

A Casino Land Report
by David Blankenhorn

New York's Promise

Why Sponsoring Casinos Is a Regressive
Policy Unworthy of a Great State



Institute for American Values

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Acknowledgements

For their help and collegueship, the author wishes to thank Les Bernal, Sam Cole, Paul Davies, Earl Grinols, Mathew Kaal, Alicia Savarese, Josephine Tramantano, Pete Walley, Barbara Dafoe Whitehead, Jody Wood, and Amy Zietlow. The views expressed in this report are the author's alone.

For financial support, the Institute for American Values wishes to thank the Bodman Foundation, the John Templeton Foundation, and the Institute's other financial supporters.

This report is dedicated to the memory of Fiorello La Guardia.

On the cover: Fiorello La Guardia (1882–1947) smashing confiscated slot machines, 1934 (b/w photo), American Photographer; (20th century) / Private Collection / Peter Newark American Pictures / The Bridgeman Art Library

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ISBN# 978-1-931764-48-3

Ebook ISBN# 978-1-931764-49-0

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New York's Promise

Why Sponsoring Casinos Is a Regressive Policy Unworthy of a Great State

1. Who Are We?

To gamble is to ask destiny “Am I favored?” and to get a reply. It can be a deeply thrilling experience. Because to gamble is to test and tempt one’s fate, gambling takes us to the heart of human need and personality.¹

So let’s give the thing its due. Gambling is almost never, as some would have it, simply a matter of “entertainment” (although entertainment is sometimes involved). Nor is gambling’s primary lure the likelihood of acquiring money (although money is typically involved). The essence of gambling is something much deeper and far more psychologically profound.

What makes gambling so attractive is risk-taking, and risk is a powerful force. In the real world, taking a risk can move mountains. Across history and cultures, the drive to take risks has been a major force for dynamism and innovation in human affairs. It has helped propel human beings to build and spend fortunes, explore the stars, wage wars, conquer diseases, and make deserts bloom. Especially in free societies such as ours, whose economies depend so decisively on innovation and the entrepreneurial spirit, this deep human need for risk-taking emerges as a cherished and highly valued social good.

Yet on occasion, this same basic drive—so important to human achievement—becomes separated from real life, sidetracked and sidelined into essentially frivolous activities that produce nothing and accomplish nothing. Today, the main word that we use for such activity is “gambling.” Many years ago, Dr. J. Leonard Corning, a distinguished New Yorker among the first medical professionals to study gambling as an addiction rather than a moral disorder, framed the matter (according to the *New York Times*) this way: “Gambling is merely a misuse of that capacity and inclination to take chances upon which enterprise and progress of every kind largely depend.”²

In this sense, gambling becomes risk-taking miniaturized and fictionalized. *Let's gamble on which grasshopper will jump first. Let's wager on whose dice throw will add up to the number seven.* Gambling activities such as these may produce a temporary sense of excitement for the gambler, and may reinforce the belief (which is also quite old in our species) that human affairs are fundamentally controlled by magic, or luck. But unlike actual risk-taking in the real world, they contribute nothing to social dynamism or human progress.

At the same time, at our best we are a tolerant species. Whenever gambling remains private, local, and largely informal—immigrants in Chinatown playing Mah-jong, the guys' Friday night poker game in a Muncie, Indiana, neighborhood—we tend to conclude that it can produce some laughs, solidarity, and fun times, and that these limited and private activities are at most only mildly destructive to the nobler purposes of building prosperity and fueling innovation. If such modes of gambling are a vice, they are a minor vice, and almost certainly a forgivable one.

But on more serious occasions, sidetracking this core human drive from the real world to the make-believe, from usefulness to uselessness, from productivity to stagnation, takes on the imprimatur of society. The resulting change is not one of degree, but of kind. A new regime emerges. No longer merely private and local, in this new order the fictionalization of risk through gambling becomes public and political, universal in reach and influence, a major source of public finance, and therefore officially sponsored by powerful government structures in partnership with equally powerful corporate structures.

This is not your Friday night poker game. This is something different, and much uglier. Government-sponsored gambling says: This is how to be a good citizen. This is official. This is how we want everyone to spend their time and money. This is a good thing, for all of us. This is who we are.

The question for New York is a simple one. *Is this who we are?*

2. The New York Idea

The New York Idea, although it steers away from any ideological imperatives, is predicated on certain basic values—principles—that define it.

—Mario Cuomo, *The New York Idea*³

Many authors, including Washington Irving, De Witt Clinton, John Burroughs, Theodore Roosevelt, Edith Wharton, Joseph Mitchell, E.B. White, Carl Carmer, and numerous others, have sought to capture in words the essence of New York—what New York stands for and what it means, and ought to mean, to say “I am a New Yorker.” One of those authors is Mario Cuomo, who was born in Queens, New York City, in 1932 and served as governor of New York from 1983 to 1994. His 1994 book, *The New York Idea: An Experiment in Democracy*, is a significant contribution to this literature, not least because Cuomo is an accomplished man of letters as well one of his generation’s most important political leaders.

Cuomo’s “New York Idea” is defined by five basic values: work, family, freedom, beauty, and hope.

Work

For more than ten generations, America has been an invitation to hard work and its rewards. That is the central idea in the American experience.

—Mario Cuomo, *The New York Idea*

An essential promise and premise of America is that hard work is rewarded and idleness is not. The work ethic plays a central role in the American Dream and in the New York Idea.

But what are the actual components of “hard work”? And what ethic is the chief destroyer of the work ethic?

At the most basic level, to work is to be employed—to carry out an activity or perform a set of tasks, usually in exchange for financial compensation. The opposite

of work, understood in this sense, is idleness. According to the dictionary, idleness means “passing time without working or avoiding work.”

Idleness and gambling were made for each other. That’s why casinos in the nineteenth and early twentieth centuries, both in Europe (legally) and in the big American cities (illegally), generally catered to the idle rich—in particular those with more money than good sense.

Another basic dimension of work is productivity. Is casino gambling productive? To ask the question is to know the answer. But let’s hear the answer anyway. Arguably the foremost U.S. academic economist of the twentieth century, Paul A. Samuelson, who was awarded the Nobel Prize in Economics in 1970 and whose textbook, *Economics*, is used in college courses everywhere and is the best-selling economics textbook of all time, reminds us that gambling

involves simply the sterile transfers of money or goods between individuals, creating no new money or goods. Although it creates no output, gambling does nevertheless absorb time and resources. When pursued beyond the limits of recreation, where the main purpose after all is to “kill time,” gambling subtracts from the national income.⁴

Not surprisingly, a significant body of scholarly evidence suggests that casino gambling, precisely because it produces nothing of value, is economically regressive, and, in the communities where it is located, typically does not spur long-term economic growth and often retards it.⁵

A third basic dimension of work is creativity. Economists and philosophers teach us that creativity—a closely linked word is entrepreneurship—is essential to economic progress and a core trait of productive work. Is gambling creative? Is diverting the human drive for risk and excitement from the real world to the make-believe world creative? Is playing games that produce nothing but loss of time and money creative? Is putting money into flashing machines and hoping that certain numbers or colors appear creative?

The fourth and final dimension of work is usefulness. True work is not only hard, it’s useful. It has a social and utilitarian aspect. It benefits not just the worker, but the worker’s community. Is casino gambling useful in this sense? Of course not. A

core value of all gambling is covetousness, or the desire to gain something from others in exchange for nothing. The entire concept is inescapably self-centered and asocial. No one goes to casinos to help other people or to do something useful for the community.

Is gambling a friend or foe of the work ethic? The work ethic says: Results are determined by effort—so suit up, get out there in the real world of adventure, and try hard. The gambling ethic says: Results are determined by chance—so relax, don't sweat the details, find a seat in adventure's fantasy world, and wait to get lucky.

For obvious reasons, the work ethic finds its truest home in the middle class. These are the New Yorkers—Governor Cuomo and others often call them “working families,” and for good reason—who can't afford not to work and who want and are able to work to achieve their American Dream. The gambling ethic, by contrast, finds its truest home either among the idle rich, who have time and money to waste, or among the demoralized poor, who have been beaten down by circumstances and lost hope, replacing it with a desperate desire for luck and for escape.

For these reasons, it seems clear that the opposite of the work ethic—its destroyer, in fact—is the gambling ethic.

Is this what we want for New York? Is it among our current goals to harness the power of state sponsorship to embed the gambling ethic ever more deeply within our middle class? Will the gambling ethic, spread via a filigree of new casinos across the state and backed by the tools of government, help to solve challenges facing Buffalo, Seneca Falls, Walton, Utica, Hermon, Elmira? Do we want this ethic to become a defining part of the New York Idea?

Family

Some of my aids used to wince when I mentioned the word family, but I've continued to use it because I think it's the best—the most accurate—metaphor we have for expressing not only what we should be trying to do as a society, but how.

—Mario Cuomo, *The New York Idea*

The transmogrification of gambling from a recreational game to a banking game—from individuals privately wagering against one another to a highly structured corporate activity in which the “player” bets against the “house” (the bank)—is a change not of degree but of kind. More than structural, and much more than an increase in scale, the change is also teleological, taking us to the heart of casino and “organized” gambling.

Here is the key to understanding the change. When I bet against my neighbor on which horse will win the race, both of us are gambling. But when I bet against the casino (the house) about which numbers or color patterns will appear on a video screen, only one of us is gambling. Gambling houses never gamble. Gambling houses only bet on sure things. That's why, from the beginning, gambling house managers have referred to the players as “suckers” or “marks” or “pigeons.” About a century ago, the Chicago casino operator Mike McDonald coined or helped to popularize the phrase, “There's a sucker born every minute.”⁶ In other words, over time the players can't win. They are just there to be fleeced.⁷

Possibly New York State's most famous and colorful gambling operative, Richard A. Canfield, who ran luxurious (and at times only nominally illegal) houses for high-end gamblers in New York City and Saratoga in the late nineteenth and early twentieth centuries, made it perfectly clear, according to a biographer, that in his houses he “wished nobody admitted who could not afford substantial losses,” since even those gamblers who won big on occasion “were inevitably bound to lose in the long run.”⁸ Did Canfield lose any sleep over operating a “business” based on the sure knowledge that each and every player was “bound to lose in the long run”? He once told a reporter:

I do not know that I have any code of ethics. I do not care a rap what other people think about me. I never did. As morals are considered by most people, I have no more than a cat.⁹

The mathematicians have a name for this ugly little reality. It's called "The Law of Gambler's Ruin." It was first stated in 1656 by the Dutch mathematician Christiaan Huygens, although numerous others, including Galileo and Blaise Pascal, had previously articulated the same principle using different phrasing. Here is one basic formulation of this law:

A gambler with finite resources playing a fair game of chance against an opponent with infinite resources will eventually go broke, regardless of the betting system.¹⁰

Amazingly, this law holds true *even if the game is a fair one*—that is, even when playing a game (such as tossing a coin) in which the probability of winning any single bet is half.

But in a casino, of course, the games are not fair. That's the fundamental change that occurs when the games become ones in which you are betting against the house. Each and every time you make a bet in a casino—regardless of the game being played and regardless of the betting system you are using—the probability of your winning any single bet is mathematically *less than half*, which means, in turn, that the time it takes for you to lose everything is significantly less than it would have been if the game had been fair.

Exactly how long it takes for the steady player to lose everything is determined mathematically by each casino. To use economists' jargon, the casino's goal is to find that precise point at which, on a mathematical graph, the trajectories of the player's desire to gamble and the player's average loss per bet intersect at their respective maxima. This sweet-spot number, which casino managers and gaming programmers take great pains to pinpoint, determines what is often called the casino's "take" or "percentage" or—to borrow loan-sharking terms—"vigorish" or "vig," although these latter terms, due to their historical association with mobsters, are seldom used anymore by today's gambling house operators.

But while the words may get softer, the underlying mathematical reality remains as hard and unbending as steel. For the casino, no risk or chance is involved and "luck" has already been arranged. As the mathematician Dr. Deborah Rumsey puts it:

When you play any casino game that involves betting, you're playing against a house that has probability on its side. Studies show that if you play any game long enough (without stopping) you eventually lose everything.¹¹

The psychoanalyst Edmund Bergler treated compulsive gamblers for many years. He writes:

The technique of losing is simple enough: the only pre-requisite is that the gambler gamble. . . . It must always be remembered that the gambler acts irrationally. He allows himself to be pushed into an unequal fight against superior forces, forces which he cannot control, and which make him into an object.¹²

In his famous 1909 essay "The Gambler's Ruin," the Harvard mathematics professor Julian Lowell Coolidge further explains that, given the inevitability of ultimate ruin, the gambler's single best strategy as a mathematical proposition is to make the smallest number of bets possible while wagering the largest possible sum on each bet made:

The player's best chance of winning a certain sum at a disadvantageous game, is to stake the sum that will bring him that return in one play, or, if that be not allowed, to make always the largest stake which the banker will accept.

And what of gamblers who view such advice as foolish? Says the professor:

The average gambler will say, "The player who stakes his whole fortune on a single play is a fool . . ." The reply is obvious: "The science of mathematics never attempts the impossible, it merely shows that other players are greater fools."¹³

Probably the clearest and most concise iteration of the law of gambler's ruin comes from Martin Scorsese's 1995 *Casino*. In the film, Sam "Ace" Rothstein, the casino manager, makes this absolutely accurate statement:

In the casino, the cardinal rule is to keep them playing and keep them coming back. The longer they play, the more they lose. In the end we get it all.

In the book on which the movie is based, author Nicks Pileggi nicely evokes Prof. Coolidge:

A casino is a mathematics palace set up to separate players from their money. Every bet made in a casino has been calibrated within a fraction of its life to maximize profit while still giving players the illusion that they have a chance.¹⁴

The latest development in the playing out of this historic law comes from the new science of machine design, with revolutionary results. Remember the old “one-armed bandits”—those slot machines where you pulled a big lever, watched some spinning, and hoped to see a certain pattern of fruit or numbers emerge as the spinning slowed down? Such machines no longer exist, except maybe in museums. Those old-timers are to today’s machines what a peashooter is to a Rapid Fire AK-47.

Computerized slot machines drive today’s casino industry. Amazingly, roughly three-quarters of all casino gambling revenue in the U.S. now comes from people who sit in front of these high-speed machines and press buttons.

These machines are specifically designed for psychological manipulation and deception, aimed at creating a distorted, narcotic-like sense of time, so that the player feels like he or she is in a “zone.”¹⁵ “Slot zombies” is the term sometimes used to describe players who are under this influence, and some medical researchers who specialize in studying addiction compare the psychological jolt of playing slot machines to the psychological jolt of cocaine.¹⁶ Zoned-in players are encouraged to make scores of bets within a matter of minutes. For example, in one slot machine game, *The Apprentice*, Donald Trump’s voice shouts “You’re Fired!” after losing spins, each spin costs \$2, and experienced players can play five to six *hundred* spins an hour.¹⁷

From the casino’s perspective, nothing could be better. Remember Rothstein’s rule: The more bets you make, the more you lose. Back in Rothstein’s day, the 1970s—still the era of the one-armed bandits—it wasn’t remotely possible to make as many bets per minute as today’s players can make. Today, when the law of gambler’s ruin has gone high-tech, and as betting happens faster and becomes more intense, the time that it takes for a casino to ruin a gambler grows shorter and shorter.

And what does this tale of ruin have to do with what Mario Cuomo calls “family?” A lot.

First, consider the health of families. The infestation of frequent, problem, and pathological gambling into a community is flatly inconsistent with a concern for family. So much of the gambling ethic and its personal and social consequences—including debt servitude, addiction, alcohol abuse, depression, mendacity, crime, and time stolen from work and home—are the open enemies of strong families and healthy family life.

Second, consider “family” as a metaphor—as the part of the New York Idea that reminds us of how we as citizens should aim to treat one another and how the state’s governing group should aim to treat the governed. Let’s start with the latter.

Is it part of the New York Idea for the governing to play a substantial number of the governed for suckers? To permit and encourage professional gambling organizations to fleece them, to take their money and what’s left of their hope in order that the state may get some of the revenue? To prey upon human weakness, for money? Is that who we are in New York? Let’s hope not. To do this thing would rupture the social contract between New York’s leaders and its citizens and mock of the very idea of “family.”

It’s tempting to stop right here and say, “Shame on our politicians, if they do this shameful thing.” But saying *only* that might leave the deepest and most painful truth unsaid.

It’s not just the politicians. It’s we the people. The dirty little secret is that many, perhaps a majority, of New Yorkers seem to endorse the idea of playing their weakest and most vulnerable neighbors for suckers in order to protect themselves from tax increases.

The early polls are certainly hinting at it.¹⁸ The idea seems to be that we New Yorkers can find a way to keep a lid on taxes and still maintain government services, even during economic hard times. We pull off this remarkable feat through the government’s sponsorship of a statewide gambling program that we know will procure the lion’s share of its revenue from the at-risk and the have-nots among us and deliver the lion’s share of benefits (in the form of government spending and tax relief) to everyone else. And the entire operation can occur under the harmless-sounding rubric of “entertainment” and without anyone (starting with our political leaders) having to utter the unpopular word “tax”! For

those of us—almost certainly a majority—who might come out on the winning side of this formula, it must seem almost like magic.

The only catch is that we must be willing to avert our eyes from the thousands of diminished lives and the rank injustices that the magical operation requires. We must be willing to disavow the part of the New York Idea that says that we're all in this together, that we have certain ethical obligations to one another, and that as New Yorkers we aim to treat one another not simply as means to an end, but as family. Are we willing to make this disavowal, for money?

Freedom

Freedom for all of us is guaranteed, and tempered intelligently, by our commitment to the common good.

—Mario Cuomo, *The New York Idea*

The freedom to gamble is not the issue. People are, and should remain, free to wager money and to play games of chance for money.

You and others can bet money on the outcome of nearly anything, from who will cross the finish line first to whether or not it will rain next week in Spain. You can play low- or high-stakes poker or other card games to your heart's content. You can shoot craps with your friends, or with perfect strangers. You can organize office pools on which team will win the Super Bowl, or whether the groundhog will or will not retreat back into its burrow. You can engage in high-speed stock trading or in any of the many other perfectly legal financial practices that are, for all intents and purposes, primarily games of chance. You can play bingo or buy raffle tickets in support of any number of good causes. You can gamble occasionally, or you can gamble every day of the week. You can maintain limits on what you are prepared to lose, or you can gamble away every penny you have, or can obtain. Whether or not New Yorkers are free to gamble is simply not the issue here.

But there is something that New York has never permitted. We do not permit corporate gambling operations to establish for-profit gambling houses on the public

policy grounds that these gambling houses will provide jobs for New Yorkers and revenue for the state. Why does New York, a state whose citizens are perfectly free to gamble, restrict the freedom of gambling corporations in this way? Why, among other things, would the state deny itself this source of revenue?

There are three reasons why. None of them are hard to understand.

The first reason stems from the seminal difference between a recreational game, in which I bet privately against other people, and a banking game, in which I bet against the house. All casino games are banking games.

The core question is: *Who runs the games?* In recreational gambling, however foolish or dangerous it may be for the players to participate, the games are not controlled by a self-interested party whose only incentives are to entice players to bet and to cause them to lose. The issue is *partiality*. The house is not impartial in the matter of whether or how I gamble. Quite the contrary. Because its goal is profit, not disinterested sponsorship of recreation, the bank's only interest in the matter is causing me, in whatever ways it can, to place as many bets as possible and to lose as much money as possible. And because that's exactly and solely what the bank wants, that's typically what the bank gets.

Even on the strictest libertarian principle—that inflicting possible harm on myself is permitted, but intentionally harming others is not—professionalized banking games, in which the only purpose and the only long-term outcome is fleecing others, do not and should not enjoy the protection of our laws. Here in New York, where wise and foolish alike are free as private individuals to gamble or not to gamble, we do not permit for-profit corporations to create and operate games of chance for these deeply questionable purposes.¹⁹

Nor—and here is the second reason—do we encourage for-profit businesses to create and operate games of chance that are patently rigged. Recall the essential teleological fact of the casino: Each bet placed is a bet against the laws of probability. The more you bet, the more you lose. *Eventually*, as Sam Rothstein and Richard Canfield plainly stated, *the casino gets it all*. Permitting such a process to occur under the full protection of the law conflicts with the public interest.

Finally, here in New York, casinos are not endorsed by the state. Richard Canfield and his ilk did not seek state approval for his ethical code and gambling activities. The illegal gambling houses of old New York, at least formally, did not carry the imprimatur of society. Governors and legislators did not rise to make supportive remarks about them—“This is good for us. This creates jobs. This delivers money to the state. We need this.” Here in New York, our government does not seek to become a formal stakeholder in the house, thereby establishing a kind of government-gambling complex in which government does whatever is necessary—even to the point of changing the state Constitution—to collude with private gambling houses and turn to them for a significant and growing share of state revenue.

Should we now, in the name of freedom—or of work, family, beauty, hope—change our minds and scrap our laws in order to let government do this? Or is it still obvious, as it has been obvious to New Yorkers since at least 1821, that such predatory activities, especially when carried out under the sponsorship of government itself, are not in the public interest?

Beauty

Whenever I fly over this state—and I do it frequently, by helicopter or small plane—I am reminded of how generous God has been to New York.

—Mario Cuomo, *The New York Idea*

New York is a beautiful state—arguably the most beautiful state in the nation. Beauty is an important part of the New York idea.

Casinos are unbeautiful. People who don't frequent casinos these days (a group which included me until a year or so ago and probably includes many people who will read this report) still tend to imagine them as glamorous places full of style and drama and brightly lit elegance—picture a beautiful woman blowing on the dice held by a tuxedoed man surrounded by an excited group of onlookers, like a scene from a James Bond movie.

If next year a casino were to arise in, say, Seneca Falls, New York, is this what you would see? It certainly wasn't what I saw during recent visits to casinos in Kansas, Mississippi, Pennsylvania, and elsewhere.

There is something profoundly aesthetically unappealing about America's regional casinos. For starters, casinos are almost never located within settled neighborhoods, the communal spaces where people live and work and interact daily. Casinos are usually located dockside on a river or a beach or a highway—near the edge of things.

Casinos tend to dominate and demean their immediate surroundings. Especially when they are connected to hotels (when they are “resorts”), casinos are oversized, shiny to just this side of garish, and almost always completely out of sync with the surroundings. Casino signage overwhelms the local ad landscape and casinos are adjoined to parking lots the size of a football field. The overall aesthetic is likely to remind you of a theme park.

Go inside a casino, and the first thing you notice is how dark it is. It could be high noon on a sunny day in the real world, but in the casino it's always night and always the same temperature. In the casino our normal, natural cycles—day/night, early/late, start/close, light/dark, summer/winter—have disappeared. You can gamble at 5:00 a.m. and have breakfast at midnight. A casino is ready to entertain twenty-four hours a day, seven days a week, in exactly the same way, under unvarying conditions. None of which is likely to remind you of how generous God has been to New York, or to any other part of the country.

In every casino it's hard to miss the Welcome or Members Desk, where you can sign up to become a casino “member,” a process that takes about four minutes resulting in a personalized membership card, which resembles a credit card and is intended to track and record your every interaction with the casino. As a “new member,” you usually receive ten to twenty dollars of “free play” at the slot machines.

You'll find a bar in every casino, and the more you play, the more you can drink alcohol for free—roaming waitresses bring your drinks while you sit and gamble. There is also usually a restaurant with fair to good food at reasonable prices, and a shop to buy T-shirts and other casino mementos. The bathrooms are clean and accessible.

Every casino floor has rows of cashiers along a wall, similar to what is found in a bank, as well as a plentiful supply of ATM machines, in case players need cash. There are no windows. There are no plants. Usually there are ashtrays. There are large floor posters advertising special drawings or ways to win fabulous prizes. The “art” on the walls is fake and tacky.

But these are only perimeter accoutrements. The main part of the casino, its *raison d'être*, is row after row after row of flashing machines that look like video games pumped up with testosterone. The main physical sensation this space evokes comes from the patterned pulse of colored lights blinking in the surrounding semi-darkness—an insistent, forceful, one-dimensional, and (for some) narcotic-like encroachment on the senses by spinning colors and strobe lights. This is the casino’s inner sanctum, the magic area—the place where you put your money into whirling machines in the hope that you’ll get lucky and win.

You will find that there is little laughter, few smiles, and very little talking amidst the slots. The baseline activity, the fundamental act in a casino, is one person intensely relating to one machine. Press a button, watch the spin, see the result. Press a button, watch the spin, see the result. Press a button, watch the spin, see the result . . . Some casinos have side areas to play bingo or other games that involve at least some engagement with fellow gamblers, and occasionally you may see a young couple on the main floor playing the slots or one of the table games together, but by far the dominant phenomenon of today’s American casino is one person connected to one machine—*press a button, watch the spin, see the result*—as if joined by a kind of umbilical cord through which flows money and a certain kind of experience, with almost no face-to-face, genuinely human interaction. Ultimately, it’s a very sad thing to watch. And it is very, very far from beautiful.

Why are casinos so bereft of joy, so removed from beauty? As John Dewey famously put it in *Art as Experience*, pleasure can at times be derived from mere stimulation—the pulsing machines, the strobe lights, the repetitive sounds—but the happiness and delight that come from beauty, which satisfy us much more deeply, are “a different sort of thing.”²⁰ Casinos are always about stimulation and never about beauty.

Is asking for beauty in daily life asking for too much? Is beauty only for special or refined occasions? Of course not. Beauty does not only reside in art museums or

music halls or national parks. Steve Jobs, the cofounder of Apple, was a businessman. He made products and sold them. But when he died in 2011, millions of Americans felt a sense of personal loss, and we saw a massive public outpouring of affection for Jobs. This phenomenon occurred not simply because Jobs made lots of money (though he did) or because he developed innovative products (though he did), but also, and perhaps even mainly, because what he produced was aesthetically pleasing. Steve Jobs created things that are beautiful. Beauty matters. If New York's elected officials partner with gambling executives to bring casinos into New York, we can be certain that no one years from now will engrave on their tombstones: "They created things that are beautiful."

Hope

In the end, I think the New York Idea comes down to aspirations.

—Mario Cuomo, *The New York Idea*

To hope is to entertain an expectation of something desirable. In the traditional understanding of the term, *to hope* is to believe with some measure of confidence and trust that what is desired will occur. Hope ultimately derives from the philosophy that good lies within our reach and that the good can and will prevail over the bad.

Many philosophers and religious leaders teach us that hope is a virtue—something to aspire to and to practice. They seek to persuade us that hope, especially when linked to other virtues, can realistically align us with the expectation of good things to come. Certainly hope is not a panacea. Sometimes even our most profound hopes go unfulfilled. But true hope, in the context of a sincere desire to live a good life, can often do great things. It can help protect us from discouragement, separate us from selfishness, and sustain us in times of grief or trial or abandonment. Hope can lift up and ennoble our actions, keep us properly focused, and help us remain oriented toward the good. In these and other ways, according to the philosophers, hope corresponds fittingly to the aspiration of happiness.

The opposite of hope is despair, but hope's main competitor—its main philosophical alternative—is luck. To believe in luck is to believe that getting what we

desire is a matter primarily governed by chance, or by unknown forces beyond our reach.

Philosophically, therefore, hope and luck are incompatible ways of seeing the world. A world that we believe is governed by hope is a world that is meaningful. A world that we believe is governed by luck is a world that is random. Throughout history, our wisest thinkers have taught us that hope ultimately aligns with realism, whereas luck aligns almost entirely with fantasy. For these and other reasons, relying on hope usually fosters positive activity—hopeful is something we can “be,” and hope is something we can live out and practice. By contrast, a reliance on luck almost always fosters passivity—lucky is something we simply “get,” and luck is something that just happens, like the weather.

Free, democratic societies such as ours depend in profound ways on citizens who possess the virtue of hope. That’s why hope is an important part of the New York idea, and why luck plays no part in that idea.

The principal philosophical tenet of casino gambling is luck. And not just any old luck, but luck as something powerful and magical enough to overcome the mathematical laws of the universe, since every player in every casino is placing every bet against a house that has every mathematical law of probability of winning firmly on its side.

The casino is, in fact, our society’s current greatest monument to the belief in luck as a governing force. The essence of the casino’s activity—its business model—depends quite explicitly on undermining classical notions of hope and replacing them with a widespread belief in luck as the pathway to success and happiness.

Is this the transformation we want for New York? Is this who we want to be?

It is unsurprising that the public man who wrote so evocatively of the main tenets of the “New York Idea” strongly opposed casino gambling. In his book, Mario Cuomo states that, over and above both his “personal feelings” and the significant civic and religious opposition to casinos, “there is a respectable body of economic thought that holds that casino gambling is actually economically regressive to a state and a community.”²¹ Indeed, there is.

In 1994, when legislators in Albany were considering a constitutional amendment to legalize casinos—the idea failed—the *New York Times* reported:

*Gov. Mario M. Cuomo has also expressed opposition to casino gambling. The Governor's signature is not needed for a constitutional amendment, but Mr. Cuomo said he might fight the proposal in public debate.*²²

The governor told the *Times* that bringing casinos into a state “doesn’t generate wealth, it just redistributes it.”

The reporter interviewing him pushed back: Why doesn’t the governor publicly oppose race-track betting? Why did he recently push for a significant expansion, through Keno games, of the New York State Lottery? Governor Cuomo answered:

*There is no question that we have made that concession to gambling. All I'm saying is, enough is enough. Casinos are a whole different breed. It changes communities.*²³

3. Gambling and Political Greatness in New York

Political leaders come in three categories. A minority are venal. The majority are well-meaning but undistinguished. And a few are great. Greatness in politics is rare. Even in a great state such as New York, only a very few politicians—perhaps one or two in a generation—are remembered by posterity as truly great leaders.

I do not purport to define in this document what constitutes political greatness. But I do confidently report two historical findings:

- For more than two hundred years, New York’s greatest political leaders have been gamblers and risk-takers.
- In response to whether state government should partner with gambling interests in order to create jobs and bring revenue to the state, virtually all of the great New York leaders have answered *No*.

These two qualities—taking bold risks in pursuit of genuine reform, and flatly opposing state sponsorship of gambling—seem to go together. Consider three remarkable examples from New York history.

Fiorello La Guardia Had a City to Reform

To appreciate what La Guardia did, we must understand what came before him. For nearly a century, from the 1840s to La Guardia’s election as mayor in 1932, New York City ran a gigantic experiment in state-sponsored gambling. In fact, parts of this old city-level government-gambling complex closely resemble what casino operators and their partners in government are currently proposing for the state of New York.

Consider the high-end gambling house. Starting in earnest in the 1840s, generations of New York gaming industry leaders—including pioneers such as Reuben Parsons, Sherlock Hillman, John Chamberlain, and John “Old Smoke” Morrissey, and followed by men such as Sam Suydam, Richard A. Canfield and Arnold Rothstein—established gambling houses that catered to the wealthy in New York City.²⁴

Of course, the main purpose of these establishments—their proprietors and patrons usually called them “clubs,” while outsiders and critics usually called them “gambling-houses” or, in some cases, “skinning-houses”—was to separate wealthy men from their money. But they served other purposes as well. For one thing, they provided jobs. In fact, for much of this period, perhaps 5 to 6 percent of all New York City jobs were connected to gambling houses, book-making, the numbers, and other state-sponsored gambling activities. These elegant “clubs” also attracted visitors—wealthy men from other states who came to New York to gamble in high style. In fact, we might call these clubs the original “destination gaming locations.”

Jobs and tourism mattered, but from the perspective of City Hall, by far the most important purpose of the gambling houses was to provide revenue for the city. New York City politics in this era was largely controlled by the notorious “Tammany Hall” machine, and the Tammany bosses (or sachems) who governed the city depended upon the money provided by their partners in the gambling business. Gambling revenue—typically delivered by gambling operatives to city police captains in regular, stipulated amounts or percentages, and subsequently distributed throughout the city’s officialdom—helped to pay for all manner of government services and political activities, from the costs of campaigns to the salaries of police officers, judges, and other officers of the court, building inspectors, and other civil servants and city officials.

New York gambling operations also directly paid for government-style services and programs to help the community. For example, for decades the leaders of racetrack gambling in New York covered the costs of county fairs organized by local farmers’ associations. John Morrissey gave to New York charities. In Saratoga, Richard Canfield’s gambling houses funded the construction of a local library and Canfield gave generously to the arts and to local civic associations.

