1 From Desert Oasis to Glitter Capital of the World

Las Vegas, Nevada, is located in the middle of one of the most forbidding deserts on earth. It is a most unlikely place for a city, yet, in 1995, the population of the Las Vegas metropolitan region passed one million and Nevada's state demographer predicts a population of two million for the Las Vegas Valley by 2007. The average annual temperature is 66.3 degrees Fahrenheit, but after May relentless heat sears the summer months. There is little variation in temperature once the hot weather arrives, at midnight in July the temperature can be 90 degrees. Millions of gallons of water must be pumped uphill each day to Las Vegas from nearby Lake Mead and most other necessities such as food, clothing, building supplies, and construction equipment must be transported in from other states. How this improbable metropolis developed in the midst of such a forbidding environment hundreds of miles from any large urban center is truly a remarkable story.

The Early Days

One of the key issues in urban analysis is to explain how land acquires value through location. While agricultural land derives value from its intrinsic worth as a natural resource, city land derives value from its location. The area of southern Nevada within which Las Vegas is located possesses no intrinsic worth as an agricultural resource. Even today the Bureau of Land Management classifies most of the area surrounding Las Vegas as arid wasteland. In the 1800s, however, the region was highly valued as a site of mineral deposits, especially gold, bringing the first Europeans to the area, although the Paiute Native American tribe had lived in the region for centuries.

The Las Vegas site also had one other precious resource. Water regularly bubbled up through the ground from artesian wells. Prior to the 1820s, those few hearty souls seeking to go west followed a trail carved out by the early Spanish explorers between what is now New

Mexico and California. The Old Spanish Trail stayed close to water, following the Colorado River south and then due west below the Mojave Desert to the Pacific Ocean. This L-shaped trail was the easiest but not the most direct path, so explorers searched for a quicker route. In November 1829, a sixty-man merchant party led by the Spanish explorer and trader Antonio Armijo, and his scout, Rafael Rivera, discovered a verdant oasis while searching for water midway on their trip. They named the site Las Vegas, the Meadows, and it proved to be a valuable alternative to the longer trail by cutting days off the journey west. As one historian observed: "The abundant artesian spring water at Las Vegas shortened the Spanish Trail to Los Angeles and eased the rigors for the traders who used the route" (*Las Vegas Review-Journal* 1989: 19A). Others, such as the fur trapper Jedediah Smith, soon used the route to reach California. Without its naturally occurring ground water, the early settlement of Las Vegas never would have begun.

By the 1850s, the Utah-to-California route via Las Vegas was so well established that Congress created a regular mail run between Salt Lake City and San Diego (Moehring 1989: 1). A significant Anglo population moved into the area for the first time when a Mormon expedition from Utah arrived. After establishing the city of San Bernardino at the east end of the Los Angeles basin, the Mormons "put in a settlement at Las Vegas to supply travelers going to and from San Bernardino and Salt Lake City" (Moehring 1989: 2). They also constructed an adobe fort near what is now the city's downtown. Consequently, Las Vegas became an early general provision site in the expanding settlement of the southwest.

In the 1860s gold strikes in the vicinity of Las Vegas, at Mt Potosi north of town and another in Eldorado Canyon, drew prospectors already working the gold fields of California and northern Nevada. As gold seekers streamed into the Las Vegas area, the city's role as a center for provisions expanded, bringing others who cashed in not by mining directly but by catering to the needs of prospectors. In the 1860s, for example, a former prospector named Octavius Gass took over the old fort abandoned by earlier Mormon settlers and converted it into a large general store and ranch. This building anchored the town's early settlement. He also bought a large abandoned farm site and founded the Las Vegas Ranch, which was cultivated until the early 1900s. By the turn of the century, the real gold of the West, the railroads, came to the region, as the presence of ample water attracted Las Vegas railroad entrepreneurs who were already engaged in developing Los Angeles.

A Montana copper baron turned senator and real-estate speculator, William Clark, arrived on the scene in 1902. By then it was widely recognized that the most cost-efficient route between Los Angeles and Salt Lake City was through Las Vegas (Moehring 1989: 3). Clark built the San Pedro, Los Angeles and Salt Lake Railroad, that connected the Union Pacific main line in Utah with southern California. Like other venture capitalists who built railroads, he also speculated in real estate, building homesites in the Las Vegas area alongside the new railroad (Gottdiener 1994a). Huge fortunes were made as these enterprises worked successfully in tandem, attracting large numbers of people to settlements in sparsely populated areas of the western United States.

On May 15, 1905, Clark's townsite officially became the city of Las Vegas. The dusty main drag was named "Fremont Street" after the famous "pathfinder," explorer John C. Fremont, who popularized the area, not Antonio Armijo, the Spanish trader whose party first discovered it. Clark's railroad auctioned off 1,200 town lots plotted by the company, many to wealthy businessmen from Los Angeles who were active at the auction. Corner lots in the town went for $150 to $750 and inside lots for $100 to $500, both considerable sums at the time (Paher 1971). The early town was nothing more than a tent city, a dusty desert depot housing trading companies and the railroad office, but in 1909 Las Vegas became the county seat, giving the site an important government connection. The state legislature named the new county after Clark.

