

book review**Governing Fortune: Casino Gambling in America**

By Edward A. Morse and Ernest P. Goss. (2007). Ann Arbor, MI: University of Michigan Press, 344 pp., ISBN: 0472099655 (hardcover), 0472069659 (paperback). Price: \$80.00 (hardcover), \$29.95 (paperback).

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Governing Fortune is (yet) another volume purporting to be a comprehensive analysis of casino gambling in America. The authors, faculty members (law and business) at Creighton University in Omaha, do accomplish the goal of writing such a book, but they do so in a way that leaves this reader wondering "to what end." A lot of the good information is presented in a well-organized way, but most of the information is old information—or at least information that is generally known: casinos can be tools for jobs and economic development, casinos engender social costs, casinos can provide taxes and tax relief but not everywhere, the Internet presents difficult issues for governments as do other casino regulatory matters, and tribal gaming is also fraught with difficult issues. The writers do emphasize the economic performance of gaming properties more than other books do, but then this reader wonders what the information about price to earnings ratios and stock prices means for citizens and policy-makers, or even scholars. There is no guiding theory. To what end am I being told all this stuff (albeit "good stuff").

The writers did establish themselves as gaming scholars with their studies of bankruptcies among players, and they are to be commended for including data from their earlier studies here, but still I feel I may be missing the point. While they dwell on economic costs and benefits, they add nothing to what Earl Grinols told us in his book *Gambling in America: Costs and Benefits*. We find a chapter on history, but its offerings seem less fruitful than the histories provided long ago by Chavetz or Asbury, or more recently by I. Nelson Rose or David Schwartz.

It is not a bad book; actually it is a pretty good book. It is a book that all scholars of gaming should buy and have on their shelves. However, once put on the shelf, it may gather dust because it lacks a focus that will cry out to a researcher in a time of need: "grab me."

The book can be faulted for overpromising. The writers tell the reader that they will talk about major players in the industry. But their chapter on the industry dwells on economic minutiae while ignoring the likes of Adelson, Kerkorian, Wynn, Kerzner, and the other giants of Las Vegas, Macao, and other world casino venues. Their history ignores the likes of Lansky, Siegel, Dalitz, Binion, Sarno, and other Las Vegas pioneers. The chapter on politics gives a very minor campaign in Omaha greater attention than campaigns in New Jersey, Florida, and California. Actually, the New Jersey campaign is not even mentioned.

There is also a problem with sources. Though the product contains much good information (indeed very good information), the information is selected from secondary sources that ignore the main bodies of literature in gaming.

Materials from *The Journal of Gambling Studies* are cited only one single time—this is the leading academic journal on gambling. Minuscule law review articles are given extensive treatment, yet there is not a single reference to any article in *Gaming Law Review*, the only law review publication devoted specifically to gambling. The leading trade journal, *International Gaming and Wagering Business*, is ignored as a source—yet it is the leading periodical source of financial data on the industry. The authors have taken their central concluding idea from Professor Bill Eadington (this is discussed below), and yet they do not cite him, nor do they cite his edited proceedings from 14 separate international conferences on gambling and risk taking. These conferences, which have been held since the 1970s, are totally ignored. They are collectively and individually the seminal academic gatherings for worldwide scholarship on gambling. Tony Cabot's and this writer's three editions of *International Casino Law* receive only one reference. Cabot's extensive works on Internet gaming are ignored. So too is Rose's *Internet Gaming Law* treatise—these volumes are the essential writings on the topic. Perhaps I have just a bit of an empty feeling reading extensive accounts of campaigns for casinos—especially in Omaha, Nebraska, when the book I authored with John Dombrink—*The Last Resort: Success and Failure in Campaigns for Casinos*—is totally ignored (in citations, anyway). We covered the topic with over three decades of historical records in detail. Newspaper clippings and Internet entries are given precedence. But I should not feel too chagrined. The leading gaming law historical analyst of our era, I. Nelson Rose, has his basic themes ignored, and in the final page of the book he is thrown a single footnote that totally misses the essence of his career's work. The authors "use" his idea of waves of gaming history, but give him no credit as they do so.

What are we to conclude? What do the authors conclude? Very little of meaningful value. But they do offer a summary idea. Indeed, they take an idea that Bill Eadington put forth at one of his International Gaming Conferences and they elaborate upon it. Amazingly, although Eadington himself presented the idea as the major theme of his keynote address at the conference, the authors of this book do not give him so much as a footnote or bibliographic reference (unfortunately, there is no bibliography as such) for his idea. Even more amazing is the fact that Eadington wrote a cover note that the University of Michigan Press has used in promoting the book. Perhaps Eadington didn't notice the slight, or perhaps he is happy that people have forgotten that he was the one to first make the idea public. The summary idea is offered after discussions of social problems emanating from problem (and pathological) gamblers. It is this: Gamblers (players) should be licensed before they are allowed to come into casinos.

After elaborate detail about the history of gambling in America, the roles of the industry in gambling growth, the roles of government, the part played by gambling employees, and the players, gambler licensing is the conclusion. While it is interesting for parlor talk and maybe interesting for philosophical musings, the idea has no place in reality. If it is to have merit as a reform idea, the notion should be tied to the full flow of gambling money through government, through casino owners and investors, through employee hands, as well as through player hands. It isn't. Could it be? Maybe. Let me suggest how.

Maybe we don't need more comprehensive books trying to cover the waterfront, unless they are tied to a central theory. I will admit I wrote mine (that is, my "everything and the kitchen sink" book on gambling), and rather than aiming for a meaningful conclusion, I just listed my topics A to Z (actually A to Y) and called it an encyclopedia (*Gambling in America: An Encyclopedia of History, Issues, and Society*). One the one hand, maybe there isn't a good conclusion for such a book (I certainly did not attempt to offer a conclusion for my encyclopedia), and instead the authors should look at very specific questions (or topics) regarding gambling, such as we find in Schwartz's histories, Grinols's economics, and Cabot's and Rose's treatments of Internet gaming. But then using an overarching theory should not necessarily be out of the question.

Being somewhat of a political conservative, I have often relished the ideas of Adam Smith. While the authors of this book do not mention the great Scottish political philosopher, they could have done so. They highlight all the elements he used in his economic equations.

The way they write of gambling they might accept his notions (from *The Wealth of Nations*, 1776) that the collective society should benefit when everyone pursues his or her own interests with selfishness and vigor. While they caution that there are flaws in the manner in which the gambling enterprise operates today, they could suggest remedies and ways the flaws could be corrected based upon Smith's theory. Unfortunately, the vehicle they choose for correcting the flaws is way too little and way too late to be realistic or at all effective.

All the major elements involved in gambling enterprise—the captains of industry, the employees of the facilities, their suppliers, government policy makers and tax collectors, and the players (i.e., gamblers)—are all pursuing their own self-interests—seeking selfish dreams. And all, except for the players (and here only collectively), are indeed discovering their selfish dreams. Society is benefiting—if you discount the players. But then, the players are providing *all* of the revenue of the industry. Unlike with the Adam Smith formula, there is no magical hand that makes all well for everyone. The critical consumer of the industry's product is a loser. This is unlike the consumer of hard products, where the recipient of the industry's work chain receives a good that is worth (to the consumer) more than its cost. This is unlike the consumer of other service products, where the service helps sustain other productivity (restaurant meals for workers, or entertainment that reinvigorates the mind or body), or at least bears a low cost for filling idle time. The gambling industry can provide a recreational function, but unfortunately many of the costs of gambling far exceed the costs of other recreational products, and the entertainment of gambling has limits for providing the substance to reinvigorate either body or mind. Books and films can have story-lines that are mundane and repeat themselves over and over, but their nonsensical dimensions of wasting time pale in contrast to those experienced by the binge player on a poker machine. The costs of other diversions are typically borne by the consumer, not society as a whole. With gambling, the impact of costs spreads outward to many other people and to the general society.

Solutions using a Smith perspective should emphasize a healthy free-flowing gaming enterprise, if that enterprise is to be permitted (an option that could be put on the table). Smith would not be averse to total prohibition if the industry could not be healthy for society. But if we have a gambling industry, it should follow a free-enterprise model. We should remove barriers created with monopoly licensing and extractive taxation. These permeate the casino industry and in turn lead to exploitation. Open competition can reduce exploitation. So too can full information regarding the expenses in playing games. A competitive industry could also promote the true values of the casino experience, which is not simply repetitious play on machines. Rather, it is social interaction and social enjoyment. A model of an effective Smithian industry might be found in an idealized (but not too unrealistic) Las Vegas Strip, and suggestions could then be offered for ways other venues could emulate the healthy practices followed on the Strip. (The Strip has the free-enterprise features of easy entry for entrepreneurs, open product development, competitive employment opportunities with good wage packages, low taxation, and much player freedom and choice.) Licensing of players represents artificial commercial barriers imposed by government that interfere with truly free enterprise. If the book seeks to go there, the solutions presented by a flawed industry must be found in other conclusions.

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