In return for these revenue streams, New York City’s political establishment, in holding up its end of the partnership, granted these gambling houses effective legal immunity (by ignoring the anti-gambling laws they were ostensibly obliged to enforce), helped them to maintain local monopolies (by prosecuting their competitors), and did their part to enhance the respectability of gambling in general and the social status of their partners, the gambling-house operators, in particular.

This government-gambling partnership was so cohesive that it was often hard to see where one side of the joint venture ended and the other began. High-ranking Tammany bosses such as Fernando Wood, Richard Croker, James J. Hines, and Jimmy Walker—Wood and Walker also served as New York City mayors—could and did conduct city business on gambling-house premises, gamble themselves as much as they wanted to, and proudly socialize with their partners in the private sector. In those days an ambitious young man who started out in New York City gambling might end up in politics, and one who began as a Tammany operative might branch out into gambling.

Consider John “Old Smoke” Morrissey. A street tough in Troy, New York, he went on to achieve fame as a prizefighter. In New York City, Morrissey allied himself with the Tammany machine, getting his start as a street-level enforcer and political organizer, and then opening the first of what would become a chain of Morrissey-controlled gambling “clubs” in the city and Saratoga. He became very rich. As a Tammany boss and politician, Morrissey was elected twice to the New York State Senate and represented New York for two terms in the U.S. Congress. In essence, who *was* John Morrissey—a gaming industry innovator or a political leader? Hard to tell.

In Arnold Rothstein’s New York glory days in the 1910s and 1920s, according to one historian:

A number of Rothstein’s gambling clubs were run in partnership with local politicians who kept the police from annoying the games. Often they were in the political clubhouses, with the gambling conducted by an outside proprietor who gave a share of the take to the political leader.²⁵

Who exactly *was* the main leader of such a venture, Rothstein or the politician? Hard to tell.

“Mechanical Pickpockets”

This long-standing and seemingly impregnable government-gambling alliance, which had reliably fed mouths and generated public revenue for generations, came to a crashing halt in 1934, when Fiorello La Guardia was elected mayor of New York City.

La Guardia hated government sponsorship of gambling. He hated everything it stands for. He hated every dimension of it. When he left office in 1946 after serving three terms as mayor, La Guardia had largely smashed the city's government-gambling alliance and driven many of its private-sector operatives—he called them “tin horns” and “chiselers”—out of town. In the case of the chiselers whose business was slot machines—the contraptions La Guardia hated most of all—he had driven nearly *all* of them out of town.²⁶

What so enraged La Guardia about state-sponsored gambling? Let's start by understanding what did *not* seem to motivate him. La Guardia was neither a prude nor an extremist. He did not support using the law to root out all human vices. For example, he viewed recreational gambling as largely harmless. Or consider Prohibition, one of the great issues of La Guardia's day, which took effect nationally in 1920. La Guardia opposed Prohibition throughout his career and consistently argued that trying to use the power of law to prohibit people from consuming alcohol amounted to bad public policy. Nor was La Guardia motivated by religious fervor. In fact, he was never a particularly pious or conventionally religious man.

Nor was La Guardia any variety of political conservative. A full-throated political progressive, he won election to Congress in 1924 as a Socialist. He was President Franklin D. Roosevelt's favorite mayor and a strong supporter of the New Deal and everything that it stood for. Throughout his career, La Guardia was a tireless champion of the underdog—the poor, the unemployed, the exploited, and the weak and vulnerable.

Which is precisely why La Guardia so detested state-sponsored gambling in general and slot machines, that system's most visible and pernicious product, in particular. In two notable ways, La Guardia's campaign to rid New York of slot machines served and advanced his progressive political agenda.

First, La Guardia fiercely opposed “boss politics” and fought throughout his mayoralty to disable the old Tammany Hall political machine. He knew—everyone knew, no one tried to hide it—that gambling revenue was mother's milk for the Tammany system. He also knew that the corruption that virtually defined Tammany politics stemmed largely from and was made possible by Tammany's long-standing joint ventures with gambling operatives. And so, La Guardia set out with great gusto to smash the entire arrangement. In doing so, he would surely weaken his political opponents. And just as surely—for it's worth recalling that La Guardia,

notwithstanding his flaws, believed in good government—in doing so he would begin to reintroduce the concept of integrity to New York City government. In short, La Guardia wholeheartedly believed that politicians partnering with gamblers led to bad government.

La Guardia also believed with equal intensity that politicians partnering with gamblers led to what he termed “bad economics.”²⁷ This, for La Guardia, was the heart of the matter.

La Guardia did not like to see ordinary New Yorkers getting cheated. He did not like that some New Yorkers were cynically exploiting other New Yorkers. He could not abide the institutionalization of unfairness. For these reasons, La Guardia was contemptuous of “chiselers”—he also called them “economic vermin”—who fed off of what was not rightly theirs.²⁸ He included in this category individuals who benefitted from stock market speculation, as well as those who charged exorbitant interest rates on small loans. “There is an epidemic of loan sharks around this town,” La Guardia declared in one of his weekly radio addresses in 1942. “I don’t like loan sharks and usurers and I’m just giving notice, that’s all.”²⁹ But most of all, when it came to cheating ordinary New Yorkers, La Guardia focused his anger on the “gambling touts,” “tinhorn punks,” and “scum of society” who operated New York’s vast network of slot machines. For La Guardia, slot machines were nothing more than “mechanical pickpockets” perpetrating “larceny.”³⁰

When La Guardia took office, slot machines constituted a huge New York political-economic venture. An estimated twenty-five to thirty thousand slot machines operated openly in the city in January 1934, diffusely located in small shops, diners, cigar stores, speak-easies, candy stores, pool rooms, hotels, and other small outlets across the five boroughs. (Proprietors were told by the gambling operatives that the machines were “okay,” the police did nothing but encourage the system, and any property owner with the temerity to resist or complain was likely to experience property damage.) A nickel slot machine in a good location could take in about \$20 per day. In 1932, total revenue from New York’s slot machines reached an estimated \$57 million.³¹

In fall 1933, while campaigning for mayor, La Guardia denounced the city’s slot machine operatives and often cited statistics from two articles by Wayne W.

Parrish that had appeared earlier that year in *The Literary Digest*—“Gambling Slot-Machines That Swallow Millions” and “You Can’t Win in the Slot-Machine Racket.”³²

In January 1934, only days after La Guardia was sworn in as mayor, a New York City civic association, the Society for the Prevention of Crime, publicly released a report alleging that “Tammany politicians are deeply involved in the policy and slot-machine rackets.” The report declared that slot machines take millions of dollars annually from the poor and (since many are located in candy stores near schools) “encourage children to gamble and steal.”³³

Mayor La Guardia immediately and publicly ordered the police to confiscate the machines. By late February, about 350 had been confiscated.³⁴ But that same month, a U.S. court of appeals dealt the mayor a setback by declaring that the police could not confiscate a slot machine unless they could prove that the machine in question was used for gambling. Meanwhile, slot owners began to alter the machines’ design, in order more plausibly to claim that machines existed not to enable gambling, but instead, say, to dispense candy or fruit.³⁵

La Guardia pressed on. Availing himself of his right to sit as a committing magistrate, he took over the West 100th Street police station for a day to preside over a slot machine case. During the proceedings, the mayor examined the machine in question and declared himself convinced of its purpose:

*The slot machine speaks for itself. It does not require any legal education to see that it is a slot machine as described by the Penal Code. . . . It is not a vending machine and not even a federal judge can make it one. It is a gambling machine, a slot machine.*³⁶

He also assured the public that the adverse court decision—which the city appealed and eventually won in the U.S. Supreme Court³⁷—would not slow him down:

Gamblers need take no comfort [in the decision] because all gambling machines, whether mechanical or not, will be immediately seized by the police and arrests made. The mechanical gambling machines give the player no chance. The public is going to be protected.

A crowd cheered the mayor as he left the station.³⁸ Throughout this campaign, La Guardia never lacked a flair for the dramatic. He even managed to star in a newsreel story about “the slot-machine problem” at the Trans-Lux Newsreel Theatre on Broadway.³⁹

La Guardia was always reaching out to the public, urging citizens to write to him about their personal experiences with the problem and lecturing the city’s school children on the dangers of gambling.⁴⁰

He organized a slot machine “exposé” in Rockefeller Center featuring fifty slots machines that the public could examine for free. The theme was “You Can’t Win.” Scholars from NYU announced that the slots were programmed to pay in prizes only about 75.6 cents for every dollar going into the machines.⁴¹ As a part of the exposé, La Guardia asked *The Literary Digest* to turn Wayne Parrish’s two articles on slot machines into a pamphlet that he and others could distribute to the public.⁴²

La Guardia also constantly threatened the police and the political old guard. In April 1934, in a radio address on his “First 100 Days” as mayor, he said: “The slot-machine racket has been possible in this city for many years by reasons of a mysterious and powerful influence protecting it. . . . I want more policing and less strutting.”⁴³

Somehow, he got it. In October, the mayor, his police and fire commissioners, and a squad of laborers loaded 1,155 confiscated slot machines onto a barge at Pier A and headed out to Long Island Sound, whereupon La Guardia took a sledgehammer and himself smashed a number of the machines to bits. Then all of the mangled machines were sunk. The mayor took this opportunity to reflect on the political side of the government-gambling partnership:

*It [the slots racket] could never have existed without political protection. To show you how powerful this political protection was, I tried for years to get a bill through Congress prohibiting the moving of slot machines over State lines. I could never even get the bill moved out of committee.*⁴⁴

But now the very police and politicians who for so long had propped up the slot machine business would be obliged to put an end to it: “Every precinct [police] captain will be held responsible for any machines found in his district hereafter.”⁴⁵

The machines kept disappearing. Two years later, in 1936, when 1,300 machines were smashed and thrown overboard into the Sound, the mayor said: “We will soon have them all out of the city.”⁴⁶ And soon, nearly all of them *were* gone.

Ordinary New Yorkers had won an important victory. On a 1936 visit to Coney Island to talk about the importance of clean beaches, La Guardia said:

*We are here celebrating a clean beach campaign. However, I am particularly proud that we cleaned this resort in other ways. We took several thousand crooked slot machines and dumped them at sea. That kind of service did a world of good for Coney Island.*⁴⁷

La Guardia unflinchingly opposed all forms of state-sponsored gambling. In his 1948 autobiography, *The Making of an Insurgent*, he vividly describes these early experiences:



LaGuardia smashing slot machines, October 13, 1934.

*My first attempt at applied mathematics—I must have been fourteen or fifteen then—was to figure out the percentage against each player in a crap game, a faro game, and what was then called “policy.” . . . I remember Mother telling me that [policy, or the numbers] was the same as Lotto, which was sponsored in her native Trieste by the city or the state. Mother would play a ten-cent policy slip almost every week. If she had an exceptional dream, she would risk a quarter. She never won. No one else I knew ever won . . . I figured it out then as nothing but petty larceny from the pockets of the poor, and showed my mother how she couldn’t win.*⁴⁸

In Prescott, Arizona, where La Guardia did most of his growing up, he tells us that those who took advantage of people like his mother were known as “tin horns.” He writes:

*To me they have been “tinborns” ever since. . . . They are no good. They were never any good in Prescott, or New York, and they will never be any good anywhere.*⁴⁹

La Guardia never changed this view. In 1939, on the eve of the popular vote on whether to amend the New York State Constitution to permit racetrack betting, he said:

*The amendment is not progress but retrogression. . . . Gambling is socially undesirable and it is also bad economics. . . . A large part of this betting would have to come from people who cannot afford to lose.*⁵⁰

He ruefully added: “I suppose instead of calling them punks, if the constitutional amendment should be approved, I will have to call them mister.”⁵¹

When the amendment passed, the mayor promised that, apart from the now legally permitted betting at racetracks, there would be no let-down in his campaign to rid New York City of politically-sponsored gambling. He concluded on a hopeful note:

*I don’t believe people should be encouraged to spend money needed for food, clothing, and housing. I don’t think that gambling is going to be successful in a progressive, enlightened State like New York.*⁵²

In September 1942, La Guardia addressed a class of 161 rookie police patrolmen, again using his favorite word for a person whose business is to entice others to gamble away their money:

*Don’t give a tinborn a break. If you see him on your beat, sock him on the jaw. I’ll stand back of you. . . . When you see one, grab him by the back of the neck and bring him in. They break up homes and bring only misery.*⁵³

When he was about to leave office in 1945, one of La Guardia’s most urgent warnings to the city he had so ably governed for twelve years was captured in this *New York Times* headline: “La Guardia Fears Gamblers’ Return.”⁵⁴

Mechanical Pickpockets, Then and Now

La Guardia's victory against slot machines could hardly be more relevant to the challenge New York State currently faces. After all, outside of Nevada and Atlantic City, what exactly *is* a "casino" in the United States in the 2010s?

Forget the movies you've seen. Forget men in tuxedos and women in evening dress. For the most part, you can also forget glamorous-sounding games such as roulette and baccarat. And you can certainly forget the happy talk from casino lobbyists about "entertainment" and "destination gaming resorts."

Three-quarters of all casino revenue today comes from slot machines. For this reason—notwithstanding all of the ads and slogans from promoters—today's casinos are essentially super-sized slot parlors.

The machines in these casinos are exactly the same machines that La Guardia sledgehammered and dumped into the sea, except that today's slots are much faster and more addictive. Their sole purpose and only reliable function is to fleece the vulnerable.



Slot machines about to be dumped into the harbor.

Many scholars view Fiorello La Guardia as the greatest mayor in American history.⁵⁵ Certainly he was one of the greatest leaders to serve New York State. La Guardia had a city to reform, and he knew that political sponsorship of gambling was the enemy—not the friend—of his reform agenda. He took big risks, but he fought the good fight, and more times than not, he won. We remember him warmly today for his honor and his integrity.

Does anyone remember the names of the Tammany hacks who staked their honor and reputations on financial partnerships with tinnhorn gamblers?

The West Coast La Guardia

The closest thing to Fiorello La Guardia on the other side of the country was Earl Warren of California. He began his war on slot machines in 1927, shortly after his election as district attorney of Alameda County, when he seized and destroyed 116 slot machines in Oakland. Warren launched this effort despite, and in part due, to the fact that slot machine operators had established a mutually rewarding partnership with Burton F. Becker, the county sheriff.

Warren's efforts were ongoing. In 1935, he led a series of highly publicized raids confiscating slot machines and the records of slot manufacturers in the Oakland area—raids that were likely the decisive factor in defeating a bill pending in the state legislature that would have legalized the machines.

In 1938, Tony “The Hat” Cornero, a bootlegger and gambling entrepreneur, was operating a twenty-four-hour-a-day floating casino he called “The Rex” in Santa Monica Bay. The *Los Angeles Times* called it “a unique casino” in which “beautifully gowned women rubbed elbows with ordinary fellows from Spring Street and squat tipsters from Santa Anita.”⁵⁶ Cornero took the view that “The Rex” operated far enough off shore to be exempt from California's gambling laws.

Warren, now serving as state attorney general, was not amused, and disagreed with Mr. Cornero regarding the reach of California law. He stated that Cornero's operation was “glorifying gambling” and encouraging young people to “lead idle and dissolute lives.”⁵⁷ In 1939, Warren's forces boarded “The Rex” as well as three other smaller gambling ships operating nearby, seizing about 120 slot machines and ceremoniously dumping them into the bay.

Cornero was not easily discouraged. In 1946, he tried his luck in the bay again, converting a war surplus mine sweeper into a floating casino he named “The Lux,” and with the tacit support of the Los Angeles County district attorney. Warren, now governor of California, called on President Harry Truman to push for federal legislation banning gambling ships from all U.S. coastal waters. The legislation was passed and Truman signed the

bill into law. Warren promptly seized “The Lux” and once again destroyed “Tony the Hat’s” slot machines and other gambling devices.⁵⁸

Time passed. Earl Warren went on to serve as the fourteenth Chief Justice of the U.S. Supreme Court, presiding over some of the major civil rights cases of the era, including *Brown v. Board of Education* (1954), which ended enforced racial segregation in U.S. public schools, and *Miranda v. Arizona* (1966), which established new rights for persons in police custody. He’s widely viewed as one of the great leaders of his generation.

Earl Warren had what he called in his memoirs “an ingrained bias against commercialized gambling.” Not “mere betting between individuals” but rather “the commercialization of it.” Why? Because commercialized gambling is “corruptive.” Because it’s “dishonest in operation and often cruel in practice.” And because, as he once put it to one of his law clerks, it “preys upon the poor” and “takes the paycheck out of the hand of the worker.”⁵⁹ In 1950, as governor, Warren supported and signed into law a bill prohibiting the ownership of slot machines in California and establishing a \$500 per machine fine for anyone caught owning one.⁶⁰

Tony Cornero went on to serve as a leader in the gaming industry in Nevada and (for a while) Mexico. In 1948, some business associates made an unsuccessful attempt to murder him. Cornero’s main activity thereafter was to build a swanky gambling establishment in Las Vegas that he named the Stardust. Cornero appears to have originated the lucrative concept of placing slot machines in the hotel lobby to attract passing guests. He died under mysterious circumstances in 1955, shortly before the Stardust was scheduled to open.



Sinking slot machines in Santa Monica Bay, 1939.

Theodore Roosevelt and Charles Evans Hughes Had a Constitution to Protect

Fiorello La Guardia's public career spans and connects two major reform movements in American politics. We remember La Guardia today mainly as mayor of New York City during the period of the New Deal, whose national leader, of course, was former New York governor and U.S. president Franklin D. Roosevelt. But La Guardia's political roots were in the Progressive era, and he was deeply influenced by the Progressive political movement in New York State in the early 1900s.

The two great New York Progressive leaders during these years were Theodore Roosevelt and Charles Evans Hughes.⁶¹ In 1906, when La Guardia, age twenty-three, arrived in New York to apply to law school and find work, Roosevelt was serving a second term as president of the United States, promoting his "Square Deal" for Americans, and about to receive the 1906 Nobel Peace Prize. And forty-four-year-old Charles Evans Hughes, a strong Roosevelt ally and fresh from high-profile victories as the counsel to state legislative committees investigating gas and electric company abuses and insurance scandals, was about to be elected New York's thirty-sixth governor.

What were the main tenets of New York Progressivism during this decade? First and arguably foremost was the revolt against "boss politics," or the effective control of government by non-elected political operatives. During these years, "boss rule" meant two men: Charles F. Murphy, the Tammany boss who came to power in 1902, and long-time Republican boss from Albany, William Barnes. Together, these men and their designees operated what Roosevelt in 1915 described as Albany's "all-powerful invisible government which is responsible for the maladministration and corruption in public offices of the State."⁶² As La Guardia would do several decades later in New York City, both Roosevelt and Hughes staked their careers and reputations on opposing boss rule and everything it stood for.

The second tenet was opposition to economic unfairness. Trusts needed to be busted. Financial speculation needed curbing. Shady business practices needed to be prohibited. Public utilities needed closer regulation. Social insurance programs, such as workman's compensation, needed to be established. Speaking to the Elmira Chamber of Commerce in 1907, Hughes makes the point to local business leaders in this way:

What [the people of New York] revolt against is dishonest finance. What they are in rebellion against is favoritism which gives a chance to one man to move his goods and not to another; which gives one man one set of terms and another to his rival; which makes one man rich and drives another man into bankruptcy. . . . It is a revolt against all the influences which have grown out of an unlicensed freedom, and of a failure to recognize that these great privileges [of operating businesses], so necessary for public welfare, have been created by the public for public benefit and not primarily for private advantage.⁶³

Which brings us to gambling. As much as any other issue, state sponsorship of gambling involved—and deeply offended—the political and economic ideals of New York Progressives. The Progressive perspective on this topic was, as it is today, quite clear.

If you mix two parts politics with one part gambling, you not only get corrupt politics, which diminishes democracy, but also lousy economics, which diminishes prosperity.

For these reasons, Roosevelt was contemptuous of gambling and all its ways.⁶⁴ Probably the best summation of his view of the subject comes from his 1901 message to Congress:

The men who are idle or credulous, the men who seek gains not by genuine work with head or hands but by gambling in any form, are always a source of menace not only to themselves but also to others.⁶⁵

Roosevelt frequently warned of gambling's harmful influence on society, although his sense of what constitutes gambling was open-minded and inquisitive. For example, he appreciated the necessity of risk-taking in pursuit of economic growth and to achieve what he recommended as "the strenuous life," but he also compared financial and stock market speculation to garden-variety gambling, and had little patience for either activity:

There is no moral difference between gambling at cards or in lotteries or on race track and gambling in the stock market. One method is just as injurious to the body politic as the other.⁶⁶

Even more fundamental, perhaps, Roosevelt also equated formally illegal gambling with legal or quasi-legal “business trickery,” or “swindling.” In a 1908 message to Congress he insisted that

*the man who makes an enormous fortune by corrupting legislatures and municipalities and fleecing his stockholders and the public stands on the same moral level with the creature who fattens on the blood money of the gambling house.*⁶⁷

During the first decade of the twentieth century, much of the “blood money of the gambling house” in New York State was connected to horse racing. In essence, betting on a horse in New York in 1908 was not much different from putting money in a slot machine, throwing dice on a board, or betting at roulette in a casino—it was all formally illegal but openly sponsored by a partnership of public officials and private gambling operatives, and it was all based on the principal that unwary or vulnerable people can be systematically and inevitably separated from their money.

One of the best descriptions of racetrack betting in New York in this period comes from Harry Brolaski’s 1911 book, *Easy Money*. For years Brolaski had been a prosperous racetrack book-maker, but he quit the profession in 1909. In 1911, he went to Albany to tell any state legislator who would listen that permitting betting on horses was nothing more than a method of “skinning the public.” He added: “The only honest thing on a race-track where gambling is permitted is the horse.”⁶⁸

In *Easy Money*, Brolaski tells hair-raising stories of politically-sponsored horse race betting at the tracks and in city poolrooms (not to be confused with billiard parlors), which tended to be in or near places like the Union Café at Broadway and 39th Street in Manhattan, operated by a fellow known as the “Chicago Rat,” who conducted famous feuds with his erstwhile patrons in Tammany Hall, or at the nearby (and wonderfully named) Casino Café. Brolaski writes:

*Bets can also be placed in New York City at most of the hotels and cigar stands. . . . There are over one hundred thousand race-horse gamblers in New York City and ex-Police Commissioner Baker claimed not to have known of such a fact.*⁶⁹

All of these activities, of course, were prohibited by the state Constitution. The relevant section of Article 1 of the New York State Constitution could hardly have been

clearer: “Nor shall any lottery or sale of lottery tickets, pool-selling, book-making, or any other kind of gambling hereafter be authorized or allowed in this state.”

How to Bet on a Horse in 1907

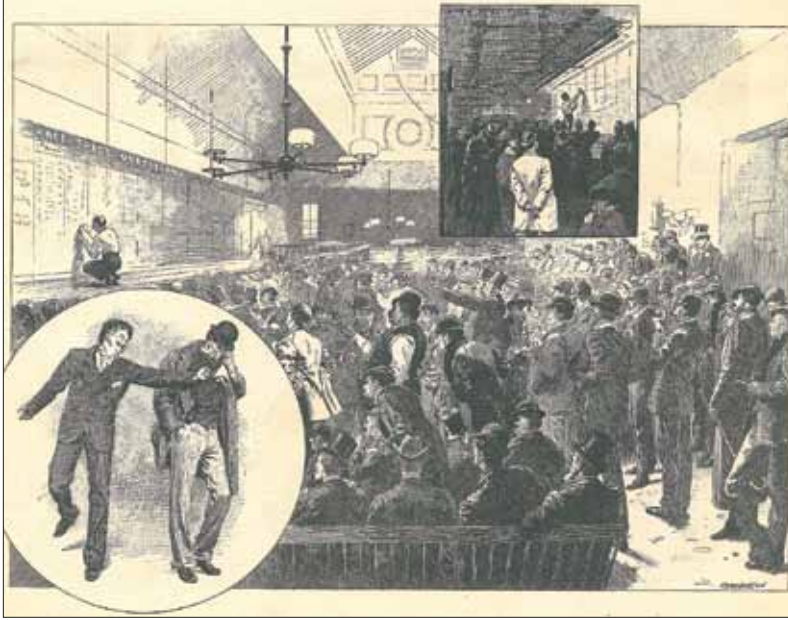
In 1907 in New York, to bet on a horse race—that is, to **play the races**, or **play the horses**, or **play the ponies**—you could go to the **betting ring** at the **track**. Or you could visit or telephone an off-track **pool-room**, which is a room devoted to horse race gambling. Or you could find a **hand-book**, which is someplace less structured and less conspicuous, such as a cigar stand or hotel lobby, where all that’s needed to take a bet is pencil and paper.

In all three places, you’d find a **bookie**, someone who accepts and pays off bets; a bookie is a professional gambler. At the track, the bookie is engaged in **book-making**, which is setting and publicizing the **odds** on the various horses and betting against anyone who’ll take those odds. For example, if the odds on Hydrangea are 5-1, the bookie is betting five dollars against anyone else’s one dollar that Hydrangea won’t win. In the pool-room, the bookie does exactly the same thing, but there it’s called **pool-selling**.

Bookies and their sponsors (which usually include a **syndicate**) make money from the bets they win as well as from the hefty commission off the top (the **vig**) of all money wagered against them.

A **dope sheet** is information on horse racing (such as track conditions, jockeys, weights, and **prices**, or odds) printed in newspapers. A **dope shop** is an establishment that sells **tips** (information on which horse is a **sure thing**) to betters. Dope shops often buy and circulate **dope ads** in order to attract customers. To say “I couldn’t dope it out” is to say “I couldn’t figure it out.”

See “Gambling,” *The New Encyclopedia of Social Reform* (New York: Funk & Wagnalls Company, 1909), 530–32; Mark Sullivan, “The Pool-Room Evil,” *Outlook* 77, no. 4 (May 28, 1904): 212–13; “Abolish the ‘Dope Sheets,’” letter to the editor, *New York Times*, May 16, 1904.



1892 drawing
of “New York
Pool-Rooms”

making violations nearly impossible to prove.

The result was almost comical. “No civilized State,” wrote prominent author and journalist Mark Sullivan in *The Outlook* in 1904, “covers up such unchecked license in the practice of vice with so much pious pretense of statutory virtue as does New York in its relation to horse racing and the gambling that accompanies it,” concluding “New York’s race-track legislation is a hollow sham.”⁷⁰ In 1906, the year Hughes was elected governor, Leroy Scott in *The World’s Work* similarly pointed out that in New York “at every race is enacted the farce of wild betting between the public and book-makers in a betting ring that is posted with placards prohibiting betting and book-making.”⁷¹

The situation cried out for reform. In 1904, Progressive political maverick F. Norton Goddard, the above-mentioned leader of the New York Civic Club, had led a high-profile and largely successful campaign to pressure the Western Union Telegraph Company to shut down its “racing bureau,” which for years had made money for the company by transmitting racing results from the tracks to poolrooms across the state.⁷² In 1907, the famous muck-raking journalist and photographer Jacob A. Riis—former New York City police reporter, author of *How the Other Half Lives*, and the man whom Theodore Roosevelt called “the best American I ever

That the Constitution prohibited such activity meant approximately nothing, however, one important reason for which derived from specific actions of the legislature. Through an ingenious piece of 1895 legislation called the Percy-Gray Racing Law—ingeniously called “an act for the incorporation of associations for the improvement of the breed of horses”—the gambling interests and their political partners effectively voided Article 1 of the Constitution as it pertains to track betting, first by stripping away practically every penalty for violating the law, and, for good measure, by

knew”⁷³—wrote a blistering attack in *The Century Magazine* on the current “gambling mania” (“gambling is by instinct and nature brutal, because it is selfishness in its coldest form”) and on racetrack gambling in particular:

*Am I prejudiced? Judge for yourself. Twenty-three years of my life were spent at the New York Police Headquarters, where the final results of the race-track are checked off in the case of those who lose, and, often enough, of those who win, too. I have seen the thing work from the time the office boy caught the contagion and “swiped” stamps at the office to bet at the pool-room, ever conveniently handy to down-town businesses, to the day when, a man in years, he was taken to Sing Sing, handcuffed, for stealing his employer’s thousands. They had gone the same way as the stamps, into the coffers of the “house” that ran the game, and there was left the poor thief, the wrecked manhood, and the desolated home.*⁷⁴

Also in 1907, the prominent sociologist and author Josiah Flynt published a five-part series in *Cosmopolitan Magazine* that laid bare and excoriated the ecology of New York horse race betting, from the ordinary “suckers” who gamble and lose, to the bookies and poolroom managers and their syndicate backers who conceive and carry out this skinning operation, to the political, social, and business leaders who sponsor and make possible the enterprise—primarily in order to enrich themselves.⁷⁵

Into these circumstances walked young Gov. Charles Evans Hughes, strong-willed idealist who detested boss politics, Progressive reformer who admired Roosevelt’s vision of “civic righteousness,” and straight-laced man whose chief interest, other than work and family, was his Sunday School class at the Fifth Avenue Baptist Church.⁷⁶ He observed the situation and did not like what he saw.

In his January 1908 Annual Message to the New York legislature, Hughes first reminds legislators what the state Constitution says about gambling, then dryly notes that the Percy-Gray Racing Law has “not accomplished the purpose which the Constitution defines.” Further commenting on the “provisions” of the current law, Hughes says:

*The evils and demoralizing influences, and it must be added, the economic waste, at which the Constitution aimed, are in fact stimulated and increased by its provisions.*⁷⁷

The battle was joined. On January 3, the *New York Times* declared that “Gov. Hughes’ Crusade against Betting Will Meet with Vigorous Opposition” and made this prediction: “The fight will be bitter and relentless. Both sides will enter into the contest with a determination to win.”⁷⁸

Certainly Hughes was determined. Largely bypassing the legislature, Hughes appealed directly to the people, relentlessly traveling the state for months, making speech after speech to group after group. On January 16, for example, he spoke to approximately two hundred delegates at the jointly held annual convention of New York’s County Fair Association and Town Fair Association:

*We are dealing with a matter which is a serious menace to the morals of the community. My mail is burdened with letters from fathers and mothers, from employers, from those who come in close contact with the demoralization that is spread through the encouragement of the gambling instinct . . . because of things which are openly encouraged and made possible by the direct action of the State in contravention of the spirit of the Constitutional provision.*⁷⁹

In one of the letters, a woman wrote:

My husband has spent a fortune of hard-earned money. He has always made good pay, but as soon as he had a few dollars saved he went off to the races and came back without a dollar, and I would have to go to work and help him. Would have to leave little children while I went from home to work. I have a son, and he is a very good young man, but I fear he is going in his father’s footsteps, for when he saves a few dollars he begins talking about next summer and the races. My husband is fifty-five years old, and he has not a dollar to his name after working for one firm thirty years.

In another letter, a police lieutenant describes “the pitiful spectacle” at the racetracks of countless people “all trying to beat an impossible and crooked game legalized by this state.”⁸⁰

Whenever possible, Hughes brought more to the fight than words of sweet reason. He knew—everyone knew—that for years, as gestures of good will and of influence-buying, the track owners and racing associations fattening themselves on racetrack betting had made “donations” to New York’s various agricultural

societies, whose leaders used the money to support county and town fairs. Hughes and his allies developed a simple but strategically crucial idea: support the fairs directly through state aid, replacing gambling money with public money.

The idea largely worked. On January 17, the day after Hughes addressed the county and town fair associations, the Central New York Farmers Club passed a resolution stating:

Resolved, That we consider that the proposed [Hughes-supported reform] legislation would help to reduce the evil of gambling in New York State, which result would certainly redound to the benefit of the commercial, agricultural, and special interest of the State; further

Resolved, That we believe that the fairs will stand higher in the good opinion of the vast majority of our citizens when the support of the racing associations is gone and replaced by direct support from the State.⁸¹

On January 30, Hughes addressed a mass meeting at the Majestic Theatre in New York City sponsored by an ad hoc coalition of civic, agricultural, business, and church groups calling itself the Citizens Anti-Race Track Gambling Committee. The address, reported the *Times*, was part of “a determined crusade in all parts of the State.”⁸²

By late February, the organizations formally supporting Hughes’ stand against race-track gambling also included the State Grange (an agricultural advocacy group with seventy-seven thousand New York members), the Canandaigua Grange, the Essex County Fair Association, the Merchants Association of New York City, the Peekskill Business Men’s Association, the Brooklyn League, the Good Government Club of Waterloo, the Cooper Civic Club of the People’s Institute, the New York City Society for the Prevention of Crime, the Columbia County Law and Order League, the Flushing Association, and the Jamaica Citizens Association, among others.⁸³

Churches across the state became active in the effort. On Friday, February 7, about 250 New York religious leaders pledged to the Anti-Race Track Gambling Committee that they would “on Saturday and on Sunday advocate before their congregations the abolition of race track gambling.”⁸⁴ On Monday, February 10, the *New York Times* reported:

*Many ministers came to the support of Gov. Hughes' bill against race track gambling in their sermons yesterday morning. The Rev. Dr. Van De Water praised the Governor's attitude on race track gambling at his sermon yesterday morning at St. Andrews Church. He asked the members of his church to lend their personal efforts.*⁸⁵

Other prominent religious leaders supporting Hughes on this issue included Rev. Charles H. Parkhurst, social reformer and pastor of the Madison Square Presbyterian Church; Rabbi Stephen S. Wise, Progressive reformer and Zionist leader who had founded the Free Synagogue of New York; Lyman Abbott, Congregationalist theologian and editor of the widely read weekly, *The Outlook*; and Dr. Walter Laidlaw, director of New York's Federation of Churches and chairman in 1908 of the Citizen's Anti-Race Track Gambling Committee.⁸⁶

Conservative Protestants concerned with moral reform strongly supported Hughes. Looking back at that 1908 grassroots mobilization in 1910, the Rev. Olaf Ricketts Miller, who in 1908 was serving as the Albany-based District Superintendent of the International Reform Bureau (IRB), recalls that he

*traveled more than 3,000 miles inside of New York State during the campaign of 1908, lecturing on race-track gambling, often speaking six nights a week, in different towns each night and speaking three times on Sunday, usually holding great anti-gambling mass meetings Sunday afternoons. And everywhere we got the main facts of our address into the local newspapers. We prepared a little leaflet entitled "Evils of Racetrack Gambling," in which we gave a large number of short clippings from New York daily papers telling of people who had been ruined through racetrack gambling. We sent out thousands of them to the pastors all over the State to distribute among their people.*⁸⁷

When the campaign began, the smart money in Albany was being bet, so to speak, against Hughes. After all, Hughes's immediate predecessor as governor, the Republican Frank W. Higgins, had tried and failed to curb racetrack betting. (Higgins, a state senator in 1895 when the Percy-Gray bill was passed, was among the few senators opposing the measure. He stated in 1906: "I believed that, in spirit at least, it was not constitutional.")⁸⁸ After all, New York's racetrack owners and racing associations constituted a well-organized, well-financed lobby with a long history of getting pretty much what it wanted. After all, state politics was boss politics—what

Tammany Hall boss Charles F. Murphy and Republican Party boss William Barnes desired was usually exactly what happened—and Murphy and Barnes most certainly wanted unlimited horse race betting in New York to continue.

So when Hughes decided to tackle the issue, there was more snickering than fear in Albany. As the *Times* put it on January 31, 1908:

When the Governor's message was read, the recommendations directed against race track gambling were greeted with ill-suppressed derision by many legislators who had in mind the fate similar measures had suffered in the past. When the bills embodying these recommendations were put, it was to the accompaniment of general predictions that they would never come out of committee. Both Senator Raines, leader of the Senate majority, and Speaker Wadsworth of the Assembly professed to see no hope for the proposed reforms.⁸⁹

As Hughes's grassroots campaign began to shift public opinion, the smart money people began to worry, and Hughes became even more determined and passionate. On March 3, some pro-gambling members of the Assembly demanded that Hughes explain and document some of his recent public statements on the issue. Hughes icily replied that he “must respectfully decline to comply with your request.” He used the occasion to summarize his case:

On the one side we have a plain provision of the Constitution that pool-selling and book-making shall not be allowed in this State and that the Legislature shall pass appropriate laws to prevent these offenses.

On the other side stand those who would sacrifice the morals of our youth by extending the area of unnecessary temptation; who would inflict needless suffering upon helpless women and children, dependent upon the cultivation of thrift and industry; and who would imperil the welfare of thousands of our people, simply because of their selfish desire to make money out of gambling privileges. They fatten upon wretchedness, and have the effrontery to demand that the laws of the State shall be adapted to their purposes.

He declared the purposes and procedures of his opponents “a scandal of the first order and a disgrace to the State.”⁹⁰ He and his fellow reformers were hitting their stride.

In a late February speech to City Club members, Hughes responded to his opponents' charge that the larger public issue at stake was not gambling, but the hobby of horse breeding and the sport of horse racing:

I am told that 90 percent of the men who go to the races go because of their love of the fresh air, [laughter;] that they go for a chance to get away from the crowded city, and look upon the green fields; that they are interested in the splendid exhibition of the result of training horses, and that with the purest intent and with the greatest desire to enjoy God's blessings, the air and the sunshine, they patronize the race tracks.

That is the argument formally presented in a document issued on behalf of those who would support, what—the race tracks? No. Nobody has said anything against the race tracks. Horse racing? Why, nobody has said anything against horse racing. Cultivation of horses? Nobody has opposed that. No. The argument of the 90 percent and their enjoyment of the fresh air is produced in favor of race track gambling in opposition to the Constitution.⁹¹

At another stop, again contemplating his opponents' argument that racetrack gambling improves the breed of horses, Hughes said that he was "in favor of improving the breed of men."⁹²

For Hughes, the central ethical issue was honesty—in the sense of abiding by New York's fundamental law rather than flouting it, and in the sense of giving and getting on the basis of fairness. His core objection to organized gambling was that it's an unfair, inherently dishonest activity that dishonors not only the commercial gambling operatives who prey upon the vulnerable and reckless, but also the suckers who place the bets in the hope of getting something for nothing. But while Hughes had only contempt for the commercial gambling operatives who "fatten upon wretchedness," Hughes observed that:

The young man who plays the races in the hopes that he will get a dollar which he has not earned or ten dollars which he has no right to take, that young man has lost the American sentiment; he has lost the most important part of his birthright.⁹³

The 23rd Street YMCA, the city's oldest and most important branch, also joined the reform effort in February:

To the New York Assembly: We, members of the Twenty-third Street Young Men's Christian Association of New York City, earnestly petition your honorable body to pass such a bill as the Governor has recommended to suppress race track gambling, and so make effective the purpose of the State Constitution; and we do also petition for a direct appropriation for agricultural fairs in place of the gate receipt at race tracks.⁹⁴

In Poughkeepsie in early March, invoking what his host called “the indomitable spirit of Roosevelt,” Hughes told the Dutchess County Republican Club:

It all comes to this—that the Government is going to be run according to law, and the fundamental law is the Constitution; and I say that the Republican Party of this State cannot afford to legislate against it for the sake of gamblers.⁹⁵

In Brooklyn several weeks later, Hughes summarized his view of his opponents' argument: “What a farce it is!” He added,

It is not a difficult question. It involves no niceties of argument. It is a plain question of whether the wealth and the power, the cunning and the unscrupulous methods of those who would profit by gambling privileges on the race tracks shall override the Constitution of the State.⁹⁶

On April 8, in an agonizingly close vote, the Hughes-backed racetrack bills suffered a major defeat in the Senate. It seemed possible that the fight was over.

The attacks on Hughes had been intense. He was a prude (the nicknames created for him included “Charles the Evangelist” and “Charles the Baptist”). He wanted to destroy the fine sport of horse racing and the jobs for New Yorkers that horse racing provides. He didn't understand that people like to and will gamble no matter what. He was an executive tyrant, ignoring the prerogatives of the legislature. He was a go-it-aloner who was ruining his own party and did not understand or respect New York's political traditions.

Hughes's opponents were also raising and spending huge sums of money. Some of the money was spent legally and some of it—it may not be surprising to learn that gambling interests would seek to bribe politicians—was not. A legislative investigative committee in 1910 gathered evidence pointing to the existence of what

the *New York Times* called “the \$500,000 corruption fund sent to Albany to defeat the race track bill of Gov. Hughes.”⁹⁷ Sen. Otto Foelker of Brooklyn, who refused the bribes, testified that he’d been approached twice, the second time with an offer of \$45,000. Several other senators were definitely approached, and at least one is almost certainly known to have accepted a bribe of \$10,000.⁹⁸

Hughes’s reaction to the April 8 defeat was to stay the course. In Watertown on April 10, he participated in a parade and told the members of the Watertown Chamber of Commerce that he opposed racetrack betting in part because the money lost “does not come from the gentlemen of wealth, who can spend their money without loss, but clerks, fathers of families dependent on them, are the ones who participate in this.”⁹⁹ Two days later, he told a crowd at the Majestic Theatre in Utica that he was “in the fight to stay and win” and would return to Albany that evening “encouraged by what he has heard on his trip.”¹⁰⁰

As the contest wore on, Hughes focused increasingly on the connection between racetrack gambling and boss politics. On April 15, Republican Party boss William Barnes had this to say about the issue:

*The Governor would upset the old order of things and run the State without the aid of the Party. . . . The methods of Gov. Hughes, if successful, will destroy the Republican Party and bring the Democrats into power. . . . There is no great sentiment for the race-track bills, and the Governor will be unable to arouse any. The fight against Gov. Hughes is on to the finish. He has served notice on the Republican leaders that we are not necessary. That is the issue, and we will fight it out.*¹⁰¹

Hughes, who detested machine politics nearly as much as he detested racetrack betting and for much the same reasons, was more than ready to “fight it out” with Barnes and with Barnes’s alter ego, inveterate pro-gambling Tammany boss Charles F. Murphy.

On April 26, speaking first to a rally in Albany and later to a rally in Troy, Hughes issued what the *Times* the next day called a “Warning to the Bosses”:

In both speeches the Governor plainly declared that unless the [racetrack reform] bills were passed by the Legislature, the question would become an issue in the

next State campaign and hinted that the leaders of the organization would suffer in the test. One of the features of the Albany meeting was the open criticism of William Barnes, Jr., the Albany boss, and Senator William J. Gratton, whose [pro-reform] vote was changed by Barnes at the last moment.¹⁰²

Four days later, although suffering from neuralgia, Hughes was in Schenectady campaigning against a state senator who opposed reform.¹⁰³ On May 4 he addressed a large rally at Carnegie Hall in New York City.¹⁰⁴ On May 8 he traversed Niagara and Orleans Counties, at each stop denouncing bossism and racetrack betting with equal fervor as he sought to sway the outcome of a special election to fill a state Senate seat:

Gov. Hughes made five speeches in as many towns during the day in support of the candidacy of William C. Wallace, the Republican candidate, who has pledged himself to support the proposed race track reforms recommended by the Governor.

Many of those who listened to the Governor's utterances at the various meetings he addressed today came to the conclusion that unless the Anti-Race Track gambling bills are passed, at the extraordinary session of the Legislature called for next Monday, he [Hughes] might become a candidate for re-election next Fall. Many times in the course of his speeches the Governor declared that if the bills were not passed at the special session, the fight would continue, and that he was in it to stay until the victory had been won.

In the last speech of the day, in Lockport, he told the crowd: "I propose to see this fight through! I don't know what the political leaders will say, and I don't care. All I know is that when you are in pursuit of a rascal, you must keep up the chase."¹⁰⁵

On May 12, despite what the *Times* called "the opposition of the Republican bosses," William Wallace defeated his pro-gambling Democratic opponent in the Orleans-Niagara special election by a plurality of 248 votes. Hughes had won a much-needed victory.¹⁰⁶

Also in May, Andrew Carnegie, the steel magnate, high-profile philanthropist, and author of such widely read tracts as "How to Win Fortune" and "Thrift as a Duty," joined the governor's effort, which included sending a contribution to the Albany office of the IRB, to be used by Rev. Miller and his associates "for use in stirring up

sections of the State where it is inexpedient for Gov. Hughes to go.” Mrs. Russell Sage, wife of the famous financier and railroad executive, also sent a check to the IRB in support of the Hughes reform drive.¹⁰⁷

On the afternoon of Sunday, May 24, probably supported by Carnegie’s gift and organized under the leadership of Rev. Miller, eighteen mass meetings opposing racetrack gambling were held in the borough of Brooklyn.¹⁰⁸

On June 2, Hughes addressed two thousand people on the issue in a tent meeting in Rockland County.¹⁰⁹

On June 8, the New York State legislature met in extraordinary session, primarily to consider once again the Hughes-backed racetrack bills. The governor’s message to the lawmakers was blunt: “Race-track gambling exists not because it is hidden or elusive, but as an organized business shielded by legislative discrimination.” The question facing the legislature was whether to keep the shield, producing “the spectacle of the practical nullification of the Constitution,” or remove it.¹¹⁰

Hughes’s proposed bills, introduced in the upper chamber by Sen. George Agnew and in the lower chamber by Assemblyman Merwin Hart, would together repeal the pro-gambling provisions of the old Percy-Gray Racing Law and thereby reinstate the integrity of Article 1 of the Constitution. One provision would make it a misdemeanor for a person to make book (that is, to accept and pay off bets) regarding the racing of horses. A second would repeal the provision in Percy-Gray that exempted racetrack owners and operators from liability regarding racetrack gambling so long as signs were posted at the tracks—often precisely where bookies were busily making book—stating that gambling is prohibited. And a third would repeal the provision in Percy-Gray that specifically exempted horse racing tracks from the provisions of New York Penal Code pertaining to gambling.

The vote took place on June 11. It was very close. Hughes won. The integrity of Article 1 of the Constitution was restored and commercial racetrack betting was no longer openly sponsored by the New York State legislature.

As a result of the 1908 campaign, many New York racetracks that were essentially gambling operations shut down, and the withdrawal of formal political sponsorship meant that business for many New York bookies either ended or diminished

considerably. A number of other states, including California, Louisiana, and Florida, also put an end to state-sanctioned racetrack gambling during this period.

But victory is fleeting. After 1908, New York's gambling operatives and their sponsors regrouped—such people never disappear—and in 1939 they led a successful campaign to amend Article 1 of the Constitution to permit horse race betting in New York. So what they could no longer achieve after 1908 by flouting the Constitution, they achieved in 1939 by changing it.

Perhaps what happened in New York in 1908 is simply a piece of history.

Or is it? The important parallels between 1908 and today are remarkable. Let us consider several of them.

The most obvious parallel is that in both cases influential New York political leaders want to tinker with the Constitution to make money from gambling. As a description of the aims of New York gambling interests and their political partners in 2013, the words of Charles Hughes in 1908 apply perfectly: “They fatten upon wretchedness, and have the effrontery to demand that the laws of the State shall be adapted to their purposes.”¹¹¹

Another parallel is that the question confronting New York in 1908—*Shall the state partner with gambling interests to improve New York and bring revenue to the state?*—is the question confronting us today.

A third parallel is that in both cases the people who want to manipulate the Constitution emphasize—as Governor Cuomo constantly points out—“New York is already in the business of gambling.”¹¹² That's exactly what the gambling operatives and political bosses told Governor Hughes in 1908. It's hard to imagine a cruder moral argument—that a thing's existence is the ethical justification for more of it.

A fourth parallel is that in both cases gambling proponents justify the activity on the grounds that it provides revenue for worthy public purposes, such as horse breeding, county fairs, the salaries of public servants, property tax relief, and services to the needy.

A fifth parallel is that in both cases, courtesy of gambling's proponents, we find ourselves entering a world of epistemic phoniness in which words of genuine importance are rendered meaningless. *Example A:* In 1908, the gambler-politician alliance repeatedly insisted that the largest goal was not to protect gambling, but to protect the wonderful sport of horse racing. As if Hughes, as if anyone, wanted to put an end to horse racing in New York! *Example B:* In 2013, the gambler-politician alliance insists that its largest goal is not to advance gambling, but to advance the wonderful world of destination resorts and entertainment. As if the Constitution, as if anyone, is trying to prevent Governor Cuomo or anyone else from building convention centers and entertainment venues anywhere in the state!

Meanwhile, back in the real world, where words have consequences, the argument in 2013, just as it was in 1908, is whether government sponsorship of a specific form of financial exchange in which players bet against the house in a rigged game of chance is good public policy.

A sixth parallel involves the question of political greatness. Theodore Roosevelt is one of New York's and the nation's most admired leaders. He detested political support of gambling, just as he detested boss politics, and he fought both throughout his career—including through his strong support of Hughes.

Most historians also agree that Charles Evans Hughes was among the most important political leaders of his generation. He was a Progressive governor of New York. He was a U.S. secretary of state. He was a chief justice of the United States Supreme Court. Justice Felix Frankfurter described Hughes as “among the very few really sizable figures of my lifetime.”¹¹³ On April 8, 1908, watching the racetrack bills backed by Hughes suffer a major defeat in the state senate—much to the delight of the political bosses—Sen. William Armstrong of Rochester told his colleagues: “The name of Governor Hughes will be remembered as a synonym for honesty long after the name of every man occupying a seat in this chamber has been forgotten.”¹¹⁴ And time has proven Armstrong right.

When we look back at that controversy from our past, who do we admire? Who acted with honor and integrity? Who stood up for progressive government and humane values? Who are we proud of?

Gambling as Dishonesty

Have you noticed by now that when Fiorello La Guardia, Theodore Roosevelt, and Charles Evans Hughes talked about gambling, they seem to mean something much bigger than what Governor Cuomo today refers to as gaming or gambling? That on the basis of their respective ways of describing gambling—the financial transactions that yesterday made Mayor La Guardia want to smash slot machines and today makes Governor Cuomo want to sponsor them—they seem to be talking about different types of transactions?

This discrepancy merits a moment of reflection. After all, the activities themselves, the transactions taking place, are almost identical. Dice are dice. A bet is a bet. Apart from computerization and speed of play, a slot machine in a casino in 2013 is the same basic device as a slot machine in a candy store or saloon in 1908. And the question facing New York political leaders today—to partner with commercial gamblers, or not?—is the same question that New York politicians have faced since De Witt Clinton's day.

Does the discrepancy hinge on issues of legality? Not really. For La Guardia and Hughes, gambling is surely wrong because it is illegal, but even more fundamentally, gambling is illegal because it is wrong. And as we've seen, La Guardia and Hughes also had contempt for financial speculators and other professional gamblers legally plying their trade—just as they do now—on Wall Street.

Does it hinge on the issue of overt crookedness? Not really. Even after reckoning with the reality that many races are fixed, that many bookies steal, and that many roulette wheels are rigged, we *still* haven't touched upon the fundamental trait that so offended La Guardia and Hughes, even when—and in some ways especially when—the horses race fairly and the bookie is on the square.

What is that trait? To discover it, listen to Mario Cuomo, who grew up in Queens, New York City, in the 1930s and 1940s. Cuomo's parents were immigrants from southern Italy. Neither could speak English. His father dug ditches and then, during the middle of the Great Depression, took over an essentially abandoned neighborhood grocery store. Cuomo recalls:

Together, my parents nearly worked themselves to death. My father remained illiterate, and my mother had difficulty counting, but with a little help—and a lot of heart—they got by. At the end of every month, my father put away a few dollars, in each of his three savings accounts: “Andrea Cuomo in trust for Franc Cuomo, for Maria Cuomo, for Mario Cuomo”—dollars saved in little bank books to buy a college education or a business for his boys and a sit-down wedding for his daughter.¹¹⁵

In 1992, a reporter asked Cuomo about his early “impressions” of betting on horse races. His answer:

My impressions of racing were the same as anybody who was raised in a neighborhood like mine—very poor. My father owned a grocery store in Queens and he gave credit to people, and he resented it when people didn’t pay him, but they did go to the bookmaker and pay him. The best-dressed guy in the neighborhood was the bookmaker.¹¹⁶

There it is. Cuomo’s parents worked long hours at honest jobs that provided service to the community. When a customer fell behind and couldn’t pay, Cuomo’s father extended credit. But the bookmaker, who provided nothing of value to the community and who got his money entirely from the suffering and loss of others, was “the best-dressed guy in the neighborhood.”

Doesn’t this image explain, as well as any explanation could, why Mario Cuomo from an early age had a “very poor” impression of betting on horse races?

It wasn’t mainly because the activity was illegal. Or that it was stupid. Or sinful. It may have been all those things, but none of those reasons is the main reason why Cuomo disdains it. *The main reason is because it’s dishonest.* That bookie in Queens many decades ago was taking advantage of other people, and because the world is sometimes unfair, he was the best-dressed guy in the neighborhood.

At the very core of organized gambling is the quality of unfairness.

De Witt Clinton Had a Canal to Build

Building the Erie Canal was, arguably, the seminal idea for the economic development of New York State in the nineteenth century, and the individual most responsible for that idea—from inspiration around 1807 to completion in 1825—was De Witt Clinton, New York’s sixth and eighth governor.

In 1810, De Witt Clinton was forty-one years old and a member of the New York State Senate. He was from a famous political family. He had previously served as mayor of New York City, as a member of the State Assembly, and as a U.S. Senator from New York. The notion of a canal across New York connecting Lake Erie to the Hudson River appears to have been broached in 1800 by the statesman and traveler Gouverneur Morris, but the idea took firmer shape in 1807 and 1808, when the Geneva merchant Jesse Hawley (using the pseudonym “Hercules”) wrote a series of essays in the Genesee *Messenger* proposing the project. In 1810, Clinton was a leader in the legislature’s decision to create a seven-member commission to investigate the possibility of building a canal, and he was appointed a commission member.¹¹⁷

One of the first things Clinton did was get some dirt on his shoes. With other commissioners, he traveled the state in the summer of 1810, seeing for himself the land and the communities through which the canal would likely travel. His journal of these travels is a pleasure to read.¹¹⁸ In 1820, now as governor, he did the same thing, observing New York’s land and life in detail, in conversation with himself and others about what he called “this wonderful canal and wonderful country.”¹¹⁹ Here are several excerpts from these letters, which Clinton published under the name “Hibernicus”:

On this road there are numerous villages and settlements, fine houses, churches, academies, and other public edifices, which instead of being affected by the establishments of new ones on the canal, will derive additional aliment and support.

Internal trade is the great substratum of riches. It excites all kinds of industry, sharpens the faculties, and multiplies the exertions of man; and inland navigation is the lever of Archimedes, which will set in motion this world of occupation and exertions.

When a stranger alights at a tavern, he frequently witnesses a rapid collection of idlers in the bar room, who congregate together like birds of passage in autumn, to gather news, to kill time, and to drink whiskey. I have not been able to restrain my indignation at such an inexcusable waste of time. Whenever I see it I augur ill of the morals of the place, and when I do not observe it I mentally exclaim:—"This village is devoted to industry and temperance"—and I frequently am induced to spend some time in it.¹²⁰

In 1811, following the commission's first report, the legislature passed a law to extend the commission's life and commence the undertaking, but by 1815, the project appeared to be on the verge of collapse. The war with Britain was causing great financial strain. The commission's appeals for federal aid had failed. Many leaders in New York argued that the project was quixotic and too expensive.

A turning point occurred in early 1816, when Clinton wrote a public appeal for the canal, got more than seventeen hundred prominent New Yorkers to sign it, printed copies for distribution at public meetings across the state, and took it to Albany to give to the legislature, ultimately with over 100,000 signatories. In the appeal—called the "New York Memorial"—Clinton argued that an interior canal from Lake Erie to near the New York harbor would extend three hundred miles "through the most fertile country in the universe" and would likely "convey more riches on its waters than any other canal in the world." The canal was the key to a broad and shared prosperity. With bravura Clinton called upon New Yorkers to create "a new era in human history, to erect a work more stupendous, more magnificent, and more beneficial than has hitherto been achieved by the human race."¹²¹

The impact was electric. An early biographer of Clinton wrote: "There have, in the course of American history, been few instances in which a single able state paper, appealing to the patriotism and good sense of the people in opposition to the cry of party or the force of prejudice, has changed the whole course of public sentiment."¹²²

The moment was also a personal turning point for Clinton. As another historian put it, Clinton had now "staked his entire fortune as a statesman" on the issue.¹²³ He was all in, venturing everything—his political future, his reputation, his hopes for New York—on the success of the canal.

In April 1817, the legislature passed the famous Canal Act, authorizing construction. In July, in a special election held only weeks after the act's passage, De Witt Clinton was elected the sixth governor of New York. As a leader of the canal commission, as the state's most ardent and eloquent proponent of the canal, and as governor Clinton was now—more than any other New Yorker—officially responsible for the canal's fate. He got it done.

The Erie Canal took eight years to build, and was one of the great engineering feats of its time. To finance the project, New York floated a series of loans—most bore 6 percent interest and were redeemable in 1837—and in this way many New Yorkers became investors in the canal.¹²⁴ Among these investors were the thousands of New Yorkers of modest means with accounts in New York City's Bank for Savings, the recently established mutual savings bank called by its founders a "Bank for the Poor," and among whose founding directors was De Witt Clinton.¹²⁵ By the early 1820s the Bank for Savings held about 30 percent of outstanding canal stock.¹²⁶ In this way many acts of small thrift helped to accomplish one act of great thrift.

Some people called it the "Grand Canal" or the "Western Canal." Some who didn't like it called it the "Big Ditch" or "Clinton's Ditch." At any one time during the early 1820s about nine thousand men worked on the project.

The canal was completed in the summer of 1825. On October 26, Clinton and other New York leaders boarded the "Seneca Chief" in Buffalo with great ceremony and began a nine-day voyage across the state to inaugurate the Erie Canal. At nearly every significant port along the way, they were met with large crowds, complete with bonfires, cannon salutes, orations by local leaders, and much cheering. A contemporary described it as "a great state jubilee."¹²⁷ At stop after stop, Clinton praised the canal as an agent of "social prosperity" that would "be recognized as such by all future times."¹²⁸

On November 4 in a great ceremony in the New York harbor, Clinton famously poured buckets of water from Lake Erie into the waters of the Atlantic, symbolizing the "wedding of waters" that the canal had achieved. At a ceremony one hundred years later, in 1925, New York State Engineer and Surveyor Roy G. Finch told those assembled that the Erie Canal "more than any other single agency was responsible for the unprecedented development and prosperity that came not alone to New



"The Marriage of the Waters,"
1905, DeWitt Clinton High School (NYC)

gnios, and gambling houses, when he has a lovely wife, promising children, and every comfort at home.¹³⁰

For Clinton it was that simple. New York embodied the promise of social prosperity anchored in the values of work and initiative, and gambling houses were opposed to that promise. For New York to embrace them would be as absurd as abandoning one's home.

Consider an example of his thinking on the topic. In spring 1827, De Witt Clinton was fifty-eight years old. Serving his fourth term as governor of New York in Albany, he was nearing the end of his political career and his life. The question confronting him was the lottery.

As we have seen, over the course of New York history the formulation of the question regularly changes. For La Guardia, it took the form of slot machines. For Hughes, it was racetrack betting. And for Clinton, it was the lottery. But these three issues are more alike than different. In each case, the essential question is the same: *Should government sponsor gambling?* And it's the same question facing Governor Cuomo and every New Yorker today.

York State but to the states beyond its western border and even to the whole country in the first half of the 19th century."¹²⁹ He was right.

De Witt Clinton hated gambling. Is it hard to see why?

In 1820, in a letter praising New York's natural resources, Clinton wonders why New York businesses would look to Europe for materials:

Why should they seek for the materials of manufactures in foreign countries? It is as absurd for a man to look for happiness in taverns, ba-

Private lotteries (later known, as discussed above, by such names as “numbers” or “policy”) have always existed in New York, though they were formally outlawed by the 1780s. Until 1834, public lotteries were significant tools of New York public finance, used to raise money for a wide range of public institutions and purposes, including fortifications; building the Great Genesee road in Herkimer and Ontario counties; improving navigation on the Hudson River near Albany; starting “literary academies” in the state; building a bridge and improving the port at Sag Harbor; erecting a light house at Sandy Hook; erecting buildings and establishing societies to help the poor; supporting the College of Physicians and Surgeons, King’s College (later Columbia University), Hamilton College, and Union College; repairing New York’s City Hall; establishing the Historical Society; and building the State Capitol in Albany.¹³¹

By the late 1810s, these lotteries were widely discredited. Large and growing numbers of New Yorkers viewed them as fleecing operations aimed at the poor and unwary. As the early historian of New York lotteries Robert Earl put it in 1899: “Lotteries tempt the poor rather than the rich, and therefore moneys which were raised by lotteries for all kinds of purposes came out of those who were least able to bear the loss.” Regarding the lottery supporting houses for the poor and indigent, Earl states the central irony: “Thus a form of gambling which made paupers was authorized for their relief.”¹³²

In 1819, a Select Committee on Lotteries established by the New York legislature issued its report. It was scathing. Lotteries, the committee argued, are “indefensible upon principle.” Why? Because lotteries “make government dependent for its support, not on the intelligence, but on the vices of the people.” The committee concluded “that the raising of money by means of public lotteries is inefficacious, insecure, impolitic and unjust; that it is repugnant to the industrious habits and moral sentiments of the people; that it is destructive to their principles, their prosperity and their happiness, and equally injurious to the interests and reputation of the state”¹³³

During the state’s constitutional convention of 1821, held in Albany, delegates debated the issue with vigor. Ogden Edwards from New York County argued that the lottery is “the very worst mode which could be resorted to for the purpose of raising a revenue,” noting that “benevolent societies consider it a fruitful source

of pauperism.”¹³⁴ John Duer from Orange County, who later served as chief justice of the New York State Supreme Court, stated that it was “an admitted truth in political economy” that “the plan of raising revenues from lotteries ought not be adopted by a wise and moral government.”¹³⁵ William Dodge from Montgomery County said:

*We are told that other states have not embraced this principle (of rejecting lotteries) in their constitutions, and that the general government has authorized a lottery. This is no answer. We are now solemnly called upon in this Convention, representing this great and powerful state, to set an example to our sister states.*¹³⁶

As a result, the Constitution of 1821, New York’s second—adopted during Clinton’s tenure as governor—prohibited new lotteries while allowing those already established to continue. Article 7, section 11 reads:

No lottery shall hereafter be authorized in this state; and the legislature shall pass laws to prevent the sale of all lottery tickets within this state, except in lotteries already provided by law.

Do those words seem clear enough to you? As is often the case in New York history, concerning government sponsorship of gambling, even when the people through the fundamental law say *no*, the politicians search high and low (mostly low) for ways to say *yes*. In this case, the legislature simply authorized two more lotteries—to build a fever hospital in New York City and to permit the city of Albany to dispose of public land—notwithstanding the constitutional ban.¹³⁷ In addition, the legislature’s role in regulating lotteries established prior to 1821 gave that body considerable leeway either to prolong or contract the duration of these activities. The New York legislature in the 1820s seemed at times to favor prolonging, and throughout the decade following the constitutional ban, lotteries in New York continued to thrive.

Which brings us to April 1827, when the legislature passed “An Act to Regulate the Sale of Lottery Tickets.” Governor Clinton disapproved, and in his message to the legislature returning the bill, explained why. Lotteries are “dubious in the eyes of morality, and certain in the most pernicious results.” In particular, the “spirit of gambling and adventure, produced by the insurance of tickets during the long drawings”—in the 1820s “insuring” tickets consisted of ways to sell extremely low-priced

ticket shares to persons of modest means—“was attended by widespread ruin in the community.” For these reasons Clinton as governor had “an anxious desire to shorten the duration of the authorized lotteries,” and he believed, and expressed his confidence that the legislature agreed with him, that the goal of public policy regarding lotteries was to “arrest the progress of existing evils.” For complex and somewhat technical reasons not germane to this discussion, Clinton believed that the act would not achieve this goal, but instead cause lotteries in New York to be “injudiciously prolonged.” So he vetoed the bill.¹³⁸

By 1834, all public lotteries in New York had come to an end. In January 1835, former mayor of New York Philip Hone wrote in his diary that if the new laws were enforced New York would finally be “relieved from the most ruinous and disgraceful system of gambling to which our citizens have been exposed.”¹³⁹

The reforming spirit that sought to end state-sponsored gambling was not confined to New York. Britain banned lotteries in 1826.¹⁴⁰ Many other American states also put an end to this means of public finance during this period, and by the beginning of the Civil War, almost no legal lotteries existed in the United States. Public lotteries did not return to New York until 1967.

De Witt Clinton had a big idea. To build social prosperity, he wanted to connect Lake Erie to the Atlantic. It was a new idea, one that many people mocked and rejected, and for more than a decade Clinton took great personal and political risks to pursue it.

