual chapters as needed, and will be used for infrastructure, housing, education and economic development, among other things. The 24-member Navajo Nation Council is tasked with deciding how the money is spent, Bradley said. The Council cannot approve per capita payments so none of the money will go to individuals.

The revenues of from Indian gaming can be very lucrative and provide employment to economically depressed areas. Tribes employ both Native and non-native populations at an overall rate of 25% and 75% respectively. Most tribes have employment policies that give preference to Natives over non-Native applicants. This

type of policy is similar to that of preference given to Armed Services Veterans in certain types of employment, especially governmental and public positions.

The Navajo tribe recently opened the Twin Arrows casino resort and hired 800 workers. At the recent job fair, NNGE “extended job offers for 52 percent of the available positions with four out of five offers going to Navajo tribal members. The economic impact will be impressive—with the incomes of these new jobs, we anticipate \$20 million a year in benefits to the area.” An additional \$20 million a year going into the local economy is a huge boost to a population that borders on a 50% unemployment rate and over 50% live under the Federal poverty level.

Not only has the Twin Arrows provided employment where it was greatly needed but it is an example of the use of gaming revenues to diversify beyond the three casinos into a resort casino with a hotel, multiple restaurants, a spa, catering, and beautiful event space.

All of this comes with a price and a responsibility to the community. Tribes must bear some culpability for the negative impacts of gambling. For example, some players will become addicted to gaming. The casinos have made financial contributions showing their commitment to promoting responsible gaming, this includes educating people about problem gambling and responsible advertising and research. The NNGE, specifically, has a free program for players who believe that they have a gambling problem.

Although, it takes time for casinos to develop economically they benefit the tribe in various ways. Employment for tribal members and surrounding non-Native populations is significant. The diversification of these business enterprises opens up opportunities for continued growth internally and externally by providing financial

assistance in the form of dollar contributions to tribal government and local agencies. Further research on other economic enterprises that have been supported by tribal gaming dollars should be explored. Indian gaming may not be the Navajo Nation's first choice for economic revenue but it is certainly an improvement to a stagnated and weak economy.

Some tribes have reported that their tribe has reduced the need for governmental payments by tribal members completely. Rather now the tribe is able to develop and support the tribe on the revenue generated by the casinos. But this has come with a price that relinquishes freedoms to state government and subjects sovereign nations to more than social obligation. Many question whether this loss in freedoms is necessary but it remains to be seen if the current policies created between tribes and states will continue or if these policies will give way to true sovereignty, Indian gaming without U.S. state and federal intervention.

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