

THE VANCOUVER SUN

Victoria accused of appeasing militant band with a casino: "Everyone knows it's politics" with casino licences, the Osoyoos Indian band and Okanagan community leaders claim.

Vancouver Sun
Thursday, August 20, 1998
Page: A1 / FRONT
Section: News
Byline: Dianne Rinehart
Dateline: OLIVER
Source: Vancouver Sun

OLIVER -- Casino licences are being awarded for political reasons -- such as placating the militant Penticton Indian band -- rather than sound economic ones, the Osoyoos Indian band claims.

Backed by the mayors of Osoyoos and Oliver and the towns' business communities, the band made the accusation at a news conference Wednesday.

"They've given two agreements in principle to the city of Penticton," said Osoyoos band Chief **Clarence Louie**. "After what has happened there in the past two years, everyone knows it's politics."

Louie was referring to a numbers of blockades and legal actions by the Penticton Indian band against local businesses and government, including the blockading of a road leading to the Apex Alpine Ski Resort. The resort's former owners went bankrupt and defaulted on an \$8-million provincial loan.

Wednesday's news conference followed Gaming Minister Mike Farnworth's announcement last week that the government had approved in principle two new destination casinos in Penticton, along with one in Campbell River and one in New Westminster.

At the time, Farnworth said more casinos would be announced within a month.

Among the seven proposals still on the government's short list -- out of an original 49 -- is one by the Osoyoos Indian band for a \$30-million resort and casino.

Gaming ministry spokesman Don Zdravec acknowledged Wednesday that the gaming secretariat, which assesses casino applications and makes recommendations to the cabinet, hadn't yet assessed the Osoyoos proposal.

That implies casino licences are not being chosen for each region from among the best applicants, but from among the best that have been assessed so far, he acknowledged.

The secretariat indicated that among the 37 proposals assessed, the Penticton proposals were among the top 10, Zdravec said.

The Osoyoos applicants believe the process should have looked at all the Okanagan area bids before a decision is made.

But they argue a third casino -- theirs -- in the area is still viable because Osoyoos is so close to the U.S. border and the Americans it could draw. As well, they say, Las Vegas has proved that many casinos can operate profitably in one area.

However, they fear that since Penticton and Osoyoos are only 45 minutes apart by car, their proposal will be dismissed because of its proximity to Penticton.

Chief Stewart Phillip of the Penticton band was furious at the suggestion politics played a role in the granting of its licence.

"Clearly I think it's a case of sour grapes. I'm shocked and surprised at the level of political immaturity by the groups that were not successful," he said Wednesday.

"I think there was an extremely high level of integrity exercised by the provincial government within this selection process. In fact, I am firmly convinced that it is because politics were left out of this issue that the Penticton Indian band proposal was selected."

Farnworth was on holiday and unavailable for comment Wednesday.

Asked about the allegations that the licence was awarded because of the Penticton band's militancy, ministry spokesman Zadavec said he couldn't get into the realm of political comment. But he said the process of awarding the licences is based on "due diligence."

The Osoyoos band, the local politicians and business representatives said they are planning meetings to decide how to convince the government to grant the Osoyoos band's application.

"We'll do what we have to do to prove this was a decision [approving two casinos for Penticton] that was not made with any logic," said Arnie Polischuk, vice-chairman of the Osoyoos Business and Community Development Centre.

Paul Bouchard of the Oliver Chamber of Commerce warned it is not just Indian bands who will lose faith if the casino licencing process is flawed, but businesses who are backing the proposals.

"If they feel the process is flawed or political they lose faith. This is not the time in the B.C. economy to remove faith."

"We smell a rat here," said Osoyoos band adviser Chris Scott. "We are significantly concerned about the process."

"Something smells rotten in Victoria," agreed Osoyoos Mayor John Cooper.

Cooper said former premier Mike Harcourt promised that the band would be "looked upon favourably when new casino regulations were in place," after it agreed to stop construction on a casino in 1994.

"That's a credibility factor. If the province goes around breaking its word or leaving the impression something is corrupt in the system -- relationships will break down. . . .

"If each egg [in the basket] gets shattered, there will be no cooperation between native and non-native populations."

Louie said his band is being taken advantage of because it has been non-confrontational, and perhaps that was a situation that could change.

"There's no conflict here. Is that part of the problem?" he asked, adding that he is under pressure from some band members to set up road blocks on Osoyoos lands.

Michael Geoghegan, of the public relations firm Barlee, Geoghegan & Associates, which works for the Osoyoos band, suggested the government may have approved the Penticton Indian band licence to protect itself from costly militant actions.

"The province lost \$10 million in loan guarantees over the Apex Alpine conflict alone," he said.

He speculated that after giving the band a licence, the government realized it would have an "uproar" on its hands in Penticton if it then turned down the non-native proposal from Lake City Casinos Ltd. The non-native casino is obliged to give one-sixth of its earnings to the city, thereby spreading out the wealth, while the Indian band is not.

Steve Kumpf president of Lake City Casinos, said there are many criteria, including economic development for local communities, that come into play in awarding the licences, but admitted politics does play a part.

"Politics certainly enters into it. But to what degree I don't know."

Still, his head of corporate finance, Dale Peterson, acknowledged Tuesday it wasn't in the interests of Lake City Casinos to complain about the approval process since it still faces contract negotiations with the B.C. Lotteries Corporation before it gets final approval for the licence.

Oliver Mayor Linda Larson said Louie has always been non-confrontational in his negotiations with local politicians and business over the years.

"I hope it stays that way, but I understand there's only so much pushing you can take before you have to push back."

Bouchard of the Oliver Chamber of Commerce said the Osoyoos band has taken the high road all along and he doesn't want that to change.

"If that is the way you do get things done [be militant], God help all of us," he said.

Illustration:

- Photo: M. Newman, Vancouver Sun / SEEKING OWN CASINO: Osoyoos Indian band Chief **Clarence Louie** with site plans for a proposed casino.