Today Governor Cuomo says that sponsoring casinos is a big idea. He also says that it’s a new idea. Referring to his gambling proposal, he recently said:

*If you want tomorrow to be different from yesterday then do something different. This is a big idea that we believe could bring economic energy to upstate New York that it desperately needs.*¹⁴¹

No, Governor Cuomo, this is not a big idea. It’s a small idea, which is to say it’s entirely unimaginative. Nor is it something different. Many states have already done this. I grew up in Mississippi, which began sponsoring casinos in 1990, more than two decades ago. And every time a new casino was built—in Greenville, for example, a vulnerable town in the heart of the Mississippi Delta, one of

the poorest regions in the nation—it was called a “resort” as its promoters spoke fluidly of “overnight destination gaming markets.”¹⁴² Today Mississippi ranks fifth in the nation—higher than any state outside of the Far West—in slot machines per capita.¹⁴³ Doing the same thing in New York, and describing it in exactly the same way, is certainly not a new idea.

Let’s dig a bit deeper and focus on meaning. How does sponsoring a canal in New York in the 1820s compare with sponsoring casinos in New York in the 2010s? Here are eight points of contrast.

1. Sponsoring a canal is about creating wealth. Because a canal actually does something—transport goods and people—it contributes to economic and social prosperity.

Sponsoring a casino is about redistributing wealth (the principle economic function of casino gambling is taking money from some people and giving it to others). Because a casino doesn’t produce anything—it simply sells hopes for cash—it contributes little if anything to economic and social prosperity.

2. A canal makes what surrounds it stronger. If there’s a business nearby, the canal helps that business to grow. If there’s a village nearby, the canal helps that village to prosper.

A casino makes what surrounds it weaker. The purpose of a casino is to draw people and money from the nearby community into the casino. The story of modern American casinos includes the weakening and often the replacement of restaurants, shops, theaters, and other institutions of civil society near the casino.

3. A canal embodies the values of industry, exertion, and thrift. It engages the sphere of productivity.

A casino embodies the values of idleness, passivity, and waste. It abandons the sphere of productivity.

4. Sponsoring a canal is initially costly, but produces large and growing benefits over time. Building a canal is about sacrificing today for future prosperity.

A casino's benefits to society—such as construction jobs and a proportion of state revenue—typically are largest at first and grow steadily smaller over time. For the community, sponsoring casinos is about taking the upside now and paying for the downside later—a financial version of strip mining.

5. Sponsoring a canal contributes to the prosperity of surrounding states. Economic historians report that all of New York's neighbors, and in some respects the entire nation, have benefited from the Erie Canal.

One reason for sponsoring casinos is to drain wealth from surrounding states. If, as actually occurred, nine newly-built casinos are clustered in the tiny county of Tunica, Mississippi, a major goal is to entice gamblers from nearby Memphis, Tennessee, and Arkansas—which results in more money for state agencies and the owners of casinos in Mississippi, and less money for residents of Tennessee and Arkansas. Part of the story of modern American casinos involves state governments usurping money from one another's citizens without providing anything in return.

6. Building the Erie Canal meant New York borrowed money from people of modest means and paid them back with 6 percent interest.

Sponsoring casinos means the state takes money from people of modest means and never pays them back.

7. Sponsoring a canal made New York a leader. Behold a seminal idea.

Sponsoring casinos will make New York a follower. Behold standing in a long line headed by the state of Mississippi.

8. Building the Erie Canal called for public ceremony; its opening was marked by one of the greatest statewide public celebrations of the nineteenth century.

Building a casino calls for avoiding public ceremony. Political leaders typically do not want to give a speech, cut a ribbon, or pose for photographs at the opening of casino. They understand that there is something unseemly about it, and even if they want the casinos to exist in order for the state to get the

money, politicians don't want to frequent, much less become a symbol of or a spokesperson for, casinos and their values.

In 1825, the year the canal opened, a group of New York City merchants presented Clinton with a ceremonial vase inscribed: "To the honorable De Witt Clinton, who has developed the resources of the state of New-York, and ennobled her character."¹⁴⁴

Will a string of new casinos in New York develop our resources? Will it ennoble our character?

Most historians agree that De Witt Clinton was the greatest New York political leader of his generation. The twenty-six cities and counties across America named after Clinton—in addition to the many schools, streets, and parks—testify to this fact.

Do you think anyone will name a school or park after the New York governor who populated our state with dressed-up slot parlors?

4. Gamble-Speak

Let's confront a sad fact about the nature of this debate. The everyday words needed to participate in any serious conversation about casino gambling—casino, gambling, entertainment, business, resort—have by now been so misappropriated and manipulated by those with money at stake in the matter that these terms have nearly lost all meaning. Only a little digging reveals that most discussions of casino gambling today overflow with malapropisms, misleading labels, and intentional obfuscation.

What can be done? First, we can recognize that the spread of gamble-speak is a genuine and serious problem. Second, we can begin to remedy the problem. In that spirit, let's briefly consider and answer some core questions, starting with the most basic.

What Is Gambling?

Gambling is a specific type of financial exchange.

Probably the simplest and best definition of gambling is this: If the outcome of the financial exchange depends mainly on chance, it's gambling; if the outcome depends mainly on skill, it's not gambling.

The New York State Constitution states: "A person engages in gambling when he stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his control or influence, upon an agreement or understanding that he will receive something of value in the event of a certain outcome."

There are four main types of gambling:

- *Gaming*—playing for money in a game of chance.
- *Betting*—staking money on a future event whose outcome is uncertain.
- *Lottery*—the distribution of prizes by chance or by lot.

- *Gambling speculation*—financial speculation that does not contribute to the actual development of commerce or industry. (The opposite of gambling speculation is productive speculation.)

All forms of gambling share at least four essential traits:

- The outcome of the exchange depends primarily on chance.
- The exchange of money takes place without an equivalent exchange of value.
- A gain by a winner requires an equivalent loss from a loser.
- The risks involved are artificial, existing solely to define and facilitate the exchange.¹⁴⁵

The history of the word “gambling” is quite instructive. The terms “gambling” and “gambler” appear to be etymologically related to and may have derived from the terms “gaming” and “gamester.” Historically, all four words have served as terms of reproach. The *Oxford English Dictionary*, for example, indicates that a “gambler” was a “fraudulent gamester” or “sharper”—someone who cheats—and that “gambling” meant cheating, or playing unfairly, in games involving a financial exchange.

In his famous *Dictionary* of 1755, Samuel Johnson defines a “gamester” as “a knave whose practice it is to invite the unwary to game and cheat them” and defines the phrase “to game” as “to play wantonly and extravagantly for money.”¹⁴⁶ The *Encyclopedia Britannica* and the *Oxford English Dictionary* both explicitly state that the terms “gambling” and “gambler” have historically been—and in part remain—“terms of reproach.” The *Oxford English Dictionary* posits the contemporary definition of “to gamble” as either “to play games of chance for money” or “to stake money (especially an extravagant amount) on some fortuitous event.”¹⁴⁷

What is the relevance of this history? First, the core of the concept and history of “gambling” and “gamester” involves cheating or treating another person (especially a vulnerable person) unfairly to gain possession of that person’s money.

This notion of gambling as cheating, or as what a church commission once called “theft by indirection,” has long infused American law and culture. Entirely typical is the Oklahoma penal code of 1919, which specified various types of “vagrants,” including beggars, drunkards, anyone involved in what the law delicately called a “house of ill fame,” and “any professional gambler, or gamblers commonly known as tin horn gamblers, card players or card sharps.”¹⁴⁸ In Walter Tevis’s wonderful 1959 novel about the world of big-time pool players, “gambler” is another term for “hustler,” which means a skilled player who uses deception to take money from the unwary.¹⁴⁹

Notwithstanding the efforts of today’s “gaming executives” to convince us of the benign quality of casino “entertainment” and the pleasures of “destination gaming locations,” the notion of *unfairness* that permeates these words lingers.

Well into the twentieth century, “gambler” and “cheat” often went hand in hand, and the terms “bandit” and “sucker” have been publicly linked to slot machines ever since their invention in New York and California in the 1880s. A 1950 *Life* essay calls the mid-century slot machine “the biggest sucker trap in gambling” and a 2004 *New York Times Magazine* essay calls the modern slot machine a “pulse-quickenning bandit.”¹⁵⁰ These traits—inextricably linked with the quality of *unfairness*—help explain why we made slot machines illegal in the first place.

Who Gambles?

We’re not quite finished with this deeply ironic word, “gambler.” As discussed, historically a professional “gambler” is someone who gets money from victimizing the vulnerable at games of chance. That’s a gambler’s profession. A “gambling house” does exactly the same thing, only on a larger, more organized scale.

Consider this irony. Despite the constant use of the word “gambling” to describe such people and institutions, “gambling” is exactly what these people and institutions *never* do. The entire gambling profession and everything in the gambling house’s business model center on the rejection of gambling with as much fastidiousness as a Sunday School superintendent and all the determination of a temperance crusader.

Think about it. The notorious criminal Arnold Rothstein was often described in the press as a “gambler,” but he never actually gambled. When he fixed baseball’s 1919 World Series in order to bet against the White Sox, he was betting on a sure thing, since he had bribed the White Sox to lose. One of the most famous books about crookedness in gambling is Michael MacDougall’s 1939 *Gamblers Never Gamble*.

So it is with “gambling houses.” Gambling houses *never* gamble. To gamble, Mario Puzo writes in his 1977 *Inside Las Vegas*, is to risk—and gambling houses in America take in billions each year precisely because they do *not* take risks. Puzo, who also wrote *The Godfather*, dearly loves Las Vegas. He gambled there often and with great pleasure for many years. At the same time, a real-world bottom line exists. Puzo calls it the “ruin factor”:

*Gambling is foolish because you cannot win. The casino or house has that 2 percent to 14 percent edge on the player in every kind of gambling. A gambler is a loser.*¹⁵¹

As Gamblers Anonymous, the self-help organization for gambling addicts, states: “Show me a winner, and I’ll show you a liar.”¹⁵²

In 2004 in Reno, Nevada, *New York Times* reporter Gary Rivlin asked a prominent slot machine designer at International Game Technology if he ever put any of his own money into the machines he designed: The man “acted as if I had insulted him. ‘Slots are for losers,’ he spat.”¹⁵³

The designer is right, and he should know. After all, the primary goal of slot machine designers is to take a simple computer—putting money in a slot machine means betting against a computer preprogrammed to cause you to lose—and imbue it with enough lights, animation, interactive videos, noisemakers, spinning colors, “cherry dribbles” (small payouts), “near misses” (false suggestions that you “nearly won” your last spin), and prerecorded dialogue of classic TV stars such as Max Baer Jr., who played “Jethro” on *The Beverly Hillbillies*, to extend as far as possible what slot designers call “time on device.” This metric matters intensely, because the more “time” the player spends “on device,” the more money the casino makes and the more money the player loses. And let’s be clear: There are no exceptions to this rule. Whether the “game” in question is being “played” by

a math genius from MIT or a casually curious chimpanzee, the results do not and cannot vary. For the steady slot player, it cannot be a question of winning or losing. The only question—one designers care deeply about as well—is how fast you lose.

This incontrovertible and sad fact explains why “professionals” in the “gaming” industry almost never themselves . . . “game.” Of what other profession can this be said? Movie moguls watch movies. Auto executives drive cars. Tobacco company executives typically take pride in pointing out that they are smokers. But the people who run organized gambling never seem to spin a wheel, throw dice, or slip some of their own money into a slot machine. Why would they? *Gambling is for losers.*

Everyone in the gambling industry knows this. David G. Schwartz’s 2003 *Suburban Xanadu*, reflects at length on the value and wholesomeness of casino gambling. Dr. Schwartz’s Center for Gaming Research in Las Vegas is funded by gambling corporations and *Suburban Xanadu* is enthusiastically endorsed by Steve Wynn, the billionaire casino magnate, who writes that the book “does a great job of explaining why Americans like casino resorts so much.”¹⁵⁴ Schwartz begins his book with this sentence: “A great number of Americans gamble although some, like me, don’t.”¹⁵⁵ What a surprise. And by the way, Steve Wynn, one of life’s winners, doesn’t gamble either. He said in an interview that almost invariably “the only way to win in a casino is to own one.”¹⁵⁶

If professional gamblers and corporate gambling houses don’t gamble, who does? And *why* do these people gamble?

About one-third of Americans do not gamble. About 50 to 60 percent of Americans fit into the category of people who gamble infrequently and casually.¹⁵⁷ Perhaps they put some money in a slot machine two or three times a year. Or buy a few lottery tickets. Maybe they visit a casino occasionally, when it’s convenient or they have some time to kill, just for the experience. Or maybe it’s an instance where old college buddies take an annual three-day Las Vegas get-away, and by mutual agreement each brings \$300, or \$100 per day, to gamble.

Although they are a majority of the population, and have great PR value as examples of the harmless, All-American nature of casino gambling, these infrequent

gamblers are not the casinos' main interest. Study after study shows that gambling operations take most of their profits from a relatively small base of frequent, problem, and pathological gamblers.¹⁵⁸ *Frequent*: I gamble regularly. *Problem*: My gambling causes problems in my life. *Pathological*: I am a gambling addict, or what is sometimes called a *compulsive* gambler.

This group constitutes about 10 to 15 percent of the U.S. adult population. For casinos, this is where the gold is. The casinos *need* these people, could not survive without them, and therefore do everything in their power—comp hotel rooms, provide free food, liquor, and VIP transportation, etc.—to attract them, monitor and encourage their spending, and create the conditions most likely to produce more and more of them. For this reason, these steady gamblers are our main concern. Why do *they* gamble? Let's briefly review the most likely answers.

Many wits have declared that gambling is a “tax on ignorance,” and so before moving on to higher ground, let's admit that there are probably more than a few uninformed and superstitious people out there, and that some of them ignorantly gamble away all or much of their money. When a slot machine is designed to convey the idea that a certain spin “nearly won,” there are those who apparently believe it. Some people buy purple lottery tickets because purple is their “lucky color.” Others will sincerely say that a particular slot machine is “loose” or “hot.” Some people seem to have a hard time understanding probabilities.

At the same time, attend a meeting of Gamblers Anonymous and you will meet plenty of highly intelligent people. Mario Puzo was a heavy gambler—what he and many gamblers call a “degenerate” gambler—for many years. Fyodor Dostoevsky, widely acknowledged as one of the world's greatest writers, was an obsessive gambler. And for years William Bennett, author of the best-selling *Book of Virtues* and a former U.S. Secretary of Education, regularly visited Las Vegas to sit alone for hours in front of slot machines, betting and losing very large sums of money. These men obviously have flaws, as we all do, but in these and many similar cases, ignorance is not among them.

So why do intelligent people gamble heavily? For starters, modern brain science suggests that some of us are genetically vulnerable to gambling. Such individuals are biologically hardwired to experience the “high” and the “action” of gambling more intensely than do most other people. To speak simplistically, this area of

research—which is also related to the biochemistry of drug addiction—suggests that, if winning a jackpot in a casino lights up the pleasure-pain circuitry in most people’s brains to a level of 3 or 4, some smaller number of persons, when they win the same jackpot under the same social conditions, will light up to levels of 10 or 12, thus producing far more intense sensations of pleasure, excitement, and release.

Of course, genetic inheritance is the beginning of the inquiry, never the conclusion. No heavy gambler can say “my genes made me do it,” since choice exists among humans, and since our biological substrates interact with family, social, and other environmental influences (including those environmental factors called casinos!) in delicate and complex ways, like dancers dancing together. But if genes alone don’t create the gambler, they probably do in some people create a greater susceptibility to gambling and a more intense biologically-based attraction to gambling’s attractions.

Does gambling reflect the need to dream? An attempt to harness hope? Sometimes it does. Especially for people who are vulnerable—worried about money, afraid of old age, stressed out over the loss of a home or a job or a loved one—gambling can be an attempt to feel that something better is possible. Casino manager Sam Rothstein says in *Casino* that his job is “like selling people dreams for cash.” Which is the occupation of all who peddle snake oil to people looking for a cure. Ads for the New Jersey lottery say that gambling is how you can “Give Your Dreams a Chance.” Ads for the California lottery say, “Believe in Something Bigger.” Charles T. Clotfelter and Philip J. Cook titled their book on state lotteries *Selling Hope*, and it does appear that too many people are badly enough in need of hope to imagine, perhaps pray, that buying lottery tickets or putting their money into slot machines is a way to get it.

Is heavy gambling a strategy for self-punishment? Sometimes it seems to be. In a paper on Dostoevsky, Freud famously theorized that the compulsion to gamble, including the gambler’s endlessly repeating pattern of hoping to stop and then doing it again, is a sublimation of the compulsion to masturbate. What ultimately drives the gambling are deep feelings of guilt, and guilt demands punishment. Freud bluntly concludes that, for Dostoevsky, gambling was “another method of self-punishment.”¹⁵⁹

The psychoanalyst Edmund Bergler reached a similar conclusion. Bergler's clinical work convinced him that compulsive gamblers often gamble not from a desire to win, but from a buried and masochistic desire to lose. What they do reminds Bergler of a line from Goethe's *Faust*: "You think to impel, but are yourself impelled."¹⁶⁰

This thesis obviously doesn't explain everything, but it strikes me as important and suggestive. After all, there must be *some* reason why perfectly intelligent people play games they can't possibly win until they lose everything. In the powerful 2003 movie, *Owning Mahowny*, a casino operative is discussing the psychology of an obsessive gambler: "You know why he wants to win? So he has enough money to keep losing."¹⁶¹

Does gambling express vanity? Sometimes it does. The Belgian writer Maurice Maeterlinck, who won the Nobel Prize for Literature in 1911, tells us that there is

*a great deal of puerile vanity about the gambler. . . . He thinks himself peerless in the face of destiny. In his self-infatuation he expects the unknown or the unknowable to do for him what it does not do for any one whomsoever. And he expects this for no reason, simply because he is himself and because others have not that privilege.*¹⁶²

Does gambling express aggression? Sometimes it does. In Norman Jewison's 1965 film, *The Cincinnati Kid*, the gambler Lancey Howard says: "To the true gambler, money is never an end in itself, but a tool, as language is to thought." The insight seems important. But—a tool for what? For Lancey Howard, whose game was stud poker, the "what" appears to be defeating his opponents, showing that he's the best. He's like the pool player Eddie Felson in Robert Rossen's classic 1961 movie *The Hustler*, for whom high-stakes pool was a test of body and mind, a way to prove his manhood, to humiliate his challengers. The money these men bet was a means, a tool, and winning the bet proved that they were the best.¹⁶³

But Howard and Felson were betting against other individuals in games that require skill rather than simply giving their money to the house in games of pure chance that have been mathematically rigged against them. The former behavior is aggressive and contains elements of (perhaps misguided) heroism. The latter

behavior is largely passive and seems strongly marked by the need to escape, the opposite of heroism.

Can we reach any broad conclusions about the inner lives of heavy gamblers? To the degree that we can, it seems fair to say that they are vulnerable people. They seem to have some kind of pain, some kind of need that leaves them vulnerable to the lures of playing betting games that they can't win. In his novel about compulsive gambling, Robert Kalich writes: "Gambling is the art of the wounded and haunted and faithless."¹⁶⁴

Gambling industry leaders and their political partners almost always describe heavy and problem gambling in narrow clinical terms, as if the phenomenon is best understood as an individual mental disorder, a kind of disease of the brain to be diagnosed and treated. But surely we can agree at this point that focusing *only* on the mind of the individual gambler is not enough. Surely the gambler's environment—including the particular games that the gambler plays—matters.

An early clue to this portion of the equation comes from the aforementioned Dr. J. Leonard Corning, who in 1912 and 1913, trying to understand as a medical professional what he termed "the essentially morbid nature of the gaming habit," observed that certain forms of gambling appear to provoke within the gambler "constant alteration of emotion that is in itself pleasurable."¹⁶⁵

Let's ponder for a moment this "constant alteration" and its consequences, particularly with respect to the ways we experience time. The German philosopher Arthur Schopenhauer believed that gambling is largely an effort to relieve boredom, to fend off the tedium and anguish connected to the passage of time.¹⁶⁶

In his wonderful essay "In Praise of Boredom," Joseph Brody similarly suggests that the man losing himself in a gambling machine, like the woman shooting heroin into her veins, is seeking to become temporarily "oblivious to the redundancy of time."¹⁶⁷ The cultural critic Walter Benjamin tells us that gambling turns time itself into a "narcotic," with the betting "giving events the character of a shock, detaching them from the context of experience."¹⁶⁸

In Frederick Barthelme's wonderful 1997 novel *Bob the Gambler*, a woman describes playing the slot machines:

I love it when they hit. You know the sound when they hit? That dingy sound, it's like faster, and contained somehow? That's a great sound. Happens like a fraction of a second before you know what you've hit, before you figure it out.

She says she like to gamble because “everything’s dull” and “the casino’s fun.” She says:

And I'm going over there [to the casino] all the time, and when I'm not there, I'm thinking about it. At work I remember what it's like to hit two double bars and a double diamond on a five dollar machine. Right in the middle of the day.¹⁶⁹

We seem to be onto something. The anthropologist Natasha Dow Schull has spent years studying slot machines and interviewing the people who play them. Analytically most important to her is what Schull calls the “machine zone.” Playing a slot machine, with its pulsating rhythms and rapid repetitions—press the button and get the jolt, press the button and get the jolt, occasionally a very large jolt, over and over—can usher the gambler into an unreal world, literally an escape from reality, in which time, physical space, and even social identity are suspended.¹⁷⁰

Barthelme and his brother Steven, themselves heavy gamblers in the late 1990s and our best writers about modern American casinos, describe this experience:

And it's mesmerizing. You're ready to leave and go look for your wife, find her sitting at a slot machine in a dark, smoky aisle several rows over. “Melanie,” you say a little loudly, so as to be heard over the music of the machines, the bells ringing and horns tooting and quarters slapping down into the trays. She makes another bet, hits the button, spins the reels again. “Melanie,” you say, still louder, a little closer to her ear, so close that you have to check whether it is Melanie, because if it isn't you're going to get arrested. Still nothing. She keeps playing the machine, winning, losing. You touch her shoulder, and she glances up in your direction, then quickly back at the machine in front of her, punches the Bet Max Coins button, and the wheels spin again. Finally, instead of out-and-out shouting, you get her attention by putting a hand between her and the buttons. Only then does she recognize you, with a slightly puzzled look, and return from wherever she has been.¹⁷¹

Heavy gamblers report that being in this machine zone is an intensely pleasurable feeling, like the rush of ingesting cocaine. While it lasts, one is removed from boredom, from depression, from anxieties, from the humdrum drudgeries of life. Gamblers in this zone therefore often go to considerable lengths to avoid interrupting the flow of play, including urinating in paper cups, which they put on the floor beside the machine to be removed later, rather than taking time out—and thereby reentering the world of real time—to go to the restroom.¹⁷²

Let's sum up. With reference to gambling, three groups of people exist. The first are those who never gamble—they are the owners and political sponsors of the casinos, and they make tons of money. The second group is also comprised of those who never gamble—they are the ordinary citizens who don't frequent casinos, and they don't make or lose any money gambling, at least directly. The third are those who gamble—people who visit casinos, with various degrees of frequency and for reasons that seem rooted in forms of vulnerability, unwariness, and susceptibility to being fleeced—and they lose tons of money.

As Schull writes: “Every feature of a slot machine—its mathematical structure, visual graphics, sound dynamics, seating and screen ergonomics—is calibrated to increase a gambler's ‘time on device’ and to encourage ‘play to extinction,’ which is industry jargon for playing until all your money is gone.”¹⁷³

Is Gambling Entertainment?

The owners of casinos don't care for the word “gambling.” They prefer “entertainment.” In this view, it's all about choosing how we entertain ourselves. Some people choose the opera. Others choose casinos. The gambler—or rather, the person being entertained by the casino—says: “I enjoy betting, and I pay for my pleasure, just as you pay for travel or the theater.”¹⁷⁴

Is this a valid perspective? Is gambling a subcategory of entertainment? The answer is no, and here are the reasons why.¹⁷⁵

Entertainment is activity that aims to delight, amuse, or please. Sometimes it does not involve a financial exchange, and sometimes it does. And whenever entertainment *does* involve a financial exchange, the exchange is *instrumental*—that is, the

financial exchange (such as buying a concert ticket) takes place solely to facilitate something else (attending the concert).

Gambling is always and fundamentally a financial exchange. Any entertainment connected to gambling—any pleasure, excitement, or stimulation—stems from the financial exchange itself and would not exist without that exchange. Gambling, then, is a classic example of a *noninstrumental* financial exchange—the financial exchange takes place not in order to facilitate something else, but for its own sake.

These distinctions clearly show why conflating “gambling” and “entertainment” constitutes what philosophers call a “category mistake.” As matters of language and logic, the categories of “gambling” and “entertainment” are non-alike. To suggest that one category (gambling) is properly a subcategory of the other (entertainment) is therefore specious.

Yes, there is some subtlety in this argument, just as there is subtlety in many other comparisons of non-alike experiences. For example, some people prone to violence may be delighted or entertained by killing their enemies. Some people suffering from depression may derive pleasure from getting drunk with their friends. But neither murderers nor drunkards have ever proposed that murder and drunkenness are simply two forms of entertainment; to do so would constitute an obvious attempt to mislead. It’s the same with comparing the non-alike experiences of gambling and entertainment.

Why? Because the financial exchange is to the gambling house what the book is to the library, the drink is to the barroom, and the vehicle is to the highway. In each case, the former is the lodestar and meaning-maker of the latter. Everything else—including whatever might be called “entertainment”—is almost entirely derivative.

Think of some of the numerous characteristics of gambling that do *not* exist in actual entertainments, such as attending your daughter’s soccer game or listening to music:

- no other purported form of “entertainment” requires such high levels of taxation, regulation, and government oversight

- no other “entertainment” causes significant harms to people who enjoy it frequently
- no other “entertainment” can cause losses of thousands of dollars per hour
- no other “entertainment” depends on profits generated by those who suffer from problems or addiction linked to the entertainment
- no other “entertainment” is heavily promoted by the government
- no other “entertainment” is often urged (and typically refuses) to provide information to those being entertained about its risks
- no other “entertainment” provides free alcohol to those being entertained with the express purpose of encouraging impulsivity, faulty cognition, and reckless spending

Gambling, therefore, is always and in essence a noninstrumental financial exchange, the outcome of which depends mainly on chance. Entertainment is never a noninstrumental financial exchange, since many experiences of entertainment involve no financial exchange at all, and in all other cases, whatever financial exchange is involved is instrumental—the (nonentertaining) means to an (entertaining) end. For these reasons, “gambling” can never be described simply as one of many and similar forms of “entertainment.”

Are Casinos Resort Destinations?

The gambling industry and its partners in government like to promote casinos as “resort destinations.” This phrasing is romantic, conjuring images of luxury and leisure. The picture that comes to mind is of tuxedoed men and bejeweled women clustered around roulette or blackjack tables run by sophisticated dealers.

In America today, only a small fraction of casinos can accurately be called “resort destinations.” Almost all of these are in Nevada and Atlantic City.¹⁷⁶ They offer what traditional resorts offer: an escape from home and humdrum everyday life. And they provide luxurious amenities that allow customers to imagine themselves

in another time and place—which is one reason why Las Vegas and Atlantic City casinos have names like the Taj Mahal, Mandalay Bay, Camaroon, Paris Las Vegas, the Monte Carlo Resort, Tropicana, and Tuscany Suites.

These resort casinos truly are “destinations.” They attract tourists, conference-goers, and jet-setters from hundreds and even thousands of miles away. Travelers come from afar to gamble, but also to spend money in casino shops and restaurants, often eating and drinking to excess. They take in shows with well-known headliners like Celine Dion, Jay Leno, Barry Manilow, Elton John, and Wayne Newton. But then, after a few days or a week’s vacation—and this is the key point—they leave. They pack their bags, check out, and go home. Many do not return to this particular “destination” for months or even years. Some never return.

Very few American casinos fit this description. Neither “resort,” nor “destination,” the typical American casino does *not* rely for the bulk of its business on visitors and conference-goers from across the nation, or affluent thrill-seekers from overseas, or people who’ve saved up for years for that once-in-a-lifetime, over-the-top vacation.

Nearly all American casinos today depend heavily on customers who live within a distance of seventy-five miles or less from the casino.¹⁷⁷ These customers are locals and regionals. They are driving in, usually from reasonably short distances. They patronize their neighborhood or regional casino mainly for one reason: to gamble. And because the casino is located close to home, they can and often do come back several times per month or even per week—sometimes more times in a week than they will go to the grocery store. *For their revenue, today’s casinos rely first and foremost on frequent visits from nearby residents.*

Finally, there is the question of the games. Casinos catering mainly to locals have one main attraction, and it is not blackjack, and it is not roulette tables run by human dealers. The main attraction is slot machines—lots and lots of slot machines, run by computers. Some people call these places “slot barns.”

When the lobbyists and their political partners talk about bringing casino gambling to New York, they may speak of “resorts,” but what they basically have in mind are huge rooms dominated by slot machines. How can we be so sure? In 1981, New York governor Hugh Carey, searching for ways to increase state revenue,

urged the state legislature to pass a constitutional amendment to legalize casino gambling. (The idea failed.) Carey suggested that legislators in Albany crafting such an amendment could “limit it to slot machines,” since slot machines are clearly the most “manageable” form of gambling for New York State to sponsor.¹⁷⁸

At least Governor Carey spoke plainly. The typical American casino today is many things, but it is certainly not a “resort” in the way that most people understand the term, and anyone who wants to go to one to gamble won’t need to know the rules for throwing dice or playing card games, but simply how to put money into a computer-run slot machine.

Are Casinos Private Businesses?

People who build, manage, and profit from casinos often suggest that modern casinos are private businesses, no different conceptually from other private businesses. The implication of this argument is clear. In a free society, by what right or authority do nosy citizens—or for that matter, interfering politicians—get to tell businesses in the “private sector” what to do or how to do it?

This would be an excellent “leave us alone to run our business” argument if it were true, but it’s not. Whatever else they may be, casinos are *not* private businesses. Unless they are state-owned outright (as is the case, for example, in Kansas), casinos are fully elaborated joint ventures in which government agencies and private actors join forces to create something quite unique.

Consider:

- Each partner brings irreplaceable assets to the joint venture.

Among the government’s assets are the ability to legalize and to grant local monopoly status to casinos and the capacity to assist casinos in advertising and promotion, including building ad campaigns around the theme that gambling at casinos is a form of good citizenship. (A taxpayer-funded ad campaign in casino-infested Missouri says “Casinos Help Schools” and “Casinos Help Missouri.”) Among the casino operator’s assets are the ability to deliver a steady funding stream to government—the old story of mobsters skimming money “off the top”

of casino revenues has been replaced by the new story of government agencies doing exactly the same thing—and expertise in planning, building, managing, and promoting casinos.

- **Neither partner could operate effectively without the cosponsorship of the other.**

Without the government as a full financial partner, casinos would not exist, or would exist illegally. Without the private casino operator as a full financial partner, government would either have to create and manage its casinos directly (which is not typically the state's expertise), or give up this potential source of revenue.

What emerges from this unusual fusion of aims and capacities is a complex beast that can be very hard for citizens to understand, partly because neither partner has an incentive to speak plainly about the matter, and partly because this particular type of economic structure—more than a government agency and certainly not a private business—is quite rare in America.

Perhaps the best way to dissolve confusion and discern the core meaning of the modern, state-sponsored casino is, as they say, to “follow the money.”

Since casinos are all about taking money from people, on a typical day they take in a lot of revenue. From this revenue pool, the first thing that must occur—before the casino can pay its employees, before paying for security and building maintenance, before paying out *anything*—is to pay the government. This public “take” is set by law, comes right off the top as the price of doing business, and is not small.

In Nevada, which has America's oldest and most competitive casino environment, the public take is the nation's lowest, at about 8 percent of total casino revenues. In Louisiana, the public take is 22 percent. In New Mexico, it's 26 percent. In Florida, it's currently 35 percent. In Pennsylvania, where casinos are relatively new on the scene, the public take is more than 50 percent, among the nation's highest.¹⁷⁹ These off-the-top financial transfers are often supplemented by the regular business taxes—taxes on profits, usually in the range of 6 to 10 percent—that casinos must pay, along with all other businesses in the state.

It all adds up to a lot of money. Have you ever wondered why politicians who like to give speeches about “jobs” and “economic growth” often seem more interested in licensing casinos than in licensing, say, tire stores or computer firms? Now you know why. The reason for the special political focus on casinos has little to do with “jobs” and absolutely nothing to do with “economic growth,” since a significant body of research suggests that casinos do not contribute to economic growth. The reason for this special focus on casinos is that Joe’s Tire Store of Tallahassee pays the state of Florida, with whom Joe has no regular contact, a relatively small fraction of its earnings via a tax on the store’s profits, whereas Bob’s Casino and Resort in Tallahassee pays the state of Florida, with whom Bob is in a full-fledged business partnership, a whopping proportion of the venture’s total revenues.

Let’s examine these financial dynamics a bit further, since they generate extraordinary contradictions. For example, if I am the state, and I insist on a large public take—say, 45 percent—from my casino, one consequence is that the casino’s managers will adjust by paying out less money in “winnings” to the gamblers. (Worse for gamblers, better for government.) But what if another, maybe fancier, casino appears just over the state border to compete with my casino? If that happens (and it almost always does), casino managers will likely come to my state legislature (as they regularly do) and say, “The casino environment is now more competitive. To survive, we must pay out more in winnings and spend more on promotion. That means less money for the state. How does 35 percent sound?” And if I have an instinct for survival, I will probably agree to a lower public take. (Better for gamblers, worse for government.)

But I am the state, and I don’t like this “worse for government” part. The state needs *more* money each year, not less, just to operate. What to do? One strategy is to build more casinos! More casinos will generate more gambling and bring more new gamblers into the system. (Worse for communities, better for government.) So I build the new casinos, and one consequence is that the state becomes more dependent than ever on revenues from gambling. (Bad for everybody.) Moreover, the result of *that* process over time is an increasingly competitive casino environment, which ultimately brings us back to square one, which is the need for the legislature to lower the public take from each casino. (Better for gamblers, worse for government.)

What clearly emerges is a downward spiral, in which each step in the venture generates contradictions that can be temporarily remedied only by another and more consequential step, which in turn generates larger contradictions, which require yet another step as a temporary remedy—and so on indefinitely, as long as the two partners are somehow able to keep kicking the same can down the road. Over time, it's hard to see how anyone wins, except the casinos.

Yet an irony is that, in this joint venture, the government is clearly the senior partner. The casino owner is the junior partner—the partner who obeys rather than defines the terms of the joint venture—and the partner whose biggest job is to do the dirty work.

An analogy may help to clarify. Let's say that you are the duly authorized manager of a tract of forest land, and that you have decided to go into the lumber business. How will you proceed? One option is for you and your management team to learn forest management, buy some lumber trucks and the right machines, dress for the outdoors, and head for the woods to start cutting down trees. Another and likely more efficient option is to allow an already existing lumber company—let's call it Casino Wouldwork, Inc.—to set up shop on your land and start cutting down trees. They would do what they do best—with your permission, according to your rules, under your oversight, and with your active support—and they would give you a huge share of whatever they earn. How would 50 percent of total revenue sound?

In this analogy, you are the state. Casino Wouldwork is the casino. And the trees are the gamblers (they get cut down). Clearly, you are the senior partner. The casino people are running a business, but ultimately they work for you. They are intermediaries, business owners in name and not without real power, but ultimately not much more than management consultants with a stake in the venture. If you, as the state, ever decide to end your partnership with them and cut down the trees yourself, you can do that easily enough, and put them out of business in the process. Moreover, if and when you make such a change, the venture's core identity and characteristics—goals and methods, how much revenue the state hopes to gain, and which trees are targeted for culling, and why—would remain largely unchanged. In either scenario, the state is ultimately in charge.

Are Casinos Casinos?

“Casino” is an interesting word. It’s Italian, the diminutive of “casa,” which means “house.” A casino, then, is literally “a small house.” Today, in Italian, the word “casino” mainly means a bordello, or a house of prostitution.

In 1897, *Architectural Record* published a long photo-essay entitled “The Villas of Rome.” The word “casino” appears many times in this essay, along with photos of lovely old casinos, since for most of the word’s history, “casino” referred to the pleasure-house, or second or country home, of the Italian aristocracy and upper classes.¹⁸⁰ Over time, however, especially as the owners of these homes made them increasingly available for certain public purposes—such as theatrical performances, musical concerts, public balls, and artistic exhibitions—the word shed its connotation of private and assumed the connotation of public. By the nineteenth century, the word “casino,” at least in the United States, had come to mean a public house used for purposes of pleasure and entertainment.

In New York City, the Central Park Casino, which opened in the mid-1860s, housed expensive restaurants and nightclubs catering to the political elite until its demolition in 1935. The Metropolitan Casino, located at Broadway and 41st Street, opened as a theater in 1880. Two years later, the New York Casino, also a theater and also located on Broadway, opened its doors to the public. By the early twentieth century, scores of “casinos” devoted to popular entertainments were spread across the city, including Beck’s Casino and Broadway Casino in Brooklyn and the Lenox Casino and Russian Casino in Manhattan. A popular play of the era was *The Casino Girl*, a farce by Henry B. Smith, whose heroine sings and dances in a casino. In an ironic use of language, in 1911, when New York gambling magnate Richard A. Canfield was forced to close his high-end gambling “clubhouse” in Saratoga, the premises Canfield had so elegantly refurbished (he had gone to Europe to study its famous “casinos”) were purchased by the Village of Saratoga Springs, whose officials proudly announced their plan to convert the building into a “free casino,” complete with reading rooms open to the public.¹⁸¹

In much of Europe, however, “casino” was coming to mean a facility that houses and accommodates gambling activities. One apparent turning point was 1856, when the ruling family of Monaco, facing bankruptcy, opened a “Grand Casino” in Monte Carlo, which soon became the world’s grandest and most famous gambling

house. (And Monte Carlo truly was a “destination gaming location,” complete with a rule prohibiting local residents from even entering the Grand Casino.)¹⁸² The Italian spa community of Bagni di Lucca as well as the German spa towns of Baden Baden and Bad Homburg—where Dostoevsky compulsively gambled and about which he wrote in his famous novel, *The Gambler*—similarly operated well-known gambling casinos catering to the European elites who visited in the summer to relax in luxury, watch (and gamble on) horse races, and enjoy the waters and the exclusive company.

Not surprisingly, in 1931, when Nevada became the first U.S. state to legalize most forms of gambling, the mobsters and their partners who built the swanky gambling houses in Las Vegas turned to the upscale, gambling-centric, Europeanized conception of “casino” to describe their new business ventures. In the desert, a new vocabulary developed. Out-of-state “marks” and “whales” checked into gaudy “resorts” along the “Strip.” There was a lot of booze, rich food, “entertainment,” and many “girls.” And when it came time to gamble—the main activity and focal point of the visit—one only needed to stroll over to the glittering “casino,” usually adjoining the hotel.¹⁸³

And regarding the meaning of the word “casino,” that is pretty much where things have stood—until fairly recently. To be sure, the multi-national corporations that build and operate today’s U.S. gambling houses still proudly use the word “casino” to designate these establishments. But today’s typical American “casino” resembles a Vegas-style resort casino about as much as a Vegas-style resort casino resembles the Casino del Papa, which was built as a retreat-house in the 16th century by Pope Julius III in the gardens of the Vatican. In other words, there is almost no resemblance at all. For this reason, to understand what is actually meant in almost all cases today by the word “casino,” we may need a new word.

What Do You Call a Huge Room Full of Slot Machines?

I propose we call it a “slotino.”

A slotino is any gambling location in which most of the gambling revenue comes from slot machines and most of the floor space is devoted to slot machines.

“Slotino” is a word that nicely captures one of the fundamental gambling realities of our age.

And for those who care about accuracy in language, using the word “slotino” would certainly clear up a lot of confusion!

Consider the state of New York. To listen to the current debate, you’d think we were discussing a range of diverse gambling operations. Sometimes people refer to “casinos.” Sometime they speak of “racinos.” And sometimes Governor Cuomo and other politicians say “video gaming terminals” or “video lottery terminals,” which are two names for what other people call “slot parlors.”

To listen to the different names, you’d think we were discussing different things. And in some limited respects, we are. These places are not all exactly alike. Most of the differences stem from the state legislature’s comically strained efforts to tell themselves and others that these, uh, gaming entities are different from the gaming entities that are flatly prohibited in plain English by the state Constitution. Operationally, most of the differences between these entities have to do with permissible locations—a “racino,” for example, is a casino located near a race track—and with which companies in the private sector are eligible to compete for the operating licenses. For these reasons, gambling lobbyists often argue that whichever of these entities they represent is the best of the bunch, the one most likely to produce universal prosperity and happiness, and that therefore the state of New York needs more gambling operations of this type and fewer of the other types. To listen to such debates as a concerned citizen, you could be forgiven for imagining that these various forms of gaming are somehow in tension with one another, and that accordingly we as citizens need to weigh the pros and cons of each, in an effort to decide which ones we like the best.

But do these different names refer to significantly different types of gambling? Not really.

Enter a casino, and the main activity you’ll see is people putting money into slot machines.

Enter a racino, and nearly the only activity you’ll see is people putting money into slot machines.

Enter a video lottery terminal or a video gaming facility, and *all* you'll see is people putting money into slot machines.

Slot machines, slot machines, slot machines. We are using different names to describe the same basic activity.

All "racinos" are slotinos.

All "video gaming facilities" are slotinos.

All "video lottery terminals" are slotinos.

By now, virtually every "casino" in the nation is a slotino—certainly all of the casinos being proposed for New York would be slotinos.

And every time Governor Cuomo uses any of these terms—just as every time he speaks of "destination resort gaming" or "tourist destination resort" or "gaming economic development"—he means always and essentially the same thing: huge rooms full of slot machines, sponsored by the state of New York.

Welcome the age of the slotino.

Let's take a look at the numbers. There are two ways to measure the slot machine's conquest of the modern American casino: percentage of floor space and percentage of revenue. We'll begin with the money.

The turning point occurred in 1983, when revenue from slot machines for the first time surpassed revenue from table games in Nevada casinos.¹⁸⁴ Since then, the trend has only accelerated. By 1989, slot machines were generating nearly 60 percent of Nevada's gambling revenue.¹⁸⁵ That same year, Charles N. Mathewson, chairman of International Game Technology, the world's leading producer of slot machines, was bragging but also telling the indisputable truth when he said: "The lowly slot machine is now the life blood of the casino industry."¹⁸⁶ By 2000, slot revenue had reached 64 percent of all gambling revenue in Nevada. In 2008, it had topped 67 percent.¹⁸⁷

Across the country, the story is basically the same. According to a widely-used 2009 hospitality industry textbook, slot revenue constitutes about 70 percent of all Atlantic City gambling revenue and about 70 to 75 percent of total gambling revenue from Indian-owned, riverboat, and newer (regional) casinos.¹⁸⁸

Speaking of “newer” or regional casinos, according to a 2008 textbook on casino management, about 86 percent of all casino gambling revenue in Illinois comes from slot machines. In Missouri, the figure is 88 percent; in Iowa, 89 percent. The textbook author E. Malcolm Greenlees concludes that “the most significant change” in the casino industry over the past two decades is “the growing domination of slot machines as the major revenue generating sources in most casinos, regardless of their type, ownership, or geographic location.”¹⁸⁹

On to the dominance of slot machines in terms of percentage casino floor space. These numbers tell almost exactly the same story as the dollars. Today, about 60 to 70 percent of the floor space in casinos along the Las Vegas Strip is dedicated to slot machines. A 2013 *Albuquerque Journal* story, “Casinos Make Even More Room for Slots,” reports that slot machines now take up 70 to 80 of all floor space in New Mexico’s casinos.¹⁹⁰ And a 2010 American Gaming Association report says that “the slot machine’s share of the gaming floor at American casinos has grown from about 40 percent in the 1970s to almost 70 percent today.”¹⁹¹

In 1978, there were virtually no legal slot machines in the United States outside of Nevada. In 1991, there were about 184,000. By 2010, there were about 947,000, a more than five-fold increase in less than two decades.¹⁹²

5. Slot Machines



This is a picture of a slot machine. Although you'll rarely hear the words "slot machine" in this debate, it is almost entirely about government sponsorship of these machines.

A slot machine is a device into which you insert money on the chance that it will pay out more than you put in.



Playing a slot machine is easy. All you do is insert your money and press a button. The only choice you make is how much to bet each time you press the button.

A casino typically has hundreds to choose from. Which machine should you pick? Some people hear from others, or come to believe themselves, that some machines at certain times are “loose.” You may be such a person. Or you can pick a machine at random, or based on how much you can wager per spin. (Some slot machines offer \$100 bets per spin.) Or you can pick one based on color, sounds, graphic design, interactive elements, spinning effects, or name.

Currently popular slot machine names include 777 Blazing, American Original, Diamond Line Frenzy, Double Diamond, Florida Dice, Fort Knox, Golden Goddess, Hee Haw, High on the Hog, Hot Hot, Indian Princess, Ka-Pow, Lobster Mania, Lucky Fountain, Magic, Miss Red, Playboy, Queen of Atlantis, Red Hot Jackpots, Triple Lucky, Rainbow Riches, Rawhide, Stinkin’ Rich, Wheel of Fortune, and Wild Wins.



What happens after you pick the machine, insert your money, and press the button? Typically the machine whirs and “spins.” Why? The sound effects and video spinning motions—such as flashing number patterns or images of rotating cards or pieces of fruit or cartoon characters—are meant to encourage further play by creating the sensation that something is happening that determines whether or not you win.

In fact, the machine’s pattern of player reinforcement—how often and how much it allows you to “win”—has been established in advance by a sophisticated team of programmers and psychologists whose only goal is to get you to press the button as many times as possible.

The unalterable fact of all slot machines is that the more times you press the button, the more you lose.

“These machines have been almost universally condemned from an early date.”

—Judge Morris Ploscowe,
Magistrates Court of the City of New York, 1950¹⁹³

“Having selected a machine and provided himself with a handful of coins, the typical player speedily falls into a not unpleasant state of semitrance, during which he methodically inserts his money piece by piece into the slot above, pulls the lever, and watches the brightly colored symbols flash by on the discs. This rhythmic routine, once begun, frequently has a soporific effect that keeps the player rooted to the spot for long periods of time, his arm going endlessly through the same motions, his eyes fixed steadily on the revolving wheels, completely oblivious of what goes on about him.”

—Historian Oscar Lewis, *Sagebrush Casinos*, 1953¹⁹⁴

There are clubs that have slots only and don't want anything else to disturb the addicted slot players. The only sure thing in a club, for the house, are the slots. A slot club will try all kinds of gimmicks to draw the slot “drunks” to the club. . . . A slot machine is sometimes called a “one-armed bandit.” Whoever gave the slot machine that name should get a medal. He hit the name right on the head. This one-armed bandit takes your money and to make you like it he laughs right in your face, but you can't do anything about it. He has a license to steal, and after all nobody dragged you in the club. . . . I know people must let themselves go now and then or life can be very boring. . . . This reminds me of the time we had a chimpanzee act on the stage of our club and the owner of the chimps would give one of them nickels to play the slots. The chimp would climb up on the slot, put the coin in and pull the handle. One day he hit a five-dollar jackpot and was so excited that he scooped the nickels out of the trough and started to throw them all over the floor. So, dear public, don't give up hope—if a chimpanzee can do it so can you.

—Las Vegas casino manager Mike Goodman, *How to Win*, 1963¹⁹⁵

“The only way to beat the slot machines is to own some.”

—Professional gambler Louis G. Hollway, *Full-Time Gambler*, 1969¹⁹⁶

Slots can exert addictive fascination for players, some of whom seem as unmoved by winning as by losing. The clink and hum and flash and blur of the one-armed bandit exerts a far stronger hypnotic action on the human mind than anyone has yet imagined.

—*Playboy’s Illustrated History of Gambling*, 1977¹⁹⁷

“Every slot machine you find is built to take most or all of your money if you let it.”

—Dwight and Louise Crevalt, *Slot Machine Mania*,
a how-to book for slot players, 1989¹⁹⁸

“Sadly, there is no theoretical way to beat a slot machine that has been programmed properly to take a certain percentage of the total play.”

—Frank Scoblete, *Break the One-Armed Bandits*,
a how-to book for slot players, 1994¹⁹⁹

“The payout on a slot machine is horrible. You know in advance that you will lose 7 to 8 percent (or more) of the time. The odds are set so strongly against you that over time you just cannot overcome them. You know that the longer you play, the more you’ll lose You cannot win on slots.”

—Sports handicapper Wayne Allyn Root,
The King of Vegas’ Guide to Gambling, 2006²⁰⁰

“At the Flamingo, breakfast is free for gamblers who have played a \$5 slot machine for an hour or a 25-cent machine for eight hours.”

—Gerda Reith, “The Experience of Play,” in *The Sociology of Risk and Gambling Reader*, 2006²⁰¹

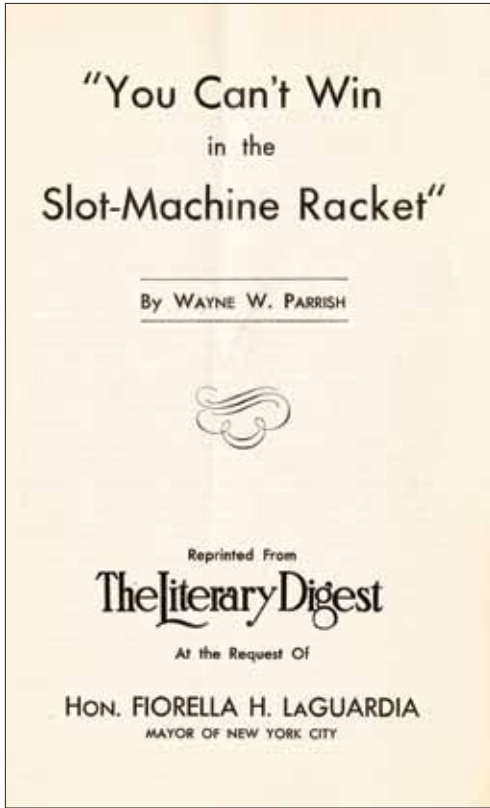
“When you win, it’s almost like a drug. It’s an adrenaline rush. Anything you can do to escape the reality, you’ll do it again.”

—Regular slots player speaking to the *Mississippi Clarion-Ledger*, 2008²⁰²

The machine in question is a late invention. It consists of a box about 18 inches high and 8 inches wide. There is a partition in the middle, one side of which is covered with brass pegs. At the lower end of the box are three cups. The five-cent nickel is inserted in slot at the top of the box, slides down between the pegs, and if it happens to go into the right cup, the nickels which have been paid in go to the winner. If not, the coin goes to the saloon-keeper. The machines were very popular, and the profits to the owner enormous. . . . The proprietors made no secret of the fact that they had been told to remove the machines. They were all sorry, for there was more profit in them than in selling liquor.

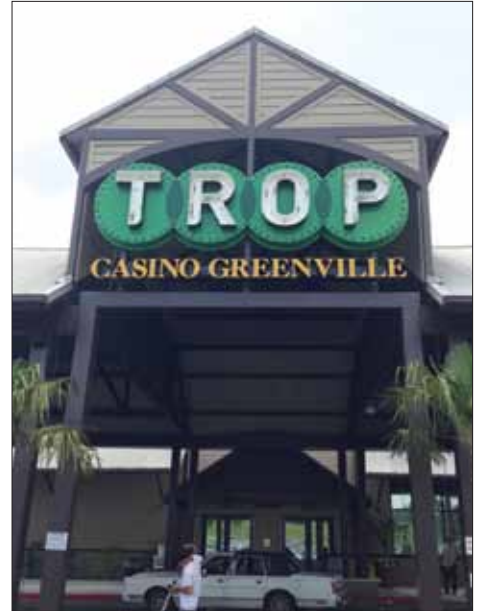
—“No Nickel-in-the-Slot Gambling,” *New York Times*, March 16, 1894





These are state-subsidized ads regarding slot machines. One is old and reads, “You Can’t Win.” The other is new and reads, “You Can’t Lose.”

Only one of these ads is true.



These are pictures of regional casinos. The essential transformation in American gambling in our generation is rooted in the shift from two national casino markets—Nevada and Atlantic City—to many regional casino markets across the country.

More than 70 percent of the floor space of these casinos is devoted to slot machines and about three-quarters or more of their gambling revenue comes from slot machines.



Governor Cuomo and others who want the state to sponsor casinos in New York rarely admit that the core purpose of a regional casino is to attract gamblers from the region. They want to pretend that the money would come from “tourists.”

The idea is nonsense, and the politicians who say it know that it’s nonsense. The aim and business strategy of almost every casino in the country outside of Nevada and Atlantic City is to attract gamblers who live and work within easy driving distance of the casino.

These are pictures of officials smashing slot machines.



A judge smashing slot machines in Clearwater, Florida, 1934.



Police officers smashing slot machines, circa 1956.



Smashing slot machines in Chicago.



Smashing slot machines in Washington.



Smashing slot machines in Wisconsin, 1935.



Police officers smashing slot machines, circa 1956.

They are smashing slot machines because slot machines take money from the poor and vulnerable and give much of the take to politicians. There are many pictures of people doing this.

Some officials prefer sponsoring slot machines rather than smashing them. Why? Because slot machines take money from the poor and vulnerable and give much of the take to politicians.

There are almost no pictures of politicians sponsoring slot machines. On this page are all the photos I could find of Governor Cuomo, or any of New York's legislative leaders, putting money in a slot machine, touching or pointing to a slot machine, or standing close enough to a slot machine to be photographed in its presence.



This is a picture of a slot machine. Because slot machines have a checkered reputation and are rigged to insure that the players lose, politicians who want to sponsor them almost never say the words “slot machines” or “slots” or “slot parlors.” Instead they say “destination resorts” and “entertainment” and “convention centers.”

But the New York State Constitution does not prohibit the state from sponsoring or promoting destination resorts, entertainment venues, or convention centers, so politicians and business groups are already free to pursue these objectives to their hearts’ content.

The New York State Constitution *does* prohibit state sponsorship of slot machines.

The essential question facing New Yorkers is whether we want our government to sponsor casinos dominated by slot machines.

6. Governor Cuomo's Casino Plan

Studies count. Evidence tells. As President Reagan liked to say, quoting John Adams, facts are stubborn things. And in a democracy, it certainly matters whether or not our leaders speak to us honestly and intelligently about the issues we face.

So when I decided to write this report, I knew that a key task was to evaluate everything of substance that Governor Cuomo has said to us regarding his desire to change the Constitution to bring commercial casinos to New York. I wanted to pay him the respect of attending carefully to the essence of his argument.

I pursued the task systematically and broadly. I looked for any research findings, studies, or independent analyses that had served as the bases for the governor's public utterances to date regarding the benefits of casino gambling. I looked for scholarly and expert background papers, academic research briefs, commissioned reports, and independent economic projections and cost-benefit analyses. In search of this and similar material, I wrote to the governor's office. I contacted Albany lobbyists. I searched the public record.

I also looked to the legislature. After all, when Governor Hughes raised the issue in 1908, one of the first things to take place was legislative hearings. As *Current Literature* reported in April 1908:

*Delegations from the race-track associations, from agricultural societies, from church federations, commercial bodies, civic associations and women's clubs have packed the trains for Albany when hearings before the committees were on, and a flame of excitement has been kindled throughout the state.*²⁰³

What about today's debate in Albany on basically the same issue? Was I missing the flame of excitement? What legislative committees were holding hearings? Had political scientists from New York testified? Economists? Civic and religious leaders? In search of these and similar fruits of public legislative consultation, I contacted my state senator and my state assemblyman. I Googled. I looked everywhere.

At length I completed my task. As a result, I'm able to identify with confidence the entire corpus of substantive analysis that, to date, has been cited or presented to the public by Governor Cuomo and New York State Legislature on this issue. You'll find a full summary of this information on the following page.

What of substance have our leaders cited or shared with us so far? The answer is: Absolutely nothing. Not a single study. Not a single piece of independent analysis. Not a single public hearing. Not even a serious speech.

There is a word for this kind of behavior: thuggish. It's thuggish for our political leaders to insist that we change our Constitution without bothering to tell us why. It's thuggish to justify a major new public policy on the basis of nothing more than a few PR slogans and jingles.

Consider arguably the most flagrant examples to date of this phenomenon: Governor Cuomo's utterances on the economic meaning of new casinos in New York. For sheer brazenness, these statements are unmatched and may be unmatchable.

The Magic Number

Let's start with the governor's most important, most repeated number. Call it his magic number. It's very large and easy to remember. The number is one billion. That's the number of dollars of economic activity that the new casinos will generate.

In June 2012, in his *Progress Report* to the state, the governor announced that changing the Constitution to permit casino gambling would "generate an estimated \$1 billion in economic activity."²⁰⁴ In his 2013 *State of the State*, he repeated the claim: "It is estimated that over \$1 billion of economic activity can be generated from casino gambling."²⁰⁵

This number stands out for three reasons. The first is its size and majesty. *One billion!* The second is its solidity. In a debate largely devoid of specifics, here is something concrete we can hang our hats on. *One billion.* And the third is its isolation. The number is unaccompanied by conditions or qualifications. *One billion.* Over what period time? A year? A decade? And based on how many casinos in which locations? Three casinos upstate and one big one in New York City? Or some other configuration? None of this information is included. The number simply operates on its own. *One billion.*

People who conduct studies and issue reports on such matters work hard to establish a credible methodology for their work. The issues involved can be complex.

Let's take a look at just one. If I open a new hamburger joint in the neighborhood, that will generate economic activity. But if my new establishment drives an already existing hamburger joint out of business, the amount of overall economic activity in the neighborhood might change very little, if at all. Economists use the term "substitution" to describe this phenomenon, and any researcher who wants his or her work to be taken seriously must handle this issue (and many others like it) competently. So what is the methodology behind the claim of one billion? And who conducted the research?

Finding the answer required some digging. In most cases, the governor simply says what he says, and that's that. But buried in a footnote in the printed version of his 2013 *State of the State* lies the source and meaning of the governor's assertion that "over \$1 billion of economic activity can be generated from casino gambling."²⁰⁶

The source is the New York Gaming Association, the organization created in 2011 to lobby in Albany for casino expansion. Its members are the owners of New York's nine race-track casinos. There is no study, no report, not even a piece of paper—just James Featherstonhaugh, the association's president, and several other association members talking with two reporters from the *Albany Business Review* in late 2011.²⁰⁷

The article reads like a parody. Here is Daniel Gerrity, the majority owner of the Saratoga Casino and Raceway, on the economic benefits of changing the Constitution: "It would definitely increase our business. We are steadily growing, and this is a natural progression." Others offering their expert economic assessments include Featherstonhaugh, who is also an owner of the Saratoga Casino and Raceway, and Jeffrey Gural, who owns race tracks and casinos in Nichols and Vernon, New York.²⁰⁸

Does anyone have a hard time seeing the conflict here?

Q: Mr. Prisoner, we're considering letting you out of prison? What do you think?

A: Terrific idea! It would supercharge the economy! It would make everyone's taxes go down!

Press Release: Governor Cuomo today said that New Yorkers' taxes would plummet dramatically if only the state would . . .

Q: Mr. Fox, we're considering letting you into the henhouse? Do you approve?

A: Yes! It would boost tourism and protect the planet!

Press Release: Governor Cuomo today released a comprehensive plan to boost tourism and protect endangered species in upstate New York . . .

Surely most people will recognize that when asking whether to give economic privilege to a particular group, we should not depend on that group, and that group alone, for an objective assessment of the pros and cons of giving them the privilege.

And what does this episode tell us about Governor Cuomo? In most states, governors who want legalized gambling at least go through the motions of proper due diligence. They have a study to cite. They hold a hearing or two. They give a speech that qualifies as serious, they face some questions from the public. They at least make a show of listening to someone other than the casino owners. But so far Governor Cuomo has not even made the effort to go through the motions.

It's pretty insulting.

A Reason to Believe

What about the other defining aspects of the governor's gambling initiative? The basic information that helps us to understand what the governor wants to do and why he wants to do it? For example:

- How many new gambling facilities will be created?
- Where will they be located?
- What is their purpose?

There are no answers to these questions. The moment you think you might have one—an actual answer—it fades away, like a “near miss” on a slot machine. Let's review Governor Cuomo's attempts to date to provide this information.

In his 2012 *State of the State* address, when the governor launched his initiative, the big idea was to end the constitutional prohibition of commercial gambling so that the Genting Organization, one of the world's largest "gaming development companies," could build "the largest convention center in the nation" in Queens, New York City—an activity that the governor promised would "generate tens of thousands of jobs and economic activity that will ripple throughout the state."²⁰⁹

Soon, this plan was completely inverted. By the time of the 2013 *State of the State* address, when it came to the state's need for more gambling, New York City was no longer the solution, it was the problem! Unveiling the inverted plan, the governor wrote: "No casinos will be located in New York City—the plan is to bring downstate New Yorkers and other visitors to Upstate."²¹⁰

Why is *this* rationale so compelling? When it comes to new gambling, it turns out that the real need is to "boost upstate development" and "get that traffic from New York City to upstate New York."²¹¹ The governor said: "This is a big idea that we believe could bring economic energy to upstate New York that it needs desperately."²¹² In case anyone missed the point, his press release announced: "Governor Cuomo Unveils Resort Gaming Destination Plan to Bring Tourism and Jobs to Upstate New York." The new idea is that "resort destinations with enhanced gaming" will "supercharge the state's tourism efforts" in upstate New York.²¹³ Moreover, limiting the new casinos to certain areas in upstate New York "guarantees [that] there will not be an excessive proliferation of casinos within New York State."²¹⁴

It also turns out that this new plan is only what the governor calls "phase one" of his overall vision.²¹⁵ After five years, with anywhere from three to seven (pick a number) upstate casinos underway and no more pesky constitutional bans to contend with, it will be time to open up *New York City* to new casinos—just like the original plan! Presumably, by that time all the casino-generated "tourism" of which the governor speaks so fervently will be free to flow in all directions—from upstate to downstate, from downstate to upstate, and from around the globe to "destination gaming resorts" and swanky "convention centers" dotting the New York landscape from Queens to Albany to Binghamton and beyond!

There's more. The governor also wants additional "video gaming facilities" (slotinos) in New York. How many does he want and where does he want them built? The answers are, quite a few and anywhere he can get them. His "Upstate New

York Gaming Economic Development Act of 2013” as passed by the legislature would create at least two and possibly more such facilities in various parts of the state, in addition to however many casinos. At the same time, the legislation promises (threatens?) New Yorkers that if the bid to change the Constitution fails, the state will promptly create quite a few more video gaming facilities, mainly located in and around New York City.²¹⁶

What are we to make of this remarkable collection of statements? More than a billion here. Tens of thousands there. Casino in New York City. Casinos everywhere *except* New York City, so we can boost upstate tourism. Until it’s time for casinos in New York City. Three, four, seven casinos, for now, all of which would be slotinos. And to balance things out, *more* slotinos. And in addition to *these*, if New York citizens refuse to amend the Constitution, still more slotinos. Which the Constitution doesn’t allow. Except when we build them anyway so as to encourage people to change the Constitution.

There is only one possible way to make sense of this pile of statements. Governor Cuomo is determined to turn New York into what gamblers used to call a “wide-open” state. He wants gambling everywhere—and quickly.

And there is only one coherent answer to the question *why* he wants to do this. Governor Cuomo wants the money. Turning New York into a wide-open state will make lots of money for the state. And because the state making lots of money by fleecing its own citizens is an unseemly matter to discuss, the governor talks instead with comic-book hyperbole about ripple effects and supercharges and resorts and convention centers and boosting upstate tourism. But he knows—everyone paying any attention to this issue knows—that the gambling initiative is about New York’s government getting the money.

We had a former governor who spoke honestly about these matters. His name was Mario Cuomo. Regarding the state’s sponsorship of gambling, he said: “We do it for the money, but I don’t know anybody who’s excited by it.”²¹⁷

7. The Mississippi Model

What Governor Cuomo wants for New York is what Mississippi has already done. So let's take a peek at what our future could look like.

Mississippi began sponsoring casinos in 1990. It was one of the first governments outside of Nevada and Atlantic City to do so. Today the state sponsors thirty casinos, concentrated in and around Biloxi on the Gulf Coast, in and around Tunica in northeastern Mississippi, near Memphis, and in several other historic Delta towns along the Mississippi River. Based on statewide gambling revenue totals, Mississippi, with its population of under three million, currently ranks fifth in the nation, and Biloxi and Tunica are regularly ranked among the top ten regional casino markets in the United States.²¹⁸

Roughly 2 percent of all employed Mississippians work in casinos or casino hotels. About 5 percent of the state's general fund comes from casino fees and taxes, which is over and above the considerable revenue from casinos that goes to county and metro-area governmental entities where the casinos are located.²¹⁹

In other words, when it comes to sponsoring casinos, Mississippi got in early and is all in. Mississippi is what the gamblers used to call a wide-open state.

With about thirty-eight thousand slot machines currently open for business, Mississippi today has one slot machine for every seventy-seven Mississippians, which means that Mississippi can boast a higher slot machine density per capita than any state in the Union outside of Nevada and the Far West. About 85 percent of all gambling revenue in Mississippi comes from slot machines.

As is the case nearly everywhere, casinos in Mississippi are typically called "resort destinations," "spa resorts," "destination spas," "casino resort getaways," and "casino gaming destinations." These and similar terms are used relentlessly to suggest that Mississippi casinos are for tourists, tourists, tourists—as opposed to the people, many of them lower-income, who actually live near them.

Much of this rhetoric is claptrap. If you visit (as I have) the Tropicana Casino in Greenville (population 34,000), in the Mississippi Delta, what you see, and pretty much the only thing that you see, is a reflection of Greenville itself—largely African

American and largely blue-collar and poor. The fanciest casino in the area, Harlow's Casino Resort and Hotel, is a bit more upscale, but when I visited, I was among the few white people in the casino and I did not see or encounter a single person who looked like a tourist. I looked at the cars in the parking lot, and nearly all of them had Mississippi license plates.

The Delta town of Lula, a bit up-river from Greenville, has a population of about four hundred, including about eighty-five families. Forty percent of the population, and about 60 percent of children, live in poverty. Lula is in Coahoma County, whose population is about 26,000. Let it be said, without fear of contradiction, that Lula, Mississippi, is not a tourist magnet. The casino in Lula is called the Isle of Capri. If you want a sad experience, go there and gamble.

On the other hand, some Mississippi casinos do attract significant numbers of tourists. The town of Biloxi, on the Gulf Coast, has nine casinos, some quite swanky, and they seem to attract many gamblers from Alabama, Louisiana, Florida, and other parts of Mississippi. Many statewide conventions in Mississippi are now held in Gulf Coast casinos. My mother's Presbyterian women's convention was held in one a few years ago, because, she said, the room rates were low and the food was good.

When I recently visited the Beau Rivage in Biloxi, generally considered the fanciest casino in Mississippi, I met people from Florida, Georgia, and Alabama—including one guy from southeastern Alabama, a four-hour drive from Biloxi, who said he came to the Beau for three days about twice a month—and bumped into people attending the annual meeting of Mississippi's public school superintendents.

Just down the road from the Beau Rivage is the pirate-themed Treasure Bay Casino and Hotel. When I visited the place at 9:30 a.m. on a Tuesday morning, all three parking lots were nearly full. I surveyed the license plates. Most were from Mississippi, but I counted fourteen from Florida, eleven from Louisiana, ten from Georgia, eight from Alabama, five each from Tennessee and Arkansas, three from Texas, and one each from California, Illinois, Kentucky, Missouri, and Ohio. (One customized plate read: "My lucky number is 13—Jesus Christ and the 12 Disciples.")

In the tiny Delta community of Tunica, on the Mississippi river, nine casinos form what those in the industry call a "regional gaming market" that draws many gamblers from the Memphis area, Arkansas, and other parts of Mississippi.

Geography and history have contributed to Mississippi's embrace of casinos. There's an old joke that Mississippi's three biggest cities are New Orleans, Jackson, and Memphis. There's some truth to this. So when Tunica becomes a regional casino market, a large proportion of the gamblers come from greater Memphis. The small town Bay St. Louis, Mississippi, which has two casinos, is just a few miles from the Louisiana line, and Biloxi is only about ninety miles from New Orleans. So when the Mississippi Gulf Coast becomes a regional casino market, large numbers of gamblers come from greater New Orleans. More broadly, the Mississippi Gulf Coast for generations has attracted visitors from nearby states as well as vacationers from Mississippi.

Historically, Mississippi, in this respect very much like New York, has always been a gambling state. Somehow Mississippi's seemingly strict Bible-based moral norms—not to mention state laws prohibiting gambling—have always coexisted with wide-open gambling, especially in towns along the river and along the coast.

Natchez and Vicksburg, both on the Mississippi River, have always been notorious gambling towns, probably contributing as much as any two American towns to the definition of what it means to be a predatory "riverboat gambler."²²⁰ A visitor to Natchez wrote in 1810: "For the size of it there is not, perhaps, in the world a more profligate place."²²¹ In Vicksburg in the 1830s, an Anti-Gambling Society waged a spirited but decidedly losing battle against what one newspaper editor called the "loafers, rowdies, and gamblers" who made life interesting, and often dangerous, on the boats and near the wharves of the river.²²² Recalling how Mississippi looked from the vantage point of a Memphis hotel in 1910, William Faulkner describes "the discreet and innocent-looking places clustered a few miles away just below the Miss. State line," where gamblers gathered.²²³

In 1950 in Biloxi, there were slot machines in supper clubs, bars, hotels, and even in the bus station. One Biloxian, apparently quite sincerely, described them as being "everywhere but the clothing stores."²²⁴ There were so many slot machines in Biloxi that the military officers in charge of nearby Keesler Air Force Base, temporary home to some thirty thousand airmen from around the country, complained to U.S. congressional investigators that some of the young airmen were pawning their uniforms in order to recover from their slot machines losses. The fact that the machines were illegal seemed to bother almost no one. It certainly did not bother

Biloxi's police chief, who cheerfully received regular cash payments (he called them "fines") from the slot owners.²²⁵ In 1951 an Alabama newspaper reported:

*The Mississippi Coast has never tried to conceal its gambling. Mayor R. Hart Chinn said in an interview slot machines operated before Keesler Field and as far back as he could remember. Wide-open gambling adherents contend that convention crowds and vacationers pay the freight, pouring their money into the slots . . .*²²⁶

Which is pretty much what Mississippi officials who sponsor casinos are likely to say today about who is paying the freight.

So should New York adopt the "Mississippi Model" for sponsoring casinos? Go all in—or as Governor Cuomo urged in his 2013 *State of the State* address, "fully capitalize" on gambling?²²⁷ Depend, as least rhetorically, on most of the gambling being done by tourists and out-of-staters? Make lots and lots of money for the state, just like Mississippi?



If the answer is *yes*, here are seven likely requirements to keep in mind.

1. *Be prepared to sponsor lots of casinos.*

Mississippi's experience clearly shows that a few casinos are not enough. A 2013 article in the Jackson *Clarion-Ledger* quotes Denise Runge, editor of the wonderfully titled *Resorting to Casinos: The Mississippi Gambling Industry*, on the maturation of Mississippi's local casino markets. Runge's basic point is that when it comes to developing regional gaming markets, the more casinos the better: "Because if I have a bad night at casino A, I can go to casino B or C and so on." Multiple casinos in one area "let people know that there are multiple facilities and that they have

options and can stay longer and have a more diverse experience. That tends to, over time, make it an overnight destination market.”²²⁸

In short, if you are serious about fully capitalizing on your state’s casinos, you need to have multiple casinos in each local market. That’s the way it’s done in Nevada. That’s the way it’s done in Atlantic City. And that’s the way it’s done in Mississippi. So this is a point for Governor Cuomo and others to keep in mind when it comes to luring hundreds of thousands of tourists and out-of-staters to destination resorts with enhanced gaming in, say, Albany, or Monticello.

2. *Let the market rule.*

In Mississippi, as in Nevada, there are no restrictions on the number of casino licenses that can be issued. The market, not a government agency, decides how many casinos are viable in each particular market. Mississippi leaders consistently point to this distinction as the fundamental reason for the state’s success in generating high levels of revenue from casinos.²²⁹

3. *Tax lightly.*

The tax rate on Mississippi casinos is about half the rate of most other states. A low tax rate has meant more casinos locating in the state, which in turn has produced a strong flow of revenue to the state. Mississippi in this case has followed the old economics truism: If you want lots of something, tax it lightly. Mississippi wants lots of casino gambling, so they tax it lightly. The strategy has worked.²³⁰

4. *Merge industry regulation with industry promotion.*

In *How the South Joined the Gambling Nation*, scholars Michael Nelson and John Lyman Mason conclude that Mississippi casino regulators from the beginning “defined their role as involving promotion of the casino industry, not just regulation to assure that casinos operated honestly and in the public interest.” Leaders of the Mississippi Gaming Commission, the state agency that regulates the casinos, are proud to state that, as one agency mission statement puts it, one of the regulators’ main assignments is to “work with the industry to promote economic development.” In that spirit, gaming commission employees, including those who investigate applications for casino licenses, often receive on-the-job training from the

casinos, and in recent years several high-level commission executives have left their jobs as regulators to take high-paying positions with casinos.²³¹

Iowa, which in 1989 became the first U.S. state to legalize riverboat casino gambling, decided to establish betting limits in their casinos—regulations intended to cap possible losses per bet and slow down the pace at which a gambler could lose money. The casino owners disliked these regulations. Did Mississippi regulators see a need to consider similar regulations? No, they did not—a decision that almost certainly paid off for the state. A 2000 *Wall Street Journal* article linked drunk-driving fatalities in the state to the casinos' free-drinks policy for gamblers. Did Mississippi regulators see a need to investigate this topic? Possibly consider a change in the free-drinks policy? No, they did not.²³² That decision probably paid off as well, if all we are counting is dollars for the state.

In sum, if you are serious about generating lots of gambling revenue for your state, the Mississippi Model suggests letting the casinos do pretty much what they want to do. The rationale is simple. They want to make money for you. You want them to make money for you. All the key players—those who regulate and those who are regulated—are on the same money-making team. Probably the most successful of Mississippi's casino advocates is Haley Barbour, who served as governor from 2004 through 2012 and who previously spent several years lobbying for the casino industry in Washington, D.C.²³³ Governor Barbour is a good example of the full merging of industry regulation with industry promotion—a role Governor Cuomo will certainly have to keep in mind, if he succeeds in opening New York to casinos.

5. *Focus on major markets.*

States that are serious about gambling revenue concentrate on developing their major markets. Mississippi's major markets are Biloxi and Tunica. New York's major market is New York City.

New York City is not only the Empire State's major gambling market—it's arguably the most lucrative under-exploited gambling market on the planet. Governor Cuomo knows it. The global gambling companies who are desperate to do business in New York certainly know it. Everyone knows it. It's just that, for reasons connected to politics, no one is supposed to say it. At least not yet.

Something quite similar happened in Mississippi in 1990. There will only be a handful of casinos, they said. The casinos will only be on the water, they said. They won't even touch Mississippi soil! Now, of course, there are many casinos in Mississippi, including many located on Mississippi soil.

At some moment, if their plans to change the Constitution succeed and they are serious about making money for the state, Governor Cuomo and other New York politicians will have to drop the phony rhetoric about casinos as "upstate economic development" and tell New Yorkers the truth about this matter.

6. *Ask revenue questions, not social questions.*

Mississippi carefully tracks every penny of its gambling revenue. The quarterly revenue reports from the Mississippi Gaming Commission are models of precise, detailed accounting. Counting the dollars coming from the state's casinos is of deep interest to state officials.

On the other hand, in more than two decades of sponsoring casinos, Mississippi officials have not evinced the slightest interest in understanding, or even thinking about, the impact of casino gambling on Mississippi's citizens and communities. A 2001 *Clarion-Ledger* article says:

*Although legal gaming has existed in Mississippi for almost ten years, there has been no comprehensive study to examine the costs and benefits of the industry to the state. And because of the cost of such a study, one is not likely, a state official said.*²³⁴

That official's prediction turned out to be accurate. In 2011, Judith Phillips of Mississippi State University authored an excellent "overview for decision-makers" regarding Mississippi's casinos. She concludes that the state either fails to collect, or does not make available, the information from which scholars could develop a comprehensive analysis of the impact of casinos on the state, and she recommends that policy makers correct this problem so that they can soon commission a reputable study of the impact of casinos on Mississippi.

To illustrate the need for such a study, Phillips provides a tantalizing example of what might actually be occurring in the state. Using what she calls "obsolete"

data on Mississippi's problem gamblers collected by Rachel Vohlberg in 1997 as a part of a national survey of problem gambling, Phillips estimates that "the cost of problem gambling in the state of Mississippi may exceed the tax revenues generated by the casino industry in the state of Mississippi."²³⁵

You might think that such an alarming estimate would elicit some action, or at least attract some attention, from the Mississippi Gaming Commission or other state leaders. But no one in charge is asking, or seems likely to ask, *any* social questions regarding casino gambling in the state.

The Mississippi Model suggests that making lots of money from casinos requires officials to focus almost entirely on... making lots of money from casinos. Other possible priorities, such as examining the impact of casinos on the state's citizens and communities, detract from that goal and might even threaten it. This is a trade-off that political leaders in New York who want to sponsor casinos will need to understand and accept.

7. *Look at revenue for the state, not results for society.*

If I wanted to examine the impact of casinos on Mississippi—the state I grew up in and love—I know how I would begin. Mississippi has eighty-two counties. I would pick five or six well-established indicators of individual and social well-being. My preferred indicators are the proportion of children living in poverty, life expectancy, the proportion of residents suffering from serious physical or mental health problems, the proportion of residents failing to graduate from high school, crime and delinquency rates, and the proportion of children living in one-parent homes. There are other candidates as well, and any five or six reputable indicators will do, as long as they are accepted by scholars as serious measurements of fundamental personal and social well-being.

I would build a data set consisting of my key indicators, broken down by county and covering the period of 1983 through 2013. I would then show the results—trend lines for eighty-two counties over a period of three decades—to a team of scholars experienced in assessing such data. I would ask them two sets of questions:

- *First:* What if any patterns do you see? Which if any counties seem to stand out? Do some counties seem to be improving faster than others? Do some seem to be falling further behind?

- *Second:* I am now going to tell you the names of those Mississippi counties in which casinos have existed during the time frame under examination. What do the data tell you about that group of counties? Do they stand out in some way? Have their key indicators improved or declined in any special way, compared to counties without casinos? Or do there seem to be few if any differences between the two groups of counties?

Keep in mind that, in Mississippi, significant amounts of casino revenue remain in the counties and municipalities in which the casinos are located, to be used for public purposes by local governments. So there can be no doubt that those local governments where Mississippi casinos are located have received significant funding streams for several decades now that are directly tied to local casino gambling. The question is: What, if anything, has the money done? What, if anything, has *anything* connected to casino gambling done to shape for good or ill the basic well-being of the people who live in those areas?

I don't know for certain what the answer would be. But my guess is that scholars would find no significant differences between casino counties and counties without casinos. That is, they would not be able to tell, based on the well-being data alone, which counties have "benefitted" from two decades of local casino gambling and which counties have not. The implication of such a finding would be that—whatever else might be true about the results of the Mississippi Model of state-sponsored casinos—one could *not* say that casino gambling correlates with improved well-being in those places where the casinos are located.

But this is a question for people who are interested in the answers to such questions. There is no evidence that Mississippi politicians are interested. Maybe New York politicians would be different.

For many generations, Mississippi has been among the most poorly governed states in the Union. There are exceptions—one thinks of former governor William F. Winter, who served his state ably and courageously—but the exceptions are painfully rare in Mississippi history. Time and again, on issue after issue, Mississippi's leaders have seldom missed an opportunity to make a bad decision. As a result, Mississippi leads or nearly leads the nation in many categories—including poverty, poor health, educational failure, family fragmentation, payday lenders per

capita, and bad public services. And now Mississippi is a national leader, a kind of pioneer, in the area of state-sponsored casino gambling.

Is this the leadership that New York seeks to emulate? Is this the wisdom that New York wants to follow?

8. New York's Wonderful Life

Seneca Falls, New York, is a river town. In the late eighteenth century, the first Europeans to settle there relied on the rapids—or what they somewhat grandly called the “falls”—along that stretch of the Seneca River to power the sawmills and flour mills that formed the first economic anchor of the settlement. In the 1810s, these rapids were dammed to create a series of locks and (man-made) falls that significantly improved navigation between Cayuga and Seneca Lakes, while also creating additional waterpower for the mills, furthering the community’s economic and social development.²³⁶

Like so many other New York communities, the turning point for Seneca Falls was the creation of the Erie Canal. When in 1828 the local Cayuga–Seneca Canal connected to the newly completed Erie Canal in nearby Montezuma, only a few miles north of Seneca Falls, it ushered in a new era. People and goods could now be transported with much greater speed, efficiency, and convenience. Suddenly, Seneca Falls was connected by water to the rest of the world.

This period of economic dynamism and community development that took off in Seneca Falls in 1828 lasted, by most ways of reckoning, for nearly a century. With improved access to markets, the region’s farms flourished. Boat builders and cooper shops thrived in relationship to the canal. In addition to its successful mills, Seneca Falls became nationally prominent as a site for the manufacture of iron pumps, flatirons, and steam-operated fire engines. School children across the nation sat at desks and used wooden rulers (“Seneca rulers”) manufactured in Seneca Falls. The names of the leading Seneca Falls manufacturing firms—Cowing, Gould, Rumsey, Silsby, Westcott, and others—became, if not quite famous, at least notable examples of the rise and economic meaning of nineteenth-century American mass production.

By the turn of the century, railroads had largely displaced canals as preferred means of transport and as economic and social stimulants. The canal system that for generations had connected Seneca Falls to the world was becoming increasingly antiquated. These new realities dealt the town a harsh blow. In 1915, as a part of a larger renovation of the New York State canal system, the historic “flats”

of Seneca Falls—the lower-lying area along the Seneca River bed that was the town’s oldest residential area, its center of manufacturing, and its original connection to the water—was flooded with lake water. Virtually overnight, what had been the heart of Seneca Falls became Van Cleef Lake. The town was reshaped—and an era ended.²³⁷

In 1917, in the early days of the “new” Seneca Falls, a resident named Ruth Dunham jumped off a bridge into the waters of the canal in an apparent suicide attempt. A barge worker named Antonio Varacalli, an Italian immigrant, heard the young woman scream and, realizing what she had done, jumped into the canal after her. He managed to get her safely to the canal bank, but in saving her, Varacalli drowned. He was seventeen years old. He could not swim.

Antonio had come to Seneca Falls as a young boy with his father, Dominick. In 1917, the two were working hard, living frugally, and saving their money, in the hope and expectation of soon bringing the rest of their family to America. And in fact, aided by financial gifts in memory of Antonio from the Seneca Falls Elks Club and from Dominick Romero, a store owner in town, Antonio’s mother, two sisters, and a niece joined his father Dominick in Seneca Falls in 1922. Today, a small plaque on that Seneca Falls bridge simply states that in 1917 Antonio Varacalli “gave his life to save another.”²³⁸

In 1946, Frank Capra, an Italian immigrant who’d become one of America’s most successful and admired movie directors, released *It’s a Wonderful Life*, a beloved movie set in the imaginary town of Bedford Falls. In the movie, George Bailey stands on a bridge, contemplating jumping into the water to commit suicide. Clarence, an angel sent by God to help George, jumps in first, which induces the George to jump in to save Clarence. Rescuing Clarence helps George to save himself and rediscover life’s meaning.

There are other interesting facts about the imaginary town of Bedford Falls and the inspiring fictional story of George Bailey—a story which, according to Capra, who also produced the film and co-wrote the screenplay, basically aims to show that “each man’s life touches so many other lives” and that “no man is a failure.”²³⁹ Bedford Falls is a river town. It has “falls.” It has neighboring towns

named “Rochester,” “Elmira,” and “Buffalo.” The town has a significant number of Italian immigrants.

There are other tidbits. In the 1940s, Frank Capra’s aunt lived in Auburn, New York, about twenty miles from Seneca Falls. A Seneca Falls barbershop owner named Tommy Bellissima swears that he remembers giving Capra haircuts and chatting with him in 1945 or 1946.²⁴⁰

Was Seneca Falls an inspiration for Capra’s Bedford Falls? We can’t say for sure. Capra never said it was. In fact, Capra told anyone who asked that Bedford Falls was a composite of all American towns of that era.²⁴¹ Jimmy Stewart, who played George Bailey in *It’s a Wonderful Life*, said that Bedford Falls reminded him of his own hometown in Pennsylvania.²⁴² What seems clear is that Capra’s deepest concern was not to represent a particular place, but a certain way of life, a set of values.

What are those values? Think about the story of Antonio Varacalli. *It’s a Wonderful Life* involves the struggles—not always successful—of ordinary people to live with dignity, gain financial security through thrift and cooperation, and care for one other. It’s one of the most beloved films of American cinema, viewed each Christmas season by millions throughout the country.

Regarding the centrality of the theme of thrift, let’s recall some of *It’s a Wonderful Life*’s key moments:

- the Bedford Falls Building and Loan helps people escape Mr. Potter’s slums and own their own homes
- George sets aside his dream of world travel and expansive living, while his bride Mary decides spur-of-the-moment to give away their honeymoon money—“How much do you need?”—in order to save the Building and Loan during the Great Depression
- George and (mostly) Mary decide to move into and restore the decaying old Granville home

- the eerie dystopia of Pottersville (named after the movie’s bad guy, Mr. Potter), in which Bedford Falls’ library and other pro-social organizations such as the Building and Loan have been supplanted by pawn shops and gambling establishments

Capra confected *It’s a Wonderful Life* from a slender short story—hardly more than an extended Christmas card greeting—by Philip Van Doren Stern called “The Greatest Gift.” In Stern’s version, George works at a commercial bank rather than a building and loan and Mary is a spendthrift. It’s clear that Capra did not inherit the emphasis on thrift and its relationship to generosity from Stern’s story. Capra added those parts himself.

And no wonder. Here is Capra, recalling his childhood:

*Through the grammar school years I sold papers—mornings, evenings, and Sundays. I gave every penny to Mama . . . At college, I still managed to pay my own way and contribute several hundred dollars a year to my family.*²⁴³

Don’t lose hope. Work hard. Build something over time. Help your neighbors. These are simple ideas, and easy enough to caricature. In 1947 the *New York Times* film critic Bosley Crowther called *It’s a Wonderful Life* “a smug and sentimental show of elementary wishful-thinking.”²⁴⁴ But these ideas are also fundamental and, at least to many people, important.

When I visited Seneca Falls in 2012 and 2013 to study the local history and ask people about casinos, I found these ideas . . . pretty hard to miss.

I asked nearly everyone I met what they thought about Governor Cuomo’s and the New York State legislature’s proposal to create more casinos around the state, and found only one person who supports the idea. A woman in her thirties, a waitress and bartender at a Seneca Falls eatery, told me that she had “no problem” with the casino proposal. She herself likes to play the slots. She said that it’s “nice to try to win a big jackpot” (though she hasn’t won one yet), and as a smoker she likes the fact that the casinos permit smoking. She and her boyfriend often gamble at Turning Stone Casino, owned by the Oneida Indians and located about seventy-

five miles from Seneca Falls, and occasionally visit the Finger Lakes Casino—or “racino*”—located about thirty miles from Seneca Falls.

No one else I spoke to endorsed the idea of creating more casinos in New York. A local realtor told me, “I’m not a casino person,” and that she is worried about casinos taking money out of local communities: “There is only so much money in Seneca County.”

On one of my visits to the Seneca Falls Historical Society, a wonderful place to do research, I asked the person assisting me what she thought about more casinos in New York. She looked at me levelly and said, “We’re not thrilled about it” and “It’s not right. They take money out of people’s pockets and don’t put it back into the community.” This woman grew up in Seneca Falls. She began working at the Historical Society years ago as a volunteer, and is now its collections manager and the co-author of a book on local history. She was angry at the Indian tribes in the region for their economic focus on cheap cigarettes and casino gambling—this view appears to be widely shared in Seneca Falls—and perplexed at the idea of New York State creating more casinos, which she worried would help lead to “the downfall of the middle class” in New York.

The local expert on the relationship between Seneca Falls and *It’s a Wonderful Life* told me, perhaps predictably but with obvious conviction, that the whole idea

* To clarify if you are confused (and who could fault you, since gamble-speak aims to confuse): As part of ignoring as much as possible the fact that the New York State constitution prohibits casino gambling, New York officialdom calls the Finger Lakes Casino a “racino,” because it’s situated next to a racetrack—even though the ads for the place say “casino” and even though what’s inside is obviously a casino. The term “racino” is a term invented by politicians to disguise what they are doing: letting nine racetrack owners in New York operate casinos that are not, in official state documents, called casinos. This piece of legal and linguistic confusion surely would have won appreciative nods from Tammany boss Charles F. Murphy and Republican boss William Barnes on the eve of their 1908 conflict with Gov. Charles Evans Hughes, who acted as though the New York State constitution meant what it said about no gambling. But at least “racino” as a term of gamble-speak has not extended beyond the political class. In nearly two years of talking to ordinary New Yorkers about casinos and visiting many of the state’s so-called “racinos,” including the Finger Lakes Casino, located in Farmington, New York, I have never heard anyone use the term “racino.” Everyone says “casino”—just like the sign says.



of turning New York into a center of casino gambling was like “turning New York into Pottersville.”

The director of the Seneca County Chamber of Commerce, a family man in his thirties who said that he himself occasionally visits Las Vegas or Atlantic City to gamble, told me that most Seneca County merchants and business leaders oppose casino expansion. Casino gambling impoverishes people, he said, and “we already have poor people.” He reported a “strong general feeling” against Indian-sponsored gambling in the region, and said that casino gambling sponsored by New York State would not help, and would likely hurt, the local businesses whose owners are Chamber of Commerce members. People going to casinos means that those people are “not going to our restaurants” and “not going to our shops.” He also pointed out that many leaders in politics and business now stress the importance of “sustainability.” They regularly urge sustainable agriculture, sustainable economic growth, and sustainable business models. Casinos move us in the opposite direction: “Casinos are not sustainable anything.”

A lot to think about. Taking a walk, I thought about the old People’s Building and Loan Association, formed in Seneca Falls in 1893.²⁴⁵ I wondered if it might, somehow, be connected to Frank Capra’s choice to have George Bailey of Bedford Falls work in a building and loan association. Probably not, I decided.

I walked over to Generations Bank, looking for information about the old Seneca Falls Savings Bank, which since 1870 had helped residents of modest means to build wealth over time, and which also, I thought, had helped to run a school-based saving program for Seneca Falls children. A manager there told me she didn’t know much about the old Savings Bank, but that Generations Bank, which absorbed the Savings Bank in 2000, today helps to run a school-based saving program for Seneca Falls children.

I walked over to the Seneca County Courthouse. An engraved inscription from 1928 on one side of the building reads: “Erected by the Citizens of Today as Their Obligation to the Past and Duty to Future Generations.”

I walked over to Van Cleef Lake to sit for a while and enjoy the afternoon. A “Welcome to Seneca Falls” sign in front of a small pavilion near the lake’s edge says: “The best of our heritage remains today—a strong work ethic, a family-centered

community, and an intense respect for the amazing beauty and resources that encompass and surround Seneca Falls.”

Are these the people who, seeking as best they can after New York’s promise, need their state government to sponsor a string of casinos across the state?

9. An Appeal

Government sponsorship of casino gambling is an economically, politically, and fiscally regressive policy not worthy of our great state.

This is New York. We are a proud and progressive state. Our State Seal bears the motto, “Excelsior,” which means “Still Higher!” We must and can do better than sinking to the level of casino gambling to seek after our economic future.

Casino gambling is regressive. It represents a policy of going backwards toward a lower stage of economic, political, and social development. It represents a policy of economic stagnation and lowered standards. It depends for its success on the triumph of cynicism, the disregarding of evidence, the failure of imagination, and the fading of optimism. Casino gambling in New York would drag down communities, injure citizens, and compromise the state’s government. Ethically, casino gambling would seriously weaken what Mario Cuomo calls “the New York Idea.”

The casino lobbyists and their allies in government will dispute this argument.

They will say: “This will create jobs.”

So it will. But the larger question is whether these jobs will contribute to economic growth. Any new economic activity—from selling drugs to loan sharking to XXX movie theaters to regional offices for the Ku Klux Klan—will create jobs. But research shows that only some of these activities actually contribute to economic growth, and casinos (mainly because they produce nothing of value) are not among them. Casino gambling does not create wealth; it only follows, devalues, and redirects wealth. As Gov. Mario Cuomo put it in an interview with the *New York Times* in 1994, bringing casinos into a state “doesn’t generate wealth, it just redistributes it.”²⁴⁶

They will say: “This will bring revenue to the state.”

So it will. But the larger question is whether we want to tax New Yorkers in this way at all. Any excise or “sin” tax brings revenue to the state. But sponsoring casinos in order to tax them is a profoundly regressive (“steal from the poor and give to the rich”) and unfair form of taxation. In addition, because the activity being

taxed openly preys upon human weakness, creating casinos in order to tax them violates the social contract between the governing and the governed and makes a mockery of the principles of justice and compassion.

They will say: “We must do this because times are hard and unemployment is high.”

The exact opposite is true. In economic downturns, society’s main goal is to rekindle economic growth, and casino gambling does not contribute to economic growth and frequently retards it, mainly by diverting human, social, and financial capital from productive to nonproductive purposes. Moreover, during economic hard times (such as these) in which there are no overnight solutions and which take time and persistent effort to overcome, a primary goal of government is to help society get the economic fundamentals right—a modernized infrastructure, a more highly trained and flexible workforce, smarter R & D, fairer taxes, proper incentives for economic innovation, and a public culture that rewards creativity and hard work. State support for casino gambling contributes absolutely nothing to any of these goals.

They will say: “New York is already in the gambling business.”

So it is. But that fact is no argument for making another bad decision now. Nor is it a legitimate justification for declining to think seriously about the issue at hand. The response of a true leader to predecessors’ mistakes is to recognize them with concern, not mindlessly repeat them. Besides, the states that have gone furthest down the road of being “in the gambling business”—states such as Mississippi and Nevada—are hardly the models of economic dynamism and progressive governance that New Yorkers ought to want to imitate. After all, who leads in America, who follows—and why? As Governor Cuomo said in 2011: “Other states look to New York for the progressive direction.”²⁴⁷

They will say: “Gambling is entertainment.”

No, it is not. Gambling is a financial exchange, pure and simple. Any entertainment that comes from gambling comes from the exchange itself—I win, you lose, or vice versa—and would not exist without the exchange. It is true that some people can derive pleasure or thrills or excitement from certain financial exchanges. But if the financial exchange of gambling is nothing more than entertainment, then the

same must be said of other potentially thrilling financial exchanges such as playing the stock market, making lots of money on the sale of your house, or shopping for those new garden tools that you really, really want. What if corporate lobbyists, for reasons no nobler than their own self-interest, also insisted that we legally reclassify these forms of financial exchange as “entertainment”?

They will say: “If New York doesn’t do this, gamblers will take their money to other states.”

Some New Yorkers do currently travel to Atlantic City or Las Vegas to gamble, but that is no justification for populating New York with casinos, since the main consequence of building a new a casino in a community is more gambling by community residents, which in turn spreads debt, addiction, and other community problems. When speaking of bringing casinos into New York, the politically correct term “destination gaming location” is therefore blatantly misleading. Research clearly shows that the primary results of new casinos are new gamblers and more gambling, not changes of destination for current gamblers.

They will say in world-weary tones: “We don’t necessarily like gambling, but it’s already here.”

But that is no excuse for purposefully creating more of it. Cronyism in our politics is “already here” as well, but that doesn’t mean we need more of it. Cigarette smoking is “already here,” but that doesn’t imply that New York should go into the cigarette business and urge citizens to help their state by smoking as many New York-made cigarettes as possible. There isn’t one harmful, shady activity in the entire state of New York that we need to increase and officially promote on the grounds that some of the social problems related to it are “already here.”

And after each of these slogans has been publicly proffered and soundly refuted—not one can withstand serious scrutiny—the casino lobbyists and their allies will likely turn to their trump card, which is the raw power of money. Their bet is that special-interest money, steadily and strategically deployed, will ultimately achieve its aim.

But this is New York. We don’t fool easily. We prefer evidence over slogans. We’re accustomed to leading rather than following. At our best, we favor justice over

predation, thrift over waste, growth over stagnation, excellence over mediocrity, and the work ethic over the luck ethic.

For these reasons, we must appeal to our political leaders to halt the expansion of New York State's partnership with gambling interests by declining to alter any law, or to propose any change in our laws or Constitution, aimed at introducing and expanding casino gambling in New York. They must not bring this ugly thing into our beautiful state.

Endnotes

1. The psychoanalyst Theodore Reik famously called gambling “a kind of question addressed to destiny.” *From Thirty Years with Freud* (New York: Farrar & Rinehart, Inc., 1940), 170–71. See also Clyde Brion Davies, *Something for Nothing* (Philadelphia: J. B. Lippincott Company, 1956), 259.
Explaining his passion for gambling at poker, the writer David Mamet says: “If the axiom which you are acting under is not designed to make you money, you may find that your real objective at the game is something else: you may be trying to prove yourself beloved of God.” See David Mamet, *Writing in Restaurants* (New York: Penguin Books, 1986), 94.
2. J. Leonard Corning, “The Psychology of the Gambling Habit,” *Medical Record* 82, no. 22 (November 30, 1912): 971–75; “Gambling as a Psychosis,” *New York Times*, December 2, 1912.
Of the same generation as Corning was Maurice Maeterlinck, the Belgian essayist, poet, and playwright who won the Nobel Prize in Literature in 1911. Echoing Corning, albeit with a bit more bite, Maeterlinck writes: “Gambling is the stay-at-home, imaginary, squalid, mechanical, anemic and unlovely adventure of those who have never been able to encounter or create the real, necessary and salutary adventures of life.” *Mountain Paths* (New York: Dodd, Mead and Company, 1920), 158.
3. Mario Cuomo, *The New York Idea: An Experiment in Democracy* (New York: Crown Publishers, Inc., 1994).
4. Paul A. Samuelson, *Economics*, 10th ed. (New York: McGraw-Hill, 1976), 425. More than two centuries ago the great English writer Samuel Johnson put it even more succinctly: “Gaming is a mode of transferring property without producing any intermediate good.” See James Boswell, *The Life of Samuel Johnson* (1791; London: Everyman’s Library, 1992), 428.
5. The most authoritative discussion to date of the economic costs and benefits of casino gambling over time is Earl L. Grinols, *Gambling in America: Costs and Benefits* (Cambridge: Cambridge University Press, 2004). See also Grinols and David B. Mustard, “Casinos, Crime, and Community Costs,” *The Review of Economics and Statistics* 88, no. 1 (February 2006): 28–45.
6. Hank Messick and Burt Goldblatt, *The Only Game in Town: An Illustrated History of Gambling* (New York: Thomas Y. Crowell Company, 1976), 64.
7. This iron law of “gambler’s ruin”—the inescapable reality that the players are playing games that, over time, they simply cannot win—explains why casino owners and managers almost *never* gamble. Why should they? They have no intention of being “suckers,” “plungers,” “pigeons,” “chumps.”
8. Lloyd Morris, *Incredible New York: High Life and Low Life from 1850 to 1950* (Syracuse, NY: Syracuse University Press, 1951), 228.
9. Morris, *Incredible New York*, 229. In *Fortune’s Children*, Arthur T. Vanderbilt II recalls:

Richard Canfield, who could trace his descendants back to the Mayflower, usually retired to his study of one of the upper floors to read the classics while his guests gambled the night away. Canfield advised each of his guests, including Reginald Vanderbilt, that if they played at the roulette wheel or baccarat tables or at faro too long, the only winner would be Richard Canfield. It was inevitable. Those were the odds. That’s how he made his money.

Fortune’s Children: The Fall of the House of Vanderbilt (New York: HarperCollins, 1989), 328. See also: “Bitter Onslaught on Jerome in the Senate,” *New York Times*, March 16, 1904; “Jerome Bill Passed; Senators Fling Mud,” *New York Times*, March 22, 1904; “Dr. Pankhurst Says ‘The Lid

Is Off' Now," *New York Times*, April 1, 1904; "Richard Canfield Killed by a Car," *New York Times*, December 12, 1914; "The Canfield Era," in Herbert Asbury, *Sucker's Progress: An Informal History of Gambling in America* (New York: Dodd, Mead and Company, Inc., 1938).

10. The law of gambler's ruin has been stated in various forms by many mathematicians and writers. See "The Desperate Case of the Gambler's Ruin," chap. 10 of Richard Isaac, *The Pleasure of Probability* (New York: Springer-Verlag, Inc., 1995); Patricia Barnes-Svarney and Thomas E. Svarney, *The Handy Math Answer Book* (Canton, MI: Visible Ink Press, 2006); and Miodrag S. Petkovic, *Famous Puzzles of Great Mathematicians* (Providence, RI: American Mathematical Society, 2009), 217.
11. Dr. Deborah Rumsey, *Probability for Dummies* (Hoboken, NJ: Wiley Publishing, Inc., 2006), 125. See also John Scarne, *Scarne on Dice* (Harrisburg, PA: Military Service Publishing Co., 1957), 70, 116, 199.
12. Edmund Bergler, *The Psychology of Gambling* (New York: Hill and Wang, 1957), 237.
13. Julian Lowell Coolidge, "The Gambler's Ruin," *Annals of Mathematics* 10, no. 4 (July 1909): 181–92.
14. Nicholas Pileggi, *Casino: Love and Honor in Las Vegas* (New York: Simon & Shuster, 1995), 14. In the movie, Rothstein also says (just in case someone has missed the point): "It's all been arranged just for us to get your money. That's the truth about Las Vegas. We're the only winners. The players don't stand a chance."
15. Liz Karagianis, "Big Losers: The Casino Industry's Ideal Customers," *MIT Spectrum* (Fall 2008), <http://spectrum.mit.edu/articles/big-losers/>. This article focuses on the work of MIT anthropologist Natasha Dow Schull, whose important book on this topic is *Addiction by Design: Machine Gambling in Las Vegas* (Princeton, NJ: Princeton University Press, 2012).
16. Roger Collier, "Do Slot Machines Play Mind Games with Gamblers?" *Canadian Medical Association Journal* 179, no. 1 (July 1, 2008): 23.
17. Marc Cooper, "Sit and Spin," *The Atlantic*, December 1, 2005, <http://www.theatlantic.com/magazine/archive/2005/12/sit-and-spin/304392/>. And what are the chances of winning money by betting against these lit-up computers? Cooper summarizes: "There is no way to gain an edge on slot machines—no possible strategy for beating them other than not playing them. So-called 'hot' and 'cold' machines are simply a fantasy of suckers."
18. A Quinnipiac Poll released on June 6, 2013, finds that about 48 percent of New York voters say that changing the Constitution to allow casino gambling is a good idea, while about 45 percent say that it's a bad idea. An earlier Quinnipiac Poll, released on September 21, 2011, found that about 56 percent of New Yorkers supported bringing casinos into New York, while about 63 percent believed that casinos would lead to an increase in gambling addiction. A Quinnipiac Poll released on December 21, 2011, found that about 64 percent of New Yorkers supported bringing commercial casinos to New York.
19. Probably the strongest argument for personal liberty in the English language is John Stuart Mill's 1859 essay, "On Liberty." As an unquestioned champion of libertarian principles—Mills believed, for example, that prostitution should be legal—he concludes that a strong case exists for denying casinos and other gambling houses freedom of operation. Follow his argument carefully:

[Although the public, or the State, are not warranted in authoritatively deciding, for purposes of repression or punishment, that such or such conduct affecting only the interests of the individual is good or bad, they are fully justified in assuming, if they regard it as bad, that its being so or not is at least a disputable question: That, this being supposed, they cannot be acting wrongly in endeavoring to exclude the influence of solicitations which are not disinterested, of instigators who cannot possibly be impartial—who have a direct personal interest on one side,

and that side the one which the State believes to be wrong, and who confessedly promote it for personal objects only. There can surely, it may be urged, be nothing lost, no sacrifice of good, by so ordering matters that persons shall make their election, either wisely or foolishly, on their own prompting, as free as possible from the arts of persons who stimulate their inclinations for interested purposes of their own. Thus (it may be said) though the statutes respecting unlawful games are utterly indefensible—though all persons should be free to gamble in their own or each other's houses, or in any place of meeting established by their own subscriptions, and open only to the members and their visitors—yet public gambling-houses should not be permitted.

20. John Dewey, *Art as Experience* (1934; New York: Perigee, 2004), 16. See also Mary Stokrocki et al., "Casino Capers: Exploring the Aesthetics of Superfluidity," *Journal of Social Theory in Art Education* 30 (2010): 83–97.
21. Cuomo, *New York Idea*, 98.
22. James Dao, "Legalizing of Casinos Gains in Albany," *New York Times*, February 7, 1994.
23. Ibid. In reviewing Mario Cuomo's relationship to gambling issues over the years, what clearly emerges is a morally serious political leader who admittedly made a "concession" or two to gambling (most notably his support of expanding the Lottery) and was also compelled to do some things he would rather have avoided (most notably, New York during his governorship was effectively forced by federal law to permit the Oneida and Mohawks to open for-profit casinos on their tribal lands), but who, at the purely human level, disliked the mixture of politics and gambling and, when it came to legalizing casinos, strongly criticized and did what he could to prevent it.
24. The stories of these men are told in John Morris, *Wanderings of a Vagabond: An Autobiography* (New York: printed by the author, 1873?); John Philip Quinn, *Fools of Fortune; or, Gambling and Gamblers, Comprehending a History of the Vice in Ancient and Modern Times, and in Both Hemispheres; An Exposition of Its Alarming Prevalence and Destructive Effects; with an Unreserved and Exhaustive Disclosure of Such Frauds, Tricks and Devices as Are Practiced by "Professional" Gamblers, "Confidence Men" and "Bunko Steerers"* (Chicago: The Anti-Gambling Association, 1892); Asbury, *Sucker's Progress*.
25. Henry Chafetz, *Play the Devil: A History of Gambling in the United States from 1492 to 1955* (New York: Bonanza Books, 1960), 430.
26. Slot machines—"gambling machines" or "penny-in-the-slot machines" or "nickel-in-the-slot machines"—were being discussed in the New York press at least as early as 1896. By 1905, slot machines appear to have been operating statewide and openly in saloons, liquor stores, pool rooms, small retail outlets, and hotels. As early as 1899, New York police and county district attorneys were occasionally (but *only* occasionally) confiscating the machines, and bills to specify or increase legal penalties for owning and operating slot machines were introduced into the state legislature in Albany also as early as 1899. Sometimes the action got dramatic. In 1902, Anthony Comstock smashed three "nickel-in-the-slot gambling machines" to pieces in a New York City court, and in 1903, the neighboring big city of Philadelphia, Pennsylvania, publicly burned about thirteen hundred "slot gambling machines."

However, the dominant attitude in New York State, and even more so in New York City, during these years with respect to slot machines was clearly one of official tolerance and even encouragement. In 1904, a judge in Buffalo was so surprised by a case before him of slot machines being seized from a Niagara County hotel that he asked the New York State excise officer who was present in the court:

Are the efforts of your department to prevent gambling general or sporadic? I ask because I do not think it possible to go into hotels in any part of this State without witnessing open violations of this feature of the excise law.

The great New York writer and Albany native William Kennedy, describing Albany during the 1920s and 1930s, quotes his uncle: "There were slot machines in every grocery store, nickel machines, numbers, gambling houses, card games, everything went. Nothing was legal but it was all wide open." See "Robbed the Slot Machines," *New York Times*, June 13, 1896; "Bills Passed by the Assembly," *New York Times*, March 31, 1899; "Crusade Against Slot Machines," *New York Times*, October 15, 1899; "Court Says Big Gamblers Escape," *New York Times*, March 22, 1900; "Mr. Comstock Used a Hammer," *New York Times*, March 20, 1902; "Burns 1,300 Slot Machines," *New York Times*, May 20, 1903; "Court Criticizes Excise Men," *New York Times*, December 23, 1904; William Kennedy, *O, Albany!* (New York: The Viking Press, 1983), 181.

27. "Mayor Comes Out Against Mutuels; Aids Council Slate," *New York Times*, November 6, 1939.
28. La Guardia's advice to people in public life included the tip, "Don't gamble on the stock market or let other people do it for you." In 1934, recalling the onset of the Great Depression, he said: "It required no great economist to know that the wave of wild speculation and reckless gambling, of unsound financing and dishonest banking, of gold-brick promotion and unregulated agriculture, could not continue indefinitely." See, "The Mayor—After Six Months," *New York Times*, July 1, 1934, and "The Text of Mayor LaGuardia's Address at the Chicago Exposition on the Future of Labor," *New York Times*, September 4, 1934.
29. "City Stiffens Rules to Bar Panic Fires," *New York Times*, December 21, 1942.
30. "Police Files on Drukman at Odds on Vital Points, Geoghan Counsel Shows," *New York Times*, September 3, 1936. "LaGuardia Sits as a Magistrate to Reopen War on Slot Machines," *New York Times*, February 17, 1934.
31. "A Two-Front War on Slot Machines," *New York Times*, January 28, 1934. This article contains an excellent description of slot machines in New York, circa 1933–1934. See also Charles Garrett, *The La Guardia Years: Machine and Reform Politics in New York City* (New Brunswick, NJ: Rutgers University Press, 1961), 160–61; and Thomas Kessner, *Fiorello H. La Guardia and the Making of Modern New York* (New York: McGraw-Hill Publishing, 1989), 351–52.
32. Wayne W. Parrish, "Gambling Slot-Machines That Swallow Millions," *Literary Digest* (August 19, 1933), and "You Can't Win in the Slot-Machine Racket," *Literary Digest* (August 26, 1933). See also, "New York Mayor's War on Slot-Machines," *Literary Digest* (March 3, 1934).
33. "35 Slot Machines Seized in 3 Raids," *New York Times*, February 24, 1934.
34. *Ibid.*
35. "Slot Machines Get Sanction of Court," *New York Times*, February 14, 1934.
36. "LaGuardia Sits as a Magistrate to Reopen War on Slot Machines," *New York Times*, February 17, 1934.
37. "LaGuardia Wins Slot Machine Victory; Highest Court Voids Old Ban on Seizures," *New York Times*, May 22, 1934.
38. "Slot Machines Get Sanction of Court."
39. "La Guardia on Screen," *New York Times*, March 12, 1934.
40. "Mayor Orders End of Penny Candy 'Racket'; Encourages Gambling in Children, He Says," *New York Times*, April 4, 1937; "Mayor Promises Cleaner Schools," *New York Times*, May 18, 1938; "Mayor Says Press Aids Bookmakers," *New York Times*, September 20, 1942; "N.Y.U. Class Studies Slot-Machine Odds," *New York Times*, September 27, 1932. The lead investigator for the study, Dr.

E.E. Free of the NYU School of Commerce, also reported that the finding of a 75.6 percent payout applied only to the “liberal” machines (what gambling operatives today call “loose” machines) used in the city’s private clubs; for the slot machines located in bars and saloons, cigar stores, and other public places, the measured payout, according to Dr. Free, was only 67.6 percent.

41. “Slot Machines Ring ‘Out,’ Says O’Ryan,” *New York Times*, March 6, 1934.
42. Wayne W. Parrish, “*You Can’t Win in the Slot-Machine Racket*”: Reprinted from the *Literary Digest at the Request of Hon. Fiorello H. LaGuardia, Mayor of New York*, pamphlet (New York: New-York Historical Society, [dated in pencil “1934”]).
43. “Mayor LaGuardia’s Address on His ‘First Hundred Days,’” *New York Times*, April 11, 1934.
44. “1,155 Slot Machines Sunk in the Sound,” *New York Times*, October 14, 1934.
45. Ibid.
46. “Criminals’ Arsenal to Be Sunk in Sound,” *New York Times*, August 3, 1936. “Mayor Sees Doom of Slot Machines,” *New York Times*, October 9, 1936. By 1938, the city had acquired a special “cutting machine” that could grind the noxious slots to bits, thereby increasing the efficiency of the disposal process. On August 17, 1938, a total of 707 slots were cut to pieces in this manner, at a rate of four machines per minute. La Guardia quipped: “We’re getting more modernistic and furthermore, I don’t want any of my boys straining their backs dumping these things at sea.” During WWII, the city contributed its crushed slot and pinball machines to the nation’s drive for “war metals” to be used for munitions. “New York Police Using Concrete Crusher to Smash Gambling Devices,” *New York Times*, August 18, 1938; “Pinball Seizures Pushed by Police,” *New York Times*, January 23, 1942.
47. “La Guardia Hails a Neater Coney,” *New York Times*, September 3, 1936.
48. Fiorello H. La Guardia, *The Making of an Insurgent: An Autobiography, 1882–1919* (Philadelphia: J. B. Lippincott Company, 1948), 24–25.
49. Ibid.
50. “Mayor Comes Out Against Mutuels.”
51. Ibid.
52. “Mayor Denounces Gambling in State,” *New York Times*, April 16, 1940.
53. “La Guardia Orders Policemen to ‘Sock’ Tinhorn Gamblers,” *New York Times*, September 21, 1942.
54. “La Guardia Fears Gamblers’ Return,” *New York Times*, October 24, 1945. In May 1945, when La Guardia discovered that the federal War Production Board (WPR) had promulgated regulations that might make it easier to manufacture slot machines, he was outraged:

I have always said that there were some crooked little tinhorns around WPB, because they always get a break. I bet they have some [slot machines] in store. Look here, Commissioner Valentine, keep your eyes open and nab the first one that comes in. Just roll it into the station house and mark it for identification. Do not let them get a start.

“Orders New Crack-Down,” *New York Times*, May 21, 1945.

A nice overview of La Guardia’s anti-gambling campaigns as mayor of New York City is presented in Virgil W. Peterson, “The Myth of the Wide-Open Town,” *Journal of Criminal Law and Criminology* 39 (September 1948), reprinted in *Gambling in America*, ed. Hebert L. Marx Jr. (New York: H.W. Wilson Company, 1952), 207–16.

One of La Guardia’s biographers offers an assessment of La Guardia’s efforts to end state-sponsored gambling in New York. By 1945, “[t]he city had won its war against the slot and pinball machines, and while other forms of gambling had not been eliminated, they were under constant attack and forced to be on guard.” Garrett, *The La Guardia Years*, 176.

55. A 1993 survey of 160 experts ranks La Guardia first on the all-time-best list of U.S. big-city mayors. See Melvin G. Holli, *The American Mayor: The Best and the Worst Big-City Leaders* (University Park, PA: Pennsylvania State University Press, 1999).
56. Cited in La Angelena/Special to LAist, "LAistory: The Battle of Santa Monica Bay," LAist.com, August 8, 2009, http://laist.com/2009/08/08/laistory_the_battle_of_santa_monica.php.
57. Ed Gray, *Chief Justice: A Biography of Earl Warren* (New York: Simon & Schuster, 1997), 102.
58. Marshall Fey, *Slot Machines* (Reno: Liberty Belle Books, 1983), 138–39, 144, 147. "Gambling Ship," *Life*, August 19, 1946, 34. Gray, *Chief Justice*, 54, 100–2. Jack Harrison Pollack, *Earl Warren: The Judge Who Changed America* (Englewood Cliffs, NJ: Prentice-Hall, 1979), 23, 68–71, 128.
59. Earl Warren, *The Memoirs of Earl Warren* (New York: Doubleday, 1977), 142–43. G. Edmund White, *Earl Warren: A Public Life* (Oxford and New York: Oxford University Press, 1982), 51–52.
60. Fey, *Slot Machines*, 144. Marshall Fey is the grandson of Charles A. Fey, who in the late 1890s in San Francisco created the "Liberty Bell," one of the most famous and widely used early slot machines.
61. Historian Robert F. Wesser writes that Hughes's 1906 gubernatorial nomination "marked a victory for Republican progressivism in New York, the chief architect of which was Theodore Roosevelt," and that upon becoming governor, Hughes "moved to the center of Republican progressivism in the Empire State." Roosevelt wrote to Hughes soon after Hughes's election: "I feel that you and I, my dear Mr. Hughes, approach our work in the same spirit." Robert F. Wesser, *Charles Evans Hughes: Politics and Reform in New York, 1905–1910* (Ithaca, NY: Cornell University Press, 1967), 68–69, 103.
62. "Roosevelt Smiling, But Barnes Grim," *New York Times*, April 19, 1915.
63. Charles Evans Hughes, *Addresses and Papers of Charles Evans Hughes, Governor of New York 1906–1908* (New York: G. P. Putnam's Sons, 1908), 135.
64. In 1910, Roosevelt publicly opposed the licensing of "moving pictures" of the forthcoming professional prizefight between Jack Johnson and James J. Jeffries, the so-called "Fight of the Century," scheduled to take place in Reno, Nevada. Roosevelt reached his decision not because he was opposed to boxing—he described himself as "an ardent advocate of boxing as a sport"—but rather because, "The money prizes fought for are enormous, and are an important source of demoralization in themselves [and the] betting and gambling on the result [of a prizefight] are thoroughly unhealthy."

The following year, Roosevelt visited Reno to speak on the topic of "civic righteousness," a favorite theme by which Roosevelt meant his ideal of Americans of diverse religious beliefs joining together and "standing on a square ethical basis." (He wrote that civic righteousness is based on these precepts, "Fear the Lord and walk in his ways" and "Love thy neighbor as thyself," and suggests that "civic greatness is at an end when civic righteousness is no longer its foundation.") In the speech, Roosevelt took the opportunity, as the *New York Times* reported, to "compliment the people on driving out the gambling evil" in their state—and then, referring to the influence on the nation of "Reno divorces," suggested that "they should go further and rid the State of the divorce evil."

"Jack Johnson Sees Jeffries Defeated," *New York Times*, July 14, 1910; "Reno to Hear Roosevelt," *New York Times*, February 9, 1911; Theodore Roosevelt, *The Strenuous Life: Essays and Addresses* (New York: The Century Co., 1902), 137, 331; Roosevelt Assails Reno," *New York Times*, April 4, 1911.
65. Theodore Roosevelt, *The Roosevelt Policy: Letters and State Papers, Relating to Corporate Wealth and Closely Allied Topics*, intro. Andrew Carnegie (New York: Current Literature Publishing Company, 1908), 1:163.
66. "Sayings of Theodore Roosevelt," *New York Times*, February 9, 1919. In 1902, Roosevelt argued that sustained prosperity depends on combining widespread "energy and action" with the "refusal to take part in the reckless gambling which is so often bred by, and which so inevitably puts an end to, prosperity." *The Roosevelt Policy*, 1:103.

Sometimes Roosevelt used the words “gambling” and “speculation” essentially as synonyms, and in a 1908 message to Congress he recommended that

there should be measures taken to prevent at least the grosser forms of gambling in securities and commodities. . . . It would seem that the Federal Government could at least act by forbidding the use of the mails, telegraph and telephone wires for mere gambling in stocks and futures, just as it does in lottery transactions.

The Roosevelt Policy, 2:711–12.

67. *Ibid.*, 2:725.
68. Harry Brolaski, “How the Gambling Bookmakers Rob the Public,” *Reform Bulletin* 2, no. 21, May 26, 1911.
69. Harry Brolaski, *Easy Money: Being the Experiences of a Reformed Gambler* (Cleveland, OH: Searchlight Press, 1911), 223.
70. Mark Sullivan, “The Pool-Room Evil,” *Outlook* 77, no. 4, (May 28, 1904): 214.
71. Leroy Scott, “Horse-Racing and the Public,” *World’s Work* 12, no. 2 (August 1906): 7879.
72. “No Racing Reports from Western Union,” *New York Times*, May 19, 1904; “Goddard Prophecies Doom of Poolrooms,” *New York Times*, July 7, 1904; “F. Norton Goddard Dies at His Country Home,” *New York Times*, May 29, 1905; “Western Union to Stop Its Race News Service,” *New York Times*, September 14, 1905.

Goddard was an interesting man. Describing Goddard’s Civic Club, Theodore Roosevelt wrote in 1901 that “there exists in all New York no healthier centre of energetic social and political effort,” and said that Goddard is “adopting the social methods of Tammany, only using them along clean lines.” Roosevelt, “Reform Through Social Work,” *Fortnightly Review*, no. 429, new series (November 1, 1901): 741–42.
73. Theodore Roosevelt, “International Duty and Hyphenated Americanism,” in Roosevelt, *Fear God and Take Your Own Part* (New York: George H. Doran Company, 1916), 142.
74. Jacob A. Riis, “The Gambling Mania,” *Century Magazine* 73, no. 6 (April 1907), 926.
75. Josiah Flynt, “The Pool-Room Vampires and Its Money-Mad Victims,” *Cosmopolitan* 42, no. 4 (February 1907), “The Pool-Room Spider and the Gambling Fly,” *Cosmopolitan* 42, no. 5 (March 1907), “The Men Behind the Pool-Rooms,” *Cosmopolitan* 42, no. 6 (April 1907), “The Telegraph and Telephone Companies as Allies of the Criminal Pool-Room,” *Cosmopolitan* 43, no. 1 (May 1907), and “Corporation and Policy Partnership with the Criminal Pool-Rooms,” *Cosmopolitan* 43, no. 2 (June 1907).
76. Dexter Perkins, *Charles Evans Hughes and American Democratic Statesmanship* (Boston: Little, Brown and Company, 1956), 3.
77. “Annual Message” delivered to the legislature January 1, 1908, in *Public Papers of Charles E. Hughes, Governor, 1908* (Albany, NY: J.B. Lyon Company, 1909), 25–26.
78. “Turf Followers Ready for Fight,” *New York Times*, January 3, 1908.
79. “Gov. Hughes’s Lash for Track Betting,” *New York Times*, January 17, 1908.
80. “Race Track Betting,” *Charities and the Commons* (March 14, 1908): 1735–36. Excerpts from these letters also appear in “Race-Track Gambling in New York,” *Current Literature* 44, no. 4 (April 1908): 354–55.
81. “Farmers Join Hughes,” *New York Times*, January 18, 1908. An April 1908 article in *Current Literature* reports that “This year...less than one-half of the country fair associations are opposing the [race-track reform] bills.” “Race-Track Gambling in New York,” *Current Literature*, 354.

Speaking of the new arrangement later that year to a crowd at the Greene County fairgrounds, Hughes said: “And the best part of it all is that now you can take this money and look every man in the face without blushing, because no one can question the source of the money by which these admirable fairs are supported, since the connection between the State of New York and the race track gambling evil has been severed for good.” “Farmers Applaud Hughes on Racing,” *New York Times*, August 19, 1908.

82. “Hughes to Begin Gambling Crusade,” *New York Times*, January 31, 1908. See also, “Gov. Hughes Opens Anti-Gambling Fight,” *New York Times*, February 3, 1908.
83. “Farmers Oppose Betting,” *New York Times*, February 24, 1908.
84. “Improving the Breed of Men,” *Christian Advocate* 83, no. 7 (February 13, 1908): 246.
85. “Pastors Want Hughes Bill,” *New York Times*, February 10, 1908.
86. Parkhurst Speaks Against Betting,” *New York Times*, March 19, 1908; “The Fight Against Race-Track Gambling,” *Outlook* 89, no. 2 (May 9, 1908): 48–49.; Walter Laidlaw, “Not Hostile to Racing,” letter to the editor, *New York Times*, June 24, 1911.
87. Rev. O.R. Miller, “A Moral Crisis and a Great Opportunity,” *Reform Bulletin* 1, no. 13 (April 1, 1910). In 1908, Rev. Miller was serving as a district superintendent based in Albany and Brooklyn for the International Reform Bureau (IRB), an organization headquartered in Washington, D.C., and led by Dr. Wilbur F. Crafts, a prominent conservative Protestant leader of the era who founded the IRB in 1895, and who on January 13, 1908, met with Hughes to discuss a grass-roots campaign on racetrack gambling. (See Wesser, *Charles Evans Hughes*, 192.)

By fall 1910, Miller was still in Albany and still working on the gambling issue (among others), but now as a leader of the New York Civic League, an independent statewide group (having split off from IRB) headquartered in Albany. In 1912, the agenda of the league stressed temperance, opposition to gambling, Sunday observance (Sunday baseball was a big issue for the league during this period), “social purity,” opposition to divorce, and “the preservation of democratic principles,” which meant opposition to boss politics, including through reforms such direct nominations.

In addition to working at the IRB and the Civic League, Miller worked for a year as the editor-in-chief of *The National Advocate* (a pro-temperance publication based in New York City); toured the country for a year lecturing on issues of moral reform—what Miller, following Crafts, summed up as “intemperance, impurity, Sabbath-breaking, and gambling”; and served for ten years as a church pastor, probably in the Methodist Episcopal Church and probably in New England (his twin brother Rennetts was certainly for some years a pastor in the Methodist Episcopal Church in Nantasket, Massachusetts).

Miller, his colleagues, the IRB, the Civic League, *The Reform Bulletin*, and the issues that animated these people and initiatives add up to some fascinating insights into the Protestant reform impulse of that era and place—but have yet, apparently, to find a historian.

See O.R. Miller, “The New York Civic League,” *Reform Bulletin* 1, no. 48 (December 2, 1910); “The Strenuous Life of the Bulletin’s Editor,” *Reform Bulletin* 2, no. 51 (December 22, 1911); “Directors of the New York Civic League” and “The League’s Object” *Reform Bulletin* 3, no. 26 (June 28, 1912); and Rev. Rennetts C. Miller, “Inside Glimpses of a Reformer’s Life. A Brother’s Tribute,” *Reform Bulletin* 3, no. 27 (July 5, 1912).

88. “Track Betting May Go, Higgins Backing Bill,” *New York Times*, February 17, 1908.
89. “Hughes to Begin Gambling Crusade,” *New York Times*, January 31, 1908.
90. “Reply to Resolution of Inquiry from the Assembly,” delivered March 3, 1908, *Public Papers of Hughes*, 39–40.
91. “Demands Law to Stop Racetrack Gambling,” *New York Times*, February 26, 1908. Enmity toward Hughes among New York’s track owners and horse breeders ran deep. In August 1908, shortly

after Hughes's anti-racetrack betting proposals had become law, horse owners in Saratoga refused to let their horses run in a scheduled race until Gov. Hughes, who was in attendance, left the grounds. In 1910, Hughes wrote to the New York-based American Trotting Horse Breeders Club that his aim had always been to "put racing upon the basis of true sport without the evils of book-making." "Refused to Race Until Hughes Left," *New York Times*, August, 27, 1908; "Hughes Indorses Trots," *New York Times*, August 22, 1910.

92. "Improving the Breed of Men," 246.
93. Ibid.
94. "YMCA Demands Race Gambling's End," *New York Times*, February 17, 1908.
95. "Anti-Gambling is Party Issue—Hughes," *New York Times*, March 8, 1908.
96. "Hughes Hits Again at Track Gambling," *New York Times*, April 7, 1908.
97. "Stimson Asks Dix Is He for Racing," *New York Times*, October 21, 1910.
98. "Half Million in Bribe Fund to Save Racing," *New York Times*, October 20, 1910; Wesser, *Charles Evans Hughes*, 202–3.
99. "Gov. Hughes at Watertown," *New York Times*, April 11, 1908.
100. "Hughes Stirs Up Utica," *New York Times*, April 13, 1908.
101. "Public to Help Hughes," *New York Times*, April 15, 1908.
102. "Hughes Opens Fight for Gambling Bills," *New York Times*, April 27, 1908.
103. "Schenectady Backs Hughes," *New York Times*, May 1, 1908.
104. "Churchgoers Cheer Anti-Betting Fight," *New York Times*, May 5, 1908.
105. "Hughes in Fight to Stay," *New York Times*, May 9, 1908.
106. "Hughes Man Wins Senate Election," *New York Times*, May 13, 1908.
107. "Carnegie Aids Hughes," *New York Times*, May 11, 1908.
108. "Chain of Meetings to Down Gambling," *New York Times*, May 25, 1908. Hughes didn't attend any of these meetings—perhaps it would have been inexpedient—and in 1908 the very intensely involved Rev. Miller of the IRB was living or working on Brooklyn Avenue in Brooklyn.
109. "Hughes Urges Again Anti-Gambling Law," *New York Times*, June 9, 1908.
110. "Message to the Extraordinary Session," delivered June 8, 1908, *Public Papers of Hughes*, 53–54.
111. "Reply to Resolution of Inquiry from the Assembly," *Public Papers of Hughes*, 39.
112. Among the first sentences of Gov. Andrew Cuomo's wonderfully named Upstate New York Gaming Economic Development Act of 2013 is: "New York State is already in the business of gambling." In his *2013 State of the State* report, the governor writes: "The fact is that gaming already exists throughout New York State." In broaching the topic in late 2011, these were among Gov. Cuomo's opening remarks: "We should pursue a comprehensive gaming plan—recognizing the reality that New York is already in the gaming business." When hearing a person make a case, it's worth noting what is said first. It's what gamblers call a "tell." When a person always opens with the same statement, it's usually because he or she considers it the most important thing being said. From this perspective, Gov. Cuomo's core ethical defense of state-sponsored gambling is that it's already happening. Upstate New York Gaming Economic Development Act of 2013, 6, <http://www.governor.ny.gov/assets/documents/GPB10-BILL.pdf> and Andrew M. Cuomo, *NY Rising: 2013 State of the State* (Albany, NY: Gov. Andrew M. Cuomo, October 29, 2012/January 9, 2013), 56, <http://www.governor.ny.gov/sites/default/themes/governor/sos2013/2013SOSBook.pdf>. See also, Michael Gormley, "Andrew Cuomo Job Plan: Gaming and Job Training," *Huffington Post*, December 5, 2011, http://www.huffingtonpost.com/2011/12/05/andrew-cuomo-job-plan_n_1129872.html.
113. David J. Danelski and Joseph S. Tulchin, *The Autobiographical Notes of Charles Evans Hughes* (Cambridge, MA: Harvard University Press, 1973), xxviii–xxix.