Las Vegas grew slowly during its first decades, with warehousing and distribution as its main economic functions. Gambling was legal at first, as it was in many towns throughout the West. But the state of Nevada, under intense pressure from reformers, passed a stringent anti-gambling law in 1910. All forms of gambling became illegal, even including the western custom of flipping a coin to see who paid for drinks. Despite the law, however, illegal gambling continued to flourish in the city until new legislation in 1931 made it legal once again.

During this time Las Vegas had become a major provisioning site for traders and merchants traveling to and from California and a transshipment depot for mining operation supplies. A new railroad spur served the mining towns of Tonopah, Rhyolite and Bullfrog and converged with Clark's San Pedro, Los Angeles and Salt Lake line at Fremont Street. The area around the depot also became the city's downtown.

In 1905 Charles P. "Pop" Squires built a tent hotel at the intersection of Main and Stewart streets to house the visitors who came for the auctions. Two other crude hotels followed, the Overland Hotel (presently the site of the Las Vegas Club) and Hotel Nevada (presently the site of the Golden Gate), both located across from the railroad depot. Plentiful artesian wells in the area attracted real-estate speculators, who began to develop the surrounding land for homesteads. City leaders interested in promoting growth adopted a commission style of government, one of the Progressive reforms that would foster an image of Las Vegas as a "good government" city. At the same time, the reality of a wide open, free-wheeling town was already well established, contradicting the prim image of Progressivism. As one observer noted:

> Since 1905, the town's boisterous clubs had played host to thousands of railroad passengers on train layovers. By railroad order, the sale of intoxicating liquors was limited to Blocks 16 and 17, a zone conveniently located on Fremont Street near the railroad station. Within a few years of the town's founding, the area had evolved into a red-light district as well. (Moehring 1989: 11)

Later, in 1942, Block 16 prostitution was eliminated by the city at the request of the War Department because a military base had been established in the area. The city accomplished this first by raids and then by refusing to approve new business and liquor licenses for the bars, that often doubled as brothels.

Boom and Bust

The cities of the southwest grew in a manner that contrasts with those on the East Coast or in the Midwest. Created with little population and a limited infrastructure, they had to attract people and resources in order to grow. Great risks have always been part of the equation in southwest development as most business initiatives were of the speculative kind. If they worked, fortunes could be made. If they failed, however, they added to the stock of abandoned dreams that still dot the landscape throughout the arid regions in the southwest.

Las Vegas' development has been typical of this boom and bust cycle. In the early 1900s a boom period came with the discovery of gold nearby, and speculators like William Clark cashed in on real estate and railroad development. By 1919, however, mining activity in the region declined and Las Vegas languished as a lonely way station in the desert.

The Paradigm Shift in Urban Sociology

Urban sociologists have traditionally analyzed the process of city development by using East Coast or Midwestern cities as examples. In

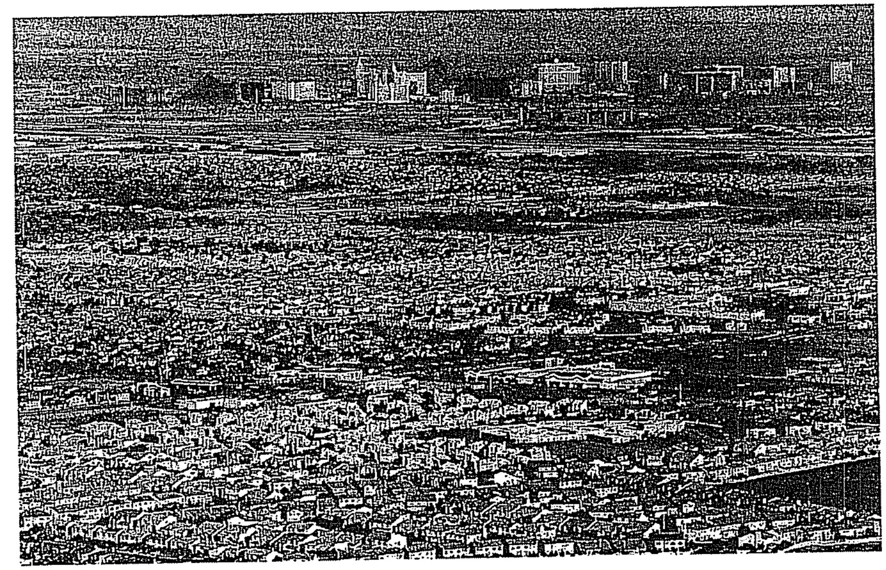

Figure 1.1 The Las Vegas Valley, 1997

the 1930s, scholars at the University of Chicago formulated the "ecological" approach to urban development, based almost exclusively on the Chicago experience. They saw growth not as the product of powerful actors who influence the flow of investment, but as the aggregate outcome of many individual decisions by people seeking a variety of goals, such as making money or raising families. The limits of the ecological perspective, however, are numerous and well known, including its failure to mention the role of government in channeling resources, the obvious effect of a select group of powerful businesspeople in determining important land-use decisions and in influencing the flow of investment, and the conflict between residents struggling to achieve a satisfactory quality of life and local business or governmental interests (see Gottdiener 1994b).

A second explanatory model for development is the "growth-machine" approach, associated with the work of John Logan and Harvey Molotch (1988). This theory argues that in every city a particular, unified elite of business and political interests controls resources and defines development patterns. