

# LETTERS

ISRAELITE RECEIVED SPECIAL PERMISSION TO PRINT THE ONLY AUTHENTIC REPORT  
ON LEGALIZED GAMBLING IN NEVADA TO DATE . J.T.

## STATE AUTHORIZES STUDY

# Gaming Fights Fiction By Calling for Facts

By GABRIEL R. VOGLIOTTI

In the spring of 1966, the gambling industry, in the north and south, agreed that it faced an image problem and that it was a beaut.

The gambling houses were doing business in a state whose people did not know what the industry earns, but in a state that taxes those earnings with the highest tax rate on business earnings in the history of the nation.

(Note: Nevada's "gross tax" on gambling income is literally that, the highest tax on business income ever imposed in American history. Incredibly, even some bankers are unaware of this. Its size will be discussed in forthcoming columns.)

Owners found themselves criticized for keeping their books relatively private, despite the fact that other Nevada companies keep books totally private.

Gaming attorneys found this ironic because Nevada law forces gaming places to tell all to Carson. The law of 1945 makes them supply detailed quarterly and annual reports. The law acknowledged that, since other Nevada businesses are assured privacy, the gambling industry should also have it. Information sent to Carson may not be publicly disclosed by gaming authorities.

Still, in the spring of 1966, the casinos reached a wry decision: they agreed that the gap between the facts and public impression of the facts was huge and becoming ridiculous.

### Can't Blame the Public

The public could hardly be blamed. It had certainly heard the charges often enough. For two previous years, the book "Green Felt Jungle" had sold thousands of copies. Its claim that the Nevada industry was making fabulous profits was nationally believed. It had convinced senators in Washington and housewives in Ely and Fallon.

Owners wondered how to convey that several places on the Strip were losing money; how to convey that several others showed a profit so small as to give them a poor credit rating.

That spring it was brought home that the book "Gamblers' Money," which had a small sale, was nevertheless the reference book for many of the nation's newspapers. Editors visiting Las Vegas quoted it.

### Problem: Fact Versus Fiction

Again owners wondered how to establish the fact that, for example, several places that had to expand to survive could not do so because their earnings picture looked too depressing to lending banks. Everywhere they saw the huge gap between the facts and public assumption of facts.

In previous months the hotels had been hit hard for charitable contributions. The requests were deserving and hotels wanted to help. But several hotels were having a hard time which they didn't want to admit. The industry was asked for \$75,000 for the Home

of the Good Shepherd, \$50,000 for a Salvation Army building, and \$35,000 for a Boys' Club building. They agreed to go shares on the contribution but most hotels signed notes for loans with time payments over several years.

Their own position is that their business is not hugely profitable . . . a business that requires all sorts of skills . . . that operates at tremendous cost . . . a business with high failure rate, but, . . . operating in a state where many people believe they make a turnover of 100% a year.

### Credibility Gap Becomes Ridiculous

This was the "credibility gap" that had to be corrected. It caused industry discussions that lasted months. Some argued that the industry had little choice, that it must do what is not

fluenced by any modest fee from Nevada.

The industry (north and south collaborating) considered such items as Price Waterhouse, Ernst & Ernst, Horwath and Horwath, Lybrand, Ross Bros. & Montgomery, to name a few. A choice could be made by drawing straws since all were big and unchallengeable.

The industry got down to discussions with one firm and got a jolt. This firm proposed that the industry hire not one accounting firm but three. The job of analyzing and disclosing earnings and profits should be shared among three firms of equal stature. Findings would be issued under three signatures, a verdict by a combination of three of the largest accounting firms in the world. The industry gasped and agreed.

### Legislature Takes Over

The industry was about to sign when members of Nevada Legislature took their own action. Legislative leaders heard of the plan and reasoned that a study of this magnitude — one that would be quoted for years — should not be a matter for private industry and particularly not for the gaming industry. They argued, properly, that any such analysis was the obligation of the State itself.

Since a special session was only a month away, legislators saw that the State could act fast. The special session of 1966 authorized the Legislative Commission to select an accounting firm, to pay it whatever was necessary, and to get the gaming analysis done.

The Commission chose Lybrand, Ross Bros. & Montgomery, one of the nation's accounting giants, at a fee of \$125,000. In the next few months, everybody waited — Legislature, newspapers, gambling owners, school people, outgoing Governor Sawyer, the incoming Governor-elect Laxalt.

### Lybrand: Welcome But Incomplete

When it came, the Lybrand Report hit a huge waiting audience, thousands waiting to know what the gambling industry earns and what it could be taxed. It was welcomed as a basic, State document.

The Report is valuable but it leaves you wishing it had gone all the way. It is scholarly, fair, generally clear and sometimes murky. On the good side, it explores matters never previously considered in the public domain, but it stops just when you ache for big, clear conclusions.