114. "Racing Bills Are Defeated," *New York Times*, April 9, 1908.
115. Cuomo, *New York Idea*, xi–xii.
116. Joseph Durso, "On Horse Racing: A Day at the Track with the Governor," *New York Times*, October 1, 1992.
117. Julius Rubin, "An Innovative Public Improvement," in *Canals and American Economic Development*, ed. Carter Goodrich (New York: Columbia University Press, 1961), 28–30; Ronald E. Shaw, *Erie Water West: A History of the Erie Canal 1792–1854* (Lexington: University of Kentucky Press, 1966), 22–25.
118. The journal is published in *The Life and Writings of De Witt Clinton*, ed. William W. Campbell (New York: Baker and Scribner, 1849).
119. Letter, June 6, 1820, in Hibernicus [DeWitt Clinton, pseud.], *Letters on the Natural History and Internal Resources of the State of New York* (New York: E. Bliss & E. White, 1822), 14.
120. *Ibid.*, 16, 27, 80.
121. Shaw, *Erie Water West*, 57–58. Rubin, "Innovative Public Improvement," 52–55.
122. James Renwick, *Life of Dewitt Clinton* (New York: Harper & Brothers, 1841), 210.
123. John Bigelow, "De Witt Clinton as a Politician," *Harper's New Monthly Magazine*, March 1875, 563.
124. Shaw, *Erie Water West*, 97–98.
125. See Charles E. Knowles, *History of the Bank for Savings in the City of New York, 1819–1929* (New York: The Bank for Savings in the City of New York, 1936), 23–26.
126. Shaw, *Erie Water West*, 98.
127. Cuyler Staats, *Tribute to the Memory of De Witt Clinton, Late Governor of New York. Being a Comprehensive Sketch of His Life, Together with the Proceedings of the New-York Legislature, and of Various Corporate and Public Bodies: also, the Notices of His Death from the Most Distinguished Journals in the United States. By a Citizen of Albany* (Albany, NY: Webster and Wood, 1828), 31.
128. Shaw, *Erie Water West*, 188.
129. Roy G. Finch, *The Story of New York State Canals: Historical and Commercial Information* (Albany: J.B. Lyons, Co., 1925; Albany: New York State Canal Corporation, 1998), 4.
- In 1822, as the canal neared completion, an eighty-year-old Thomas Jefferson wrote to Clinton that by building the canal New York State "has anticipated by a full century the ordinary progress of improvement." And then Jefferson wrote something remarkable. The former president of the United States, father of the University of Virginia, and author of the Declaration of Independence wonders about "the comparative capacity" of societies to "execute great enterprises." In the case of the canal, Jefferson suggests, New York's accomplishment is not likely due to its "greater surplus of produce," since "in this New-York is not beyond some other states." What, then, is the source of such an achievement? "Is it a moral superiority?" Jefferson asks, "[A] sounder calculating mind, as to the most profitable employment of surplus, by improvement of capital, instead of useless consumption?" Jefferson then indicates that he would "lean to" this answer to his question.
- Gov. Cuomo, call your office. Building casinos across New York may be today's most perfect example of imagining that monuments to "useless consumption" will somehow generate "improvement of capital" stemming from "profitable employment of surplus."
- See Rubin, "Innovative Public Improvement," 65–66.
130. Hibernicus, *Letters*, 77.
131. See Robert Earl, "History of Lotteries in the State of New York," in *Papers Read before the Herkimer County Historical Society during the Years 1896, 1897 and 1898*, comp. Arthur T. Smith (Herkimer and Ilion, NY: Citizen Publishing Company, 1899), 69–77. See also five articles by A. Franklin Ross on "The History of Lotteries in New York," in *The Magazine of History*, vol. 5, nos. 2–6 (February

through June, 1907), and Gerald Willmann, "The History of Lotteries" (working paper, Department of Economics, Stanford University, Stanford, CA, 1999), <http://willmann.com/~gerald/history.pdf>.

132. Earl, "History of Lotteries," 70, 72.
133. New York (State) Committee on Lotteries, *Report &c* [1819], Cornell University Library, Rare Books AC4.P18no.3, 25, 27.
134. Nathaniel H. Carter and William L. Stone, *Reports of the Proceedings and Debates of the Convention of 1821 Assembled for the Purpose of Amending the Constitution of the State of New-York* (Albany, NY: E. and H. Hosford, 1821), 461.
135. *Ibid.*, 569. Duer was certainly right about the "admitted truths" of "political economy" (or what later we would call economics). In his 1776 masterwork *The Wealth of Nations*, Adam Smith, widely viewed as a father of modern economics, writes:

The world neither ever saw, nor ever will see, a perfectly fair lottery; or one in which the whole gain compensated the whole loss; because the undertaker could make nothing by it. . . . In order to have a better chance for some of the great prizes, some people purchase several tickets, and others, small shares in a still greater number. There is not, however, a more certain proposition in mathematics, than that the more tickets you adventure upon, the more likely you are to be a loser. Adventure upon all the tickets in the lottery, and you lose for certain; and the greater the number of your tickets the nearer you approach to this certainty.

Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations* (1776; New York: The Modern Library, 1937), 108.

136. Carter and Stone, *Reports of the Proceedings*, 567.
137. Ross, "History of Lotteries," 319; Willmann, "The History of Lotteries," 16.
138. "The Lottery Law," *Niles' Weekly Register* 32, no. 813 (April 14, 1827), 122.
139. Philip Hone, *The Diaries of Philip Hone, 1828–1851* (New York: Arno Press, 1970), 112.
140. John Ashton, *The History of Gambling in England* (London: Duckworth & Co., 1898), 239–41. See also John Francis, *Chronicles and Characters of the Stock Exchange* (London: Willoughby and Co., 1849), 122–44.
141. Jesse McKinley and Charles V. Bagli, "Success of Cuomo's Plan for More Casinos Relies on His Power of Persuasion," *New York Times*, June 17, 2013.
142. Both public and private-sector descriptions of Mississippi casinos are loaded with what seems to be requisite industry jargon: "resort destination," "spa resort," destination spa," casino resort get-away," "casino gaming destination," and similar formulations. The two casinos in tiny Choctaw, Mississippi, near Philadelphia, are called the "Pearl River Resorts" and their ad slogan is "Vegas with Sweet Tea." In making his pitch for "destination" casinos in New York, Gov. Cuomo does not have to say anything original. All of the necessary phrases come prefabricated, courtesy of the industry, and are used as if from a script by politicians countrywide who want their state governments to sponsor casinos.
143. According to 2010 data, Mississippi has one slot machine for every seventy-seven persons living in the state. Nevada, with one slot machine for every fourteen Nevadans, leads the nation. The three states between are Montana (1 per 46), South Dakota (1 per 54), and Oklahoma (1 per 66). David Stewart, *Demystifying Slot Machines and their Impact in the United States* (Washington, DC: American Gaming Association, 2010), 3.
144. Staats, *Tribute to De Witt Clinton*, 32.

145. Examples of non-artificial risk include those involved in mountain climbing or in starting a new business. The risks involved are natural, unavoidable requirements of achieving a sought-after goal.
146. *Johnson's English Dictionary, Improved by Todd* (Boston: Cottons and Barnard, 1834).
147. A good discussion of these terms can also be found in chapter one of Michael Flavin, *Gambling in the Nineteenth-Century English Novel* (Brighton: Sussex Academic Press, 2003).
148. "Report of the Committee Against Gambling," in *Minutes of the National Council of the Congregational Churches of the United States* (Boston: Congregational Sunday School and Publishing Society, 1898), 322. Howard Parker, state reporter, *Oklahoma Criminal Reports* 40, Oklahoma Criminal Court of Appeals, September 1918–April 1919 (Oklahoma City, OK: Harlow Publishing Company, 1919), 225.
149. For example, Tevis writes that "there are two kinds of hustler, two kinds of gambler." Walter S. Tevis, *The Hustler* (New York: Harper, 1959), 72.
150. Ernest Havemann, "Gambling in the U.S.," *Life*, June 19, 1950, reprinted in Marx, *Gambling in America*, 15; Gary Rivlin, "The Chrome-Shiny, Lights-Flashing, Wheel-Spinning, Touch-Screened, Drew-Carey-Wisecracking, Video-Playing, 'Sound Events'-Packed, Pulse-Quickening Bandit," *New York Times Magazine*, May 9, 2004.
151. Mario Puzo, *Inside Las Vegas* (New York: Grosset & Dunlap, 1977), 242–43.
152. "Gamblers Anonymous Bids City Consider It a Safe Bet," *New York Times*, March 16, 1971.
153. Gary Rivlin, "The Tug of the Newfangled Slot Machines," *New York Times Magazine*, May 9, 2004.
154. David G. Schwartz, *Suburban Xanadu: The Casino Resort on the Las Vegas Strip and Beyond* (New York: Routledge, 2003), 1.
155. *Ibid.*
156. CBS News, "Casino Mogul Steve Wynn's Midas Touch," *60 Minutes*, April 12, 2009, http://www.cbsnews.com/8301-18560_162-4935567.html.
157. Grinols, *Gambling in America*, 45–46.
158. In a 1996 study, Earl Grinols estimated that about half of all casino revenue comes from frequent, problem, and pathological gamblers, and in his 2004 *Gambling in America* writes: "According to studies, the top 10 percent of gamblers account for approximately 61 percent of casino revenues in table games and gaming machines" (46). A 2004 study by scholars from the University of Lethbridge in Alberta, Canada, found that problem and pathological gamblers account for about 30 percent of Ontario's casino revenue from table games and 62 percent of all casino revenue from slot machines. In her 2008 *Winner Takes All*, the journalist Christina Binkley reports that according to casino managers, in 1995 about 90 percent of gambling profits reaped by Harrah's in Las Vegas came from about 10 percent of the players.
 See Earl L. Grinols and J.D. Omorov, "Development or Dreamfield Delusions? Assessing Casino Gambling's Costs and Benefits," *Journal of Law and Commerce* 16, no. 49 (Fall 1996): 58–60; Robert Williams and Robert Wood, *The Demographic Sources of Ontario Gaming Revenue* (Lethbridge, AB: University of Lethbridge, 2004), 42; Christina Binkley, *Winner Takes All: Steve Wynn, Kirk Kerkorian, Gary Loveman, and the Race to Own Las Vegas* (New York: Hyperion, 2008), 184.
159. Sigmund Freud, "Dostoevsky and Parricide," in *Collected Papers*, ed. James Strachey (London: Hogarth Press, 1950), 5:238.
160. Edmund Bergler, *The Psychology of Gambling* (New York: Hill and Wang, 1957), 238.
161. The book on which the movie is based is Gary Ross, *No Limit: The Incredible Obsession of Brian Molony* (New York: William Morrow and Company, 1987).

In the very good 1974 movie, *The Gambler*, directed by Karel Reisz, the bookie has this exchange with his client and sort-of friend, the compulsive gambler:

Bookie: "Personally, I've never made a bet in my life. You know why? Because I've observed, first hand, what with seeing the different kinds of people who are addicted to gambling. There's one thing that makes them all the same. You know what that is?"

Gambler: "Yeab, they're all looking to lose."

Bookie: "You knew that?"

Yes, he knows that. And yet he continues to gamble recklessly. Reisz's movie is clearly inspired and roughly based on Dostoevsky's 1866 novel, *The Gambler* – one of literature's most harrowing accounts of the compulsion to gamble. In Dostoevsky's 1863 novel, *Notes from Underground*, Dostoevsky does not discuss gambling directly, but wrestles brilliantly with the underlying issues of reason and motivation. Yes, the Underground Man knows that certain actions defy the laws of reason. Yet: "You see: reason, gentlemen, is a fine thing, that is unquestionable, but reason is only reason and satisfies only man's reasoning capacity, while wanting is a manifestation of the whole of life – that is, the whole of human life, including reason and various little itches." It's the "little itches" (of which gambling is one) that most interest the book's narrator/anti-hero. He says: ". . . wanting may, of course, converge with reason, if it wants, especially if this is not abused but is done with moderation; it is both useful and sometimes even praiseworthy. But wanting is very often, and even for the most part, completely and stubbornly at odds with reason, and . . . and . . . and, do you know, this, too, is useful and even sometimes quite praiseworthy?" See Fyodor Dostoevsky, *Notes from Underground* trans. Richard Pevear and Larissa Volokhonsky (New York: Everyman's Library, 2004), 27–28.

Another revealing treatment of gambling and the compulsion to gamble can be found in Hans Fallada's 1937 novel, *Wolf Among Wolves*. See Fallada, *Wolf Among Wolves* trans. Philip Owens (New York: Melville House, 2010).

162. Maeterlinck, *Mountain Paths*, 158–59.
163. Both of these movies are based on first-rate novels. See Walter S. Tevis, *The Hustler*, cited above, and Richard Jessup, *The Cincinnati Kid: A Novel* (Boston: Little, Brown, 1963).
164. Robert Allen Kalich, *The Handicapper* (New York: Crown Publishers, 1981), 42.
165. Corning, "Psychology of Gambling Habit" and "Gambling as a Psychosis"; "The Psychology of Gambling," *Literary Digest* (February 15, 1913): 340–41.
166. Arthur Schopenhauer, *The Wisdom of Life* (London: Swan Sonnenschein & Co., 1897), 45–46.
167. Joseph Brodsky, "In Praise of Boredom" in *On Grief and Reason: Essays* (New York: Farrar, Straus and Giroux, 1995), 106–7.
168. Walter Benjamin, *Illuminations* (New York: Schocken Books, 2007), 180, 198.
169. Frederick Barthelme, *Bob the Gambler* (Boston: Houghton Mifflin Company, 1997), 59–60, 63. For a harrowing account of a woman's addiction to slot machines, see Rayda Jacobs, *Confessions of a Gambler* (Woodstock, NY: Overlook Press, 2007).
170. Schull, "Mapping the Machine Zone," introduction to *Addiction by Design*.
171. Frederick and Steven Barthelme, *Double Down: Reflections on Gambling and Loss* (Boston: Houghton Mifflin Company, 1999), 94. About halfway through this memoir of the brothers' gambling spree in Mississippi casinos, they say: "Eventually we began to figure gambling out: they take your money and you go home" (86).

172. Schull, *Addiction by Design*, 168–78.
173. Natasha Dow Schull, “Beware: Machine Zone Ahead,” *Washington Post*, July 6, 2008.
174. Frank Lenwood, *Gambling—Why Not?* (London: Independent Press, 1934), 71.
175. Philosophers, clergy, famous gamblers, and various other authorities have been explaining for centuries why gambling is not simply a form of entertainment. Seventeenth-century English author Jeremy Taylor asks:

If [the gambler] be willing or indifferent to lose his own money, and not at all desirous to get another’s—to what purpose is it that he plays for it?...If, without the money, he cannot mind [attend to] his game, then the game is no divertimento, no recreation, but the money is all the sport and therefore covetousness is all the design.

Jeremy Taylor, *The Whole Works of the Right Rev. Jeremy Taylor; D.D.* (London: Frederick Westley and A. H. Davis, 1835), 3:651.

More than three centuries later, in “Easy Money,” a *Frontline* segment that aired on June 10, 1997 (<http://www.pbs.org/wgbh/pages/frontline/shows/gamble/interviews/lefty.html>), the interviewer casually mentions to famous Las Vegas casino operator Frank “Lefty” Rosenthal that gambling is “entertainment for adults in this country now.” Rosenthal replies: “I don’t agree with the premise or the concept that it’s entertainment.”

Rosenthal is brutally honest. Discussing the “Law of Gambler’s Ruin”—another very old truth discussed earlier in this report—he tells the interviewer: “As far as being able to win in any gaming environment, casino, race track, dog track, etc., 99.9 percent of the public, including myself, have two chances: one is slim, the other is none, and slim’s out of town.” For Rosenthal, the casino industry is

the only industry that I’m aware of in the world where the player really has virtually no chance, and the only industry in the world where the [pre-]requisite need not be knowledge or competency; the only pre-requisite is the license. Again, you need not be a Rhodes Scholar or rocket scientist to win on the right side [of] the counter—the right side of the counter being on the inside, and that’s the key to success. And you have to admire the Wall Street and major corporations recognizing the potential—or the fact, I should say, rather than the potential—of legalized gambling, and they recognize it, they bought the properties up, and they’re just laughing all the way to the bank.

176. Probably the only locations in New York State that could support true “resort casinos” are Manhattan and the Hamptons. Manhattan, in particular, would fit the bill. A casino located in, say, Times Square, would genuinely constitute a “destination gaming resort,” since a significant proportion of the people being separated from their money would almost certainly be tourists from across the country. But in Manhattan and the Hamptons, well-heeled political and civic opposition to the introduction of casinos remains powerful.
177. See William R. Eadington, “Contributions of Casino-Style Gambling to Local Economies,” *Annals of the American Academy of Political and Social Science* 556 (March 1998): 53–65.
178. “Carey Urges Action to Legalize Casinos,” *New York Times*, January 15, 1981. In 1994, when a possible constitutional amendment to permit casino gambling was being debated in Albany, state comptroller H. Carl McCall issued a study on the feasibility of casino gambling in New York State. In the study, McCall estimates that *about 85 percent of all revenue going to New York State from*

casino gambling would come from slot machines. McCall also states: "Casino gambling is not the financial panacea that many proponents inside the industry and out would have us believe." See James Dao, "Comptroller's Report Questions Benefits from Casino Gambling," *New York Times*, April 3, 1994.

179. Douglas Hanks, "Florida's Proposed 10% Casino Tax Called Jackpot for Industry" and "Big Casino Markets Don't Mean Big Casino Taxes," *Miami Herald*, November 19, 2011.
180. Marcus T. Reynolds, "The Villas of Rome," *Architectural Record* 6, no. 3 (January–March 1897).
181. "Canfield's Clubhouse Sold," *New York Times*, April 21, 1911.
182. Nice observations of the Casino in old Monte Carlo can be found in "Monte Carlo Sketches," *All the Year Round*, September 21, 1889, and C. N. Williamson, "Systems and System-Players at Monte Carlo," *McClure's Magazine* 40, no. 4 (February 1913). See also the short novel by George Norworthy, *Casino*, published as a Sunday supplement in the *Philadelphia Inquirer*, August 12, 1934.
183. Arguably the best fictional depictions of this (now in many respects bygone) world, in which gambling legally basically meant gambling in Nevada, are the 1995 film, *Casino*, directed by Martin Scorsese, and the 2003 film, *The Cooler*, directed by Wayne Kramer. You can also read about this world with pleasure in John D. McDonald's *The Only Girl in the Game* (Fawcett Publications, 1960). As for nonfiction accounts, there are historian Oscar Lewis's *Sagebrush Casinos* (Doubleday & Company, 1953); gambler and casino manager Mike Goodman's *How to Win At Cards ("21" and Poker), Dice, Races, Roulette* (Holloway House Publishing Company, 1963); Tom Wolfe's essay, "Las Vegas (What?) Las Vegas (Can't Hear You! Too Noisy) Las Vegas!!!!" in his *The Kandy-Kolored, Tangerine-Flake Streamline Baby* (Farrar, Straus & Giroux, 1965); and Mario Puzo's *Inside Las Vegas*.
The beginning of the era of the American regional casino, and the transition of gambling in Atlantic City from formally illegal to state-sponsored, is beautifully evoked in *Atlantic City*, the 1980 film directed by Louis Malle.
184. Jeff Burbank, *License to Steal: Nevada's Gaming Control System in the Megaresort Era* (Reno: University of Nevada Press, 2000), 105.
185. David G. Schwartz, *Nevada Gaming Revenues, 1984–2010* (Las Vegas: University of Nevada at Las Vegas Center for Gaming Research, April 2010).
186. Richard W. Stevenson, "Slot Machine Maker Hits Jackpot," *New York Times*, September 12, 1989.
187. Schwartz, *Nevada Gaming Revenues*.
188. Clayton W. Barrows and Tom Powers, *Introduction to the Hospitality Industry*, 7th ed. (Hoboken, NJ: John Wiley & Sons, 2009), 478–79. Barrows and Powers are writing for students who plan to enter the "hospitality" industry, and how they phrase things would shock many people. Here is just one an example:

Because there is very little labor associated with slot machines, the house earns an 80 percent operating profit compared to 20–25 percent on table games. . . . The increasing proportion of casino space taken up by slot machines is explained, in good part, by a changing consumer base that includes a much wider spectrum of society than it did 20 or even 10 years ago. As you can see, however, the superior profit margins of slot machines probably enter into the calculation, too. (p. 478)

Here's another: "From the casino's point of view, what matters in evaluating a customer is his or her volume of play, because the odds in every game clearly favor the house" (478).

189. E. Malcolm Greenlees, *Casino Accounting and Financial Management*, 2nd ed. (Reno: University of Nevada Press, 2008), 26, xiii.

190. Bill Previtt, "Casinos Make Even More Room for Slots," *Albuquerque Journal*, February 8, 2013.
191. Stewart, *Demystifying Slot Machines*, 1.
192. International Game Technology, *IGT 2010 Annual Report* (Reno, Nevada: International Game Technology, 2011), 10, <http://thomson.mobular.net/thomson/7/1171/4379/>; International Game Technology, *IGT Silver Anniversary: 2005 Annual Report* (Reno, Nevada: International Game Technology, 2006), 8, <http://ccbn.mobular.net/ccbn/7/1194/1262/>.
193. From Morris Ploscowe, "Should Gambling Be Legalized?" in Marx, *Gambling in America*, 149.
194. Oscar Lewis, *Sagebrush Casinos: The Story of Legal Gambling in Nevada* (Garden City, NY: Doubleday & Company, Inc., 1953), 78.
195. Goodman, *How to Win*, 70, 72, 84–85.
196. Louis G. Holloway, *Full-Time Gambler* (Del Mar, CA: Holloway Publications, 1969), chapter 14.
197. David Carroll, *Playboy's Illustrated History of Gambling* (New York: Crown Publishers, 1977), 213.
198. Dwight E. Crevelt and Louise G. Crevelt, *Slot Machine Mania* (Grand Rapids, MI: Gollehon Books, 1989), 5.
199. Frank Scoblete, *Break the One-Armed Bandits!* (Chicago: Bonus Books, Inc., 1994), 35.
200. Wayne Allyn Root, *The King of Vegas' Guide to Gambling: How to Win Big at POKER, Casino Gambling & Life!* (New York: Jeremy P. Tarcher/Penguin, 2006), 45.
201. Gerda Reith, "The Experience of Play," in *The Sociology of Risk and Gambling Reader*, ed. James F. Cosgrave (New York: Routledge, 2006), 279.
202. "Betting on a Win," *Clarion-Ledger*, September 24, 2008.
203. "Race-Track Gambling in New York," 353.
204. Andrew M. Cuomo, *The Promise of a New New York: Progress Report* (Albany, NY: Gov. Andrew M. Cuomo, June 2012), 4, <http://www.governor.ny.gov/assets/ThePromiseofNewNY.pdf>.
205. Cuomo, *2013 State of the State*, 58.
206. *Ibid.*, 272.
207. The story cited in the footnote is Robin C. Cooper and Adam Sichko, "New York Casino Games Could Attract \$1.5 Billion in Investments," *Albany Business Review*, December 30, 2011.
208. *Ibid.* And there's more! To conclude this already remarkable footnote (*2013 State of the State*, 272), and in an apparent attempt to augment the data from the *Albany Business Review* story, Gov. Cuomo cites a statement from a consulting firm, Appleseed, to the effect that expanded casino gambling at Yonkers Raceway would generate "up to \$510 million" in economic activity. At this point, it may not be surprising to learn that Appleseed works for . . . the New York Gaming Association.
209. Andrew M. Cuomo, *Building a New New York...with You: 2012 State of the State Address* (Albany, NY: Gov. Andrew M. Cuomo, January 4, 2012). <http://www.governor.ny.gov/assets/documents/Building-a-New-New-York-Book.pdf>.
210. Cuomo, *2013 State of the State*, 58.
211. *Ibid.*
212. McKinley and Bagli, "Success of Cuomo's Plan."
213. Andrew M. Cuomo, Governor, New York Rising Community Reconstruction Program, "Governor Cuomo Unveils Resort Gaming Destination Plan to Bring Tourism and Jobs to Upstate New York," press release, May 9, 2013, <http://www.governor.ny.gov/press/05092013-gaming-destination-to-bring-tourism-and-jobs-to-upstate-new-york>.
214. Cuomo, *2013 State of the State*, 58–59.
215. Upstate New York Gaming Economic Development Act of 2013, 7.
216. Michael Gormley, "Casino Issue Aside, Bill Would Expand NY Gambling," *Newsday*, June 15, 2013.
217. Dennis Hevesi, "Albany Considers Allowing Video Lottery Games," *New York Times*, March 22, 1992.

218. *Top 20 U.S. Casino Markets 2010* (London: Gambling Data, April 2011); *State of the States: The AGA Survey of Casino Entertainment* (Washington, DC: American Gaming Association, 2012), 5, 8.
- Mississippi's top year for casino gambling revenue was 2007. Since then several factors, including a weakened economy and pro-gambling efforts in nearby states aimed at keeping their own gamblers in-state as well as attracting gamblers from Mississippi, have led to a significant reduction in the state's casino revenues in recent years. For 2013, Mississippi is likely to collect only about 75 percent of the casino revenue that it collected in 2007. See, "With Gambling Revenue Falling, Tunica Looks for an Ace in the Hole," *Mississippi Business Journal*, July 30, 2013, and "State's Casinos See 7 Percent Drop in Revenue," *Mississippi Business Journal*, July 22, 2013.
219. Judith Phillips, *The Casino Industry in Mississippi: An Overview for Decision-Makers* (Mississippi State, MS: John C. Stennis Institute of Government at Mississippi State University, 2011), i, ii, 31–33.
220. See, for example, George H. Devol, *Forty Years a Gambler on the Mississippi* (New York: George H. Devol, 1892), 75–76, 79–81, 131–32, 212, 215–16, 239–40.
- More broadly, the historian Bertam Wyatt-Brown argues that in the pre-Civil War South "betting was almost a social obligation when men gathered at barbecues, taverns, musters, supper and jockey clubs, racetracks, and on steamboats." *Southern Honor: Ethics & Behavior in the Old South* (New York: Oxford University Press, 1982), 343.
221. John Bradbury, cited in Harnett T. Kane, *Natchez on the Mississippi* (New York: Bonanza Books, 1947), 125.
222. Christopher Morris, *Becoming Southern: The Evolution of Way of Life, Warren County and Vicksburg, Mississippi, 1770–1860* (New York: Oxford University Press, 1995), 126.
223. William Faulkner, "Mississippi," in *Mississippi Writers: Reflections of Childhood and Youth* ed. Dorothy Abbott (Jackson: University of Mississippi Press, 1986), 253.
224. Cited in Jennifer Trivedi, "Hurricanes Did Not Just Start Happening': Expectations of Intervention in the Mississippi Gulf Coast Casino Industry," in *The Political Economy of Hazards and Disasters*, ed. Eric C. Jones and Arthur D. Murphy (Lanham, MD: Alta Mira Press, 2009), 300.
225. "Air Base Servicemen Reported 'Fleeced,'" *Toledo Blade*, October 17, 1951; "Air Force Base Slots Operator Tells of Payoff," *Pittsburgh Press*, October 22, 1951.
226. "Solons to Probe Open Gambling At Biloxi, Miss.," *The Tuscaloosa News*, October 18, 1951.
227. Cuomo, *2013 State of the State*, 57.
228. "Natchez Casino Market Trending Up," *Clarion-Ledger*, July 5, 2013.
229. Michael Nelson and John Lyman Mason, "Mississippi: The Politics of Casino Gambling," in *Resorting to Casinos: The Mississippi Gambling Industry*, ed. Denise von Herrmann (Jackson: University Press of Mississippi, 2006), 31–32.
230. Michael Nelson and John Lyman Mason, *How the South Joined the Gambling Nation: The Politics of State Policy Innovation* (Baton Rouge: Louisiana State University Press, 2007), 21; Edward J. Clynch, Douglas G. Feig, and James B. Kaatz, "The Impact of Casino Gambling on Municipal Revenue, Expenditures, and Fiscal Health," in Von Herrmann, *Resorting to Casinos*, 85; Phillips, *Casino Industry in Mississippi*, 57.
231. Nelson and Mason, *How the South Joined*, 31–32.
232. *Ibid.*, 31, 41.
233. Nelson and Mason, "Mississippi: Politics of Casino Gambling," 44.
234. "Benefits, Costs of Gaming Analyzed," *Clarion-Ledger*, May 3, 2001.
235. Phillips, *Casino Industry in Mississippi*, 65–66, 69.
236. Walter Gable, *Seneca Falls Stories*, vol. 1 (Seneca Falls, NY: Seneca Falls Historical Society, 2012), 20–21. Arnold Barben, *The Flats Including the Canal and Industries: A Compilation of Arnold*

- Barben's Accounts Concerning the Early Days of Seneca Falls, N.Y.* (Seneca Falls, NY: Seneca Falls Historical Society, 1981), 2–15.
237. Barben, *The Flats*, 18, 23–25, 33–42. Frances T. Barbieri and Kathy Jans-Duffy, *Images of America: Seneca Falls* (Charleston, SC: Arcadia Publishing, 2009), 107–14.
238. Gable, *Seneca Falls Stories*, 16–17.
239. Frank Capra, *The Name Above the Title: An Autobiography* (New York: Vintage Books, 1985), 383.
240. James P. Hughes, “Welcome to Bedford Falls . . . or Is It Seneca Falls?” *Life in the Finger Lakes* (Winter 2002), <http://www.lifeinthefingerlakes.com/articles.php?view=article&id=377>. See also Rick Hampson, “In Tough Times, Town Looks to Film for Hope,” *USA Today*, November 25, 2008.
241. Hampson, “Tough Times.”
242. Hughes, “Welcome to Bedford Falls.”
243. Capra, *Name Above the Title*, 6–7.
244. Bosley Crowther, “The Spirits Move: A Comparison of Inspirations in British and Hollywood Films,” *New York Times*, January 12, 1947.
245. “Home Matters,” *Geneva Advertiser*, April 4, 1893. See also “Home Matters,” *Geneva Advertiser*, February 26, 1889.
246. Dao, “Legalizing Casinos Gains in Albany.”
247. Reid J. Epstein, “Cuomo Signs New York Gay Marriage Bill,” *Politico*, June 24, 2011.

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The Institute for American Values, founded in 1987, is a private, nonpartisan organization devoted to research, publication, and public education on issues of family well-being and civil society. By providing forums for scholarly inquiry and debate, the Institute seeks to bring fresh knowledge to bear on the challenges facing families and civil society. Through its publications and other educational activities, the Institute seeks to bridge the gap between scholarship and policy making, bringing new information to the attention of policy makers in the government, opinion makers in the media, and decision makers in the private sector.

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The Institute for American Values and its partners are conducting a series of investigations called “Casino Land: America in an Age of Inequality.” The goal is to understand the meaning and role of casinos in American life—how they work and what they do, the values they embody and transmit, their impact on civil society, their connection to government, and their relationship to the rise of American inequality. This report is a part of that series.

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