

Author's Note on the *Casino Edition*



What's new and different

Roll the Bones: The History of Gambling was first published in 2006 and mostly completed (on the author's end, at least) by the summer of 2005. If you're at all familiar with the casino business, you'll know that there have been, to put it mildly, many changes since then. That's the primary reason that I've put together a new edition of the book, which focuses more strongly on elements that most readers found of interest and incorporates recent history into the story.

For American readers, the most obvious is the recession, which forced many changes in the gaming landscape, not the least of which was the sudden discovery that, perhaps, gambling was not as recession-proof as had earlier been assumed. The other change globally is the surging popularity of casino gaming in Asia, particularly Macau and Singapore.

The current edition incorporates those changes. Since this book is mostly concerned with gambling's past, recent developments haven't forced alterations in much of the text, though they have made it clear that, in some cases, more perspective was needed. For example, I have expanded the material on Atlantic City, New Jersey into a complete chapter, and not just because I'm feeling nostalgic for my hometown: I think that its current decline is both of historical importance and balances the earlier, more exuberant narrative, which needed more fleshing out.

I also updated material on newer domestic markets like Pennsylvania and, naturally, added material to bring Macau more or less up-to-date and to account for the rise of Singapore.

Las Vegas also gets more attention this time around. I've split the chapter on the rise of the Las Vegas Strip from roughly 1941 to 1970 into two, "A Place in the Sun" and "The Sky's the Limit."

this gave me room to tackle a much more extended discussion of the role of the mob in building up the Las Vegas gaming industry. Like so much else, this is because of reader feedback. I noticed when I gave talks about gambling history, the first question I'd invariably get would be about the mob. It didn't take long for me to figure out that the mob should be in the main part of the talk, and I've incorporated much of my research into that chapter. It's impossible to really tell the story of the development of casinos in Las Vegas without discussing the impact of organized crime in some way, and I hope that readers get something out of the additional perspective I've added here.

The really big news in Las Vegas since the first edition rolled off the presses has been the recession. It's also been driving a good portion of my work. A short while ago, based on recession-inspired research, I wrote an article for *Gaming Law Review and Economics* in 2010 that considered the impact of the early 1980s recession on Las Vegas, and how it bounced back. Essentially, I wanted to learn how Las Vegas responded to its first major economic challenge. The results were surprising, and forced me to reconsider much of what I thought I knew about the period. I've incorporated much of that material, and a new section on how the mob was forced out of Nevada gaming in roughly the same period into a new chapter, "The Burger King Revolution." That chapter begins with a section describing the decline of the mob in Las Vegas casinos, a bookend to the earlier new material in "A Place in the Sun."

The Las Vegas Strip gets a more comprehensive treatment in "A Clockwork Volcano," with added material on the impact of The Mirage, and several other innovative operators.

The final addition is an entirely new chapter, "Reinventing the Wheel," which pulls in earlier material about the rise of online gaming in the 2000s and updates it, then discusses the setbacks the Las Vegas casino business suffered in that decade, as well as its efforts to respond.

If you have the original edition, you might notice this one is a little lighter. In the copious feedback and criticism I've received on the original, I've found that the vast majority of readers preferred the sections focusing on casino gaming to those chronicling other forms

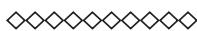
of gambling. For that reason, I've chosen, for this "casino" edition, to eliminate several early chapters and sections focusing on lotteries, horse racing, and other forms of gambling. This edition starts with a brief background into the nature of gambling before jumping in to the story of the first legal European casino, Venice's Ridotto.

The result is, I hope, a book that's more enjoyable for the reader, which can give a better perspective on recent and future events. I realize that, like anything else, making additions and deletions to the book is a gamble, but if there's one thing that my studies in gambling have taught me, it's never to be afraid to toss the dice.

David G. Schwartz
Las Vegas, Nevada, December 2012

Prologue

The Rainmaker Reborn



Casino Gambling's Power to Recreate

June 5, 1637. The Puritans are on the march, and for the Pequot of the Connecticut River Valley, the world is ending.