It makes findings and then (bless those academic types) clouds them with qualifying footnotes that weaken the point. It deals with a complicated subject by going in for complicated writing. You spend hours studying it, wishing Lybrand had asked for a fee of a quarter million, wishing they had put enough men on it to give Nevadans more answers, and with greater finality.

Yet, on the whole, it is a valuable service to Nevada. (In the next column we point out gaps and express hope that somebody (Legislature, Executive or private industry) fills them.

Dear Bea & Jack:

We were, indeed, excited to learn through the "Las Vegas Israelite" of the birth of your granddaughter, Michele Donna, born to your lovely children, Rita and Don.

All the members of Temple Beth-El and my dear wife, Hannah, join me in extending to you our warmest congratulations upon this very thrilling news.

I must say that the young lady is to be commended for her wisdom and perspicacity in selecting such fine parents and grandparents. Your granddaughter, with God's blessings, has all the advantages of a fine background and the best "yichus".

May her arrival by the harbinger of much rejoicing and "nachas" for the Tell and Friedman "mash-pochas".

Sincerely yours,  
Rabbi Sidney Nissenbaum  
Spiritual Director  
Temple Beth-El  
North Bergen (N.J.)

P.S. I enjoy reading your "Las Vegas Israelite" regularly and look forward to its arrival. Jack is to be commended for the excellent editorials and content of the paper and especially for the important public relations which it creates within the Jewish community.

Dear Mr. Tell:

Many thanks to Mr. and Mrs. Wallerstein for having faith in your ability--now so so many people are enjoying the Las Vegas Israelite.

For continued success, I am

Yours very truly,  
Lillian Chesnow  
(Great Barrington, Mass.)

### TELL TALES

(Continued from Page 4)

relative" and the immortal words of Shakespeare: "Finds tongues in trees, books in the running brooks, sermons in stones, and good in everything." A quarter inch is a tiny distance, but not on the end of your nose. It's our opinion and we're proud of it.

The name of the book is simply, "A History of The Jews." It was written by Abram Leon Sachar, Ph.D., formerly Associate in European History at the University of Illinois; National Director, B'nai B'rith Hillel Foundations in American Universities. The volume we cherish states: Second Edition, revised to 1940.

It contains 392 pages, with a preface, and a preface indicating the First Edition was published in 1930, with no word of Adolph Hitler, of the Nazis, of their propaganda bureaus, of their cells in every land.

The work we hold is divided into three parts - Biblical, Mediaeval and Modern. We are, at present, up to page 206, which is the second section of the 16th Chapter, titled: "The Decline and Fall of Jewish Life in Spain." Our bookmark in the second section is on the page labeled: "The Fury of 1391."

More, we cannot divulge at this writing. Since we have let the cat out of the bag, we promise to hasten our reading to an earlier conclusion. If what follows measures up, even slightly, to what we have been through, we intend to re-print the words of this book, in its entirety for the edification of Israelite readers. Anything less would be sacrilege.

(As an epilogue to this column, should the scholars among the current readers of the Israelite, scoff at our sudden discovery of a classic known to many, we apologize. We do not know if it was a best seller or a dustcatcher 37 years ago, when first published. Like the man who chanced upon ice for the first time in his life and shouted for all to hear he had found a perfect collant for drinks, we know only Sachar's "History of The Jews" is in literature what Michele Donna is in life for Jack Tell -- the ultimate.)

Editor

Las Vegas Israelite

In the Dec. 16, 1966, issue of the Jewish Post and Opinion, statements by Rabbi Richard Rubenstein of Pittsburgh, Penna., are reported, to the effect that Reform Judaism is too ratiocinative and tied to "thinking, reading, and writing," which, be asserted, are outmoded and do not offer any guarantee of the future of Judaism in the United States. He goes on to state that the future of the United States Judaism lies in Orthodoxy, because of its emphasis upon the sensory and the emotional.

I wish to answer, first of all, that "thinking, reading, and writing" are an integral part of the tradition of a people that is known as "Ample that is known as "Am Ha-Sefer," "The People of the Book." And secondly, that conservative Judaism also places heavy emphasis upon the sensory and the emotional; while Reform Judaism has been increasing this emphasis, as exemplified by its introduction of more ceremonial into its pattern.

Rabbi Irving Ganz  
Veterans Hospital  
Sepulveda, Calif.

Mr. Tell:

Thank you very much for your continued cooperation.  
Mel Katz  
(Pres. AZA)

Dear Mr. & Mrs. Tell:

Bill and I enjoy so much reading the Las Vegas Israelite. It is like having a nice visit with you.

Best wishes,  
Mary F. Bridgeman  
(Ellot, Israel)