

# Casino gambling in Detroit—low-wage jobs and illusions of striking it rich

Jerry White  
31 July 1999

With great fanfare Thursday the Las Vegas-based MGM Grand Inc. opened the doors of its new \$220 million casino in Detroit, making Detroit the largest US city to have legalized casino gambling. Public officials and the news media hailed the event as the beginning of the long-awaited revival of Detroit—the poorest big city in America—to be achieved with casino gambling, sports stadiums and other tourist attractions.

The five-story, gold-and-cream structure, constructed in a former Internal Revenue Service building, has two floors packed with 2,370 slot and video poker machines and 83 gaming tables, specialty restaurants and bars. Its 65,000 square feet are decorated to look like a 1930s theater lobby, with milky glass chandeliers, gold statues and black and white photos of Hollywood stars. It is only blocks from the city's downtown area, filled with empty streets and boarded up buildings, and some of Detroit's poorest neighborhoods.

The MGM Grand Detroit is the first of three temporary, lower-cost, casinos opening this year, including another which will be built in a closed Wonder Bread factory. Within four years, three permanent casinos are to be built on Detroit's riverfront, including what is described as MGM Grand's "spectacular permanent entertainment and gaming complex" at an estimated cost of \$750 million.

A substantial crowd, attracted by the hype and glitter, and a desperate hope of hitting it rich, visited the new casino on opening day. By the time the doors opened at 4:35 p.m. Thursday 5,000 customers had lined up to go in. Some had arrived at 9:30 a.m., and waited for the next 7 1/2 hours without food, water or bathroom breaks in the 90-degree weather.

The crowd included retirees, auto workers taking a day off from work, white collar professionals, even unemployed people hoping to find a free meal. With the casino opening near the end of the month many retired workers had their pension checks with them and others

tapped into or even emptied their savings. Some gamblers reportedly spent up to \$5000. The Automatic Teller Machine at the casino, reportedly, would not dispense anything under a \$100 bill.

One woman interviewed said she hoped to win "enough to pay for a new pair of glasses." An elderly woman from Ohio, who had driven with her husband 12 hours to gamble in Mississippi last month, said she had decided to not to go to a scheduled medical exam for a spot on her lung Thursday so she could experience the opening of the casino.

The casinos will be open 24 hours a day, every day of the year. Casino officials expect 20,000 customers a day. In anticipation of the many cases of financial ruin that will inevitably occur Michigan agency began running a public service announcement with a hotline number for obsessive gamblers which featured the voice of a young woman regretting her mother's gambling away her college education money. For its part, the *Detroit News* editorialized Friday, "we believe in personal responsibility. If people insist on making themselves hostage to blind fortune, they will usually find a way to do it, even if no casinos are handy."

City and state officials bent over backwards to get the gambling casino rolling. The day before the Michigan Gaming Control Board voted unanimously to issue MGM Grand Detroit Casino a license, following an earlier vote approving the casino's suitability.

Gambling regulators rushed to license casino employees so the doors could open on time. Immediately after the vote, Detroit Mayor Dennis Archer granted a waiver allowing the casino to open before a seven-month waiting period that expires August 28.

Analysts say the three casinos should do well in Detroit and estimate the market at \$1.5 billion a year - just behind Las Vegas, Atlantic City, N. J., and Tunica, Miss. MGM Grand Detroit Casino "should generate a significant

return on investment for our shareholders," Alex Yemendjian, the company's president and chief operating officer said last year. MGM Grand, Inc. operates hotel/casinos in Las Vegas, Darwin, Australia, and owns a 50% interest in the New York-New York Hotel/Casino in Las Vegas. The company also manages casinos in Nelspruit, Witbank, and Johannesburg, South Africa.

In 1976, Detroit voters rejected a casino proposal backed by then-Mayor Coleman Young and a coalition of corporate executives. In the midst of the deep recession that saw the destruction of tens of thousands of autoworkers' jobs in the area in 1981, Young suggested the city "shoot some craps" to ease the city's budget crisis, but another proposal was turned down by voters. City voters turned down casinos again in 1988 and 1993 before finally approving a proposal in 1994, four months after a casino opened in Windsor. A TV ad showing bags of money crossing the border from Detroit to Windsor was used to convince voters to support the measure. This campaign, along with the buying off of a section of black ministers who had previously opposed casinos, helped get the measure passed.

This led to five years of jockeying by investors for the franchises and the eruption of a bitter dispute between Archer and a group of black investors, led by cable television millionaire Don Barden, that was not selected as one of the three casino finalists.

The casino owners and public officials have presented the opening of the casinos largely as a jobs program to aid workers in the city where the official unemployment rate stands at seven percent, more than double the surrounding suburbs. Last year MGM Grand Chairman and CEO J. Terrence Lanni said, "The city's goal in developing casino gaming is to generate jobs and investment in Detroit. Our plan involves the hiring and training of local residents, with emphasis on economically disadvantaged and unemployed workers."

The temporary casino will have in excess of 1,400 employees and the four new ones will employ a total of 7,000 to 8,000 workers. Wages are reportedly around \$9 an hour, and the companies have said they will provide health, vision, dental and retirement plans. This is somewhat better than the auto parts factories or other low-paying jobs around the depressed city. School bus drivers recently hired by the Detroit Public Schools, for instance, have reportedly quit their jobs en masse to become shuttle bus drivers for the casinos.

But the wages of black-jack dealers, waitresses and valet parking attendants will not approach those of better-

paying industrial jobs that have been destroyed by the tens of thousands in Detroit, particularly by the Big Three auto companies over the last twenty years.

For his part Mayor Archer is counting on the three temporary casinos for \$50 million of the city's \$2.9 billion budget this year, after years of declining revenues, tax abatements to corporations and cuts in public services.

The idea that casinos and sports stadiums will revive a city ravaged by capitalism is at best a pipe dream. But this hoax has been perpetrated by virtually the entire political establishment. Perhaps the most wretched participant was the trade union bureaucracy, which was guaranteed a new source of dues money in exchange for political support for the casino project.

MGM Grand, Inc. and four labor unions of the Detroit Casino Council (DCC) announced July 27 that MGM's new Detroit casino and hotel complex employees will be members of the DCC. The Detroit Casino Council includes the Hotel Employees and Restaurant Employees International Union (HERE), the International Brotherhood of Teamsters (IBT), the International Union of Operating Engineers (IUOE), and the International Union, UAW.

Dan Wade, COO of MGM Grand Detroit, said that his company will immediately recognize the DCC and he looked "forward to good working partnerships with all four unions in the Council." Frank Hanley, President of the International Union of Operating Engineers. "Now we're in a position," he said, "to create and preserve the kind of secure, family-wage jobs Detroit really needs."

Teamsters President James R. Hoffa said his union had a "great track record" in the casino industry—a statement which, intentionally or otherwise, brings to mind the record of the Teamsters bureaucracy, under Hoffa's father and other Mafia allies, in using the union's pension funds to bankroll the building of Las Vegas.



To contact the WSWS and the Socialist Equality Party visit:

**[wsws.org/contact](http://wsws.org/contact)**