Pequot translates as “destroyer” in the Algonquian language, and the name underscores that nation’s fearsome reputation. Centuries ago, the Pequot and Mohegan had migrated together into Connecticut from the Hudson River Valley, then split into two warring tribes. When not warring with the Mohegan and Narragansett, the Pequot collect tribute from surrounding villages whose residents cringe with fear at the mention of the Pequot and their fierce sachem Sassacus. But as the “Great Migration” of Puritans overspills its original plantings at Massachusetts Bay, the encroaching English colonists begin to threaten Pequot dominance of the area. A showdown is inevitable.

An escalating series of kidnappings, raids, and assaults soon leads to open warfare between the Pequot and English. Years earlier, the newcomers had celebrated the first Thanksgiving by feasting on wild turkey and venison with their new Indian neighbors. Now, old friendships are forgotten in the name of expansion, and English guns are matched against the legendary ferocity of the Pequot.

Initially, the Pequot faired well. But by May 1637, English forces led by Captain John Mason allied with the Mohegan and Narragansett, who had earlier rebuffed a Pequot overture to join a pan-Indian alliance and drive the invaders into the sea. Together, they launched damaging counterattacks and began to turn the tide.

On that fateful June day, Mason leads 150 Englishmen and 60 Mohegan warriors under the command of the sachem Uncas against

the fortified Pequot village at Mystic. After firing their muskets on the palisades, the English burst through the wall into the village itself. Crying, “We must burn them!” Mason touches a firebrand to a wigwam, then leads a retreat from the village. The English and their Indian allies form a ring around the palisades, watching as flames swiftly overrun the fort “to the extream Amazement of the Enemy, and the great Rejoycing of ourselves,” according to Mason. The blaze spreads rapidly that hot and dry morning; the entire village is soon afire. The English indiscriminately shoot at Pequot fleeing the conflagration and cut down with swords those who escape the burning palisades. As many as 700 Pequot men, women, and children perish in the attack.

In less than an hour, Mason has obliterated a major Pequot village and snapped the will of the Pequot fighters. Over the next few months, the colonists and their Indian allies track down, capture, and kill the remaining Pequot. Captives are dispersed as slaves among surrounding tribes, in English households, and as far south as the Caribbean. The Mohegan kill the terrible Sassacus in August, sending his head to the English at Hartford as a gesture of friendship. The Pequot power is broken.

In the peace settlement of September 21, 1638, the English and their Indian allies agree that the Pequot must never threaten revenge. The victors prohibit any survivors from speaking the Pequot language or even identifying themselves as Pequot. The river that bears their name is renamed the Thames, and their eponymous central village is rechristened New London. The Connecticut countryside, which once reverberated with the sounds of Pequot warriors demanding tribute, fears them no more.

February 6, 2004. A nation has risen from the ashes.

Popular comedian Chris Rock entertains a crowd paying as much as \$110 per ticket at the Fox Theater, a venue that legendary crooner Frank Sinatra opened in 1993. On this night, Rock was simply one attraction at Foxwoods Resort Casino, a collection of six casinos with 350 table games and 6,400 slot machines, the world’s largest bingo hall, over 1,400 rooms and suites, twenty-four restaurants (including the aptly-named Rainmaker Café), a convention center, a 4,000-seat

arena, and a championship golf course, all rising incongruously out of the once-quiet woods near Ledyard, Connecticut.

While the god-fearing Puritans would be aghast at the notion that a 4.7 million square-foot complex dedicated to pleasure and indulgence had been erected in their former dominion, they would be shocked to learn that the Mashantucket Pequot, a resurgent remnant of the tribe they had attempted to wipe from history, owned it. Nearly four centuries after their supposed eradication, the descendants of Sassacus no longer send war parties to neighboring villages to collect tribute; instead, 40,000 visitors come to Foxwoods each day with the primary purpose of losing their money in the name of a good time, leaving somewhere in the neighborhood of \$67 million in monthly slot losses as tribute. Of this, a cut of about \$16.5 million is forwarded to the state of Connecticut for the privilege of operating the casino.

