

INVESTIGATING HISTORY



Las Vegas and Wide Open Gambling

The City of Las Vegas



William A. Clark and party on a private rail car.

The City of Las Vegas was officially established on May 15, 1905. A railroad developer named William A. Clark came to the Las Vegas valley in the early 1900s to establish a railroad connecting Salt Lake City and Los Angeles.

In 1902, Clark and his younger brother, J. Ross, purchased over 1,800 acres of land and water rights in the Las Vegas valley for \$55,000. Clark's San Pedro, Los Angeles & Salt Lake railway was completed on January 30, 1905.

For the first few decades, Las Vegas was a railroad town, but the city would change forever thanks to a Nevada state law passed in 1931.

Wide Open Gambling

In the 1930s, gambling was illegal across almost all of the United States.

On March 19, 1931, after years of lax enforcement of the gambling ban in Nevada, Governor Fred Balzar signed into law the "Wide Open Gambling Bill." The bill legalized most dice and card games as well as slot machines.

The bill was introduced by Assemblyman Phil Tobin from Winnemucca. Tobin hoped to provide the state with needed tax revenue and enhance business competition. Each casino was charged monthly license fees, and the tax revenue was split between the county and the state.



Nevada Governor Fred Balzar

Focus Questions

1. What might be the benefits for legalizing gambling in Nevada?
2. What might be the drawbacks for legalizing gambling in Nevada?
3. How would Las Vegas' connection to the railroad have affected its decision to open casinos?

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Early Casinos in Las Vegas

Here is a list of important early casinos in Las Vegas:

1931

The first Las Vegas gambling license was issued to **Mayme Stocker** for the **Northern Club**. The Northern Club was a successful café before adding a casino. Stocker owned it alongside her husband and sons.

The **Cornero brothers** opened the **Meadows Club** hotel and casino at Fremont Street and Charleston Boulevard. The brothers were rum runners, selling illegal alcohol during Prohibition. A fire destroyed the casino in its first year, and the brothers sold the property.

The **Pair-O-Dice** opened on Highway 91—now known as Las Vegas Boulevard. This nightclub and casino was the first business on what would become the Las Vegas Strip. **Guy McAfee** purchased and renamed the property the **91 Club** in 1939. McAfee is most famous for opening the **Golden Nugget** in 1946.

1941

Marion Hicks opened the **El Cortez**. By this point, there were casinos all across Las Vegas. In 1945, a group of New York mobsters, including **Meyer Lansky**, **Benjamin “Bugsy” Siegel**, **Moe Sedway** and **Gus Greenbaum** invested in the casino. This paved the way for Mob involvement in Las Vegas.

1947

The first major resort-style hotel-casino opened on the Las Vegas Strip: the **Flamingo**. The project was envisioned by **Billy Wilkerson**, publisher of the *Hollywood Reporter*. Wilkerson purchased land and drew up plans for a luxurious hotel. When he ran out of money to complete construction, **Benjamin “Bugsy” Siegel** invested in the project. He pushed out Wilkerson, and the Flamingo became a Mob-run casino.

Las Vegas in 1931

1931 was an important year for Las Vegas. The “Wide Open Gambling” bill was not the only major change.

The Nevada Legislature also passed the “quickie divorce” law. This lowered the residency requirement for dissolving a marriage from three months to six weeks, the shortest waiting period in the United States! The law encouraged “divorce tourism.”

Couples came to Las Vegas, Reno and other Nevada towns to establish residency for six months before obtaining a divorce.

Las Vegas also grew because of a new construction project outside of town: the Hoover Dam. Official construction of the dam began in 1931, and thousands of people moved to Las Vegas and Boulder City to work on this new project.

Focus Questions

1. Consider the reasons why mobsters came to Las Vegas to operate casinos.
 - a. Brainstorm a few educated guesses as to why mobsters came to Las Vegas.
 - b. Conduct your own research using themobmuseum.org to determine which factors led to their involvement in the city and its casinos?