The Pequot had an improbable journey back from obscurity. Granted two reservations in 1683, the tribe's membership declined precipitously over the next three centuries; by 1910, only three families lived on the Ledyard reservation, which had been reduced to less than 200 acres. But in 1983, tribal chairman Skip Hayward, assisted by Indian rights attorney Tom Tureen, won the tribe federal recognition over the initial veto of President Ronald Reagan. The sovereign tribe started offering high-stakes bingo in a hastily-constructed hall in 1986. This humble beginning would ultimately yield (for a time) the world's most profitable casino. In 1992, after striking a compact with the state of Connecticut, the tribe added table games, and in the next following year, slot machines started accepting coins. Since then, the casino has expanded regularly, clogging Route 2 with traffic that was unimaginable a scant decade earlier. Although most visitors hail from New York and New England, travelers from as far as Abu Dhabi, Taiwan, and Singapore arrive weekly for flings at fate. Foxwoods is a truly cosmopolitan island in the New England woods—even the money to build Foxwoods came from Malaysian multi-billionaire Lim Goh Tong, owner of that country's monopoly casino, Genting Highlands.

As purveyors of casino entertainment and collectors of tribute, the Pequot are not alone. About ten miles away, their erstwhile mor-

tal enemies the Mohegan operate their own gargantuan gambling/entertainment complex in Uncasville, named for the sachem who sent the head of Sassacus to the English. In a 1994 agreement, the tribes guaranteed the state of Connecticut an annual payment of \$80 million or 25 percent of their slot revenue, whichever was greater (invariably, it is the percentage). This pact has lifted the Indian tribes out of poverty, luring millions of supplicants to chance within the palisades of the Pequot and Mohegan, and garnering nearly \$2 billion in tax revenue for the state since its signing. It has brought these Connecticut Indians money and influence. For decades, “friends of the Indian” had labored to bring Indians into the mainstream of American economic life with little result. Where they failed, gambling has succeeded, reversing the course of 400 years of Anglo-Indian relations.

The story of Connecticut’s casinos is remarkable, but hardly unusual. Many Americans think that “serious gambling” is confined to the well-known casino destinations of Las Vegas and Atlantic City, but it is actually nearly everywhere. With a growing assortment of casinos, racetracks, bingo halls, and lottery tickets available at convenience stores in nearly every state, Americans are never far from a chance to take a chance. Gambling is more than a pastime—it is big business. In 2011, American casinos won more than \$60 billion.

Las Vegas is the first city many Americans think of when they hear the word “casino,” but the desert metropolis lost its bragging rights as the world’s casino capital in 2007, when Macau, a Special Administrative Region in China, roared past it. In 2011, Macau casinos brought in over three times as much revenue as all of the casinos of Nevada combined, and nearly as much as all commercial (non-tribal) casinos in the United States. The ascent of Macau—followed by the just-as-meteoric rise of Singapore—highlights the growing dominance of the Asian casino industry and the increasingly global nature of the casino business.

What many people don’t know, however, is that casinos have a decidedly global past, as gambling is an ancient and widespread pastime. Gambling and gamblers have left footprints throughout history in curious, sometimes-surprising ways. Games of chance have

evolved over many centuries, changing along with civilization. As new technologies—from block printing to the Internet—have become available, people have used them to gamble. Early mathematics and statistical sciences developed in part to explain the vagaries of chance. Card games flourished in the neighborhood of Shakespeare's Globe Theater and in the imperial courts of China. European colonial ventures, including the Virginia Company, funded themselves through lotteries, and the British Stamp Tax, which included levies on playing cards, helped spur the colonials into rebellion against the Crown. The consolidation of German principalities into Prussia forced the closure of German casinos and led to the rise of Monte Carlo as the grand casino of Europe. Nevada's modern casino industry was born in the gloom of the Great Depression, and the late-20th century post-industrial slump helped spur the wave of casino expansion than began in Atlantic City, New Jersey and still continues. The presence of American casino operators in China reflects the changing global economy, as does the fact that these companies are becoming more Chinese than American.

Gambling is ancient; casinos are of a more recent vintage, but their story is still long and not without lessons for today. The appeal of casinos explains their power to raise up the weak and, more often, bring low the mighty. For plenty of examples of both, just keep on reading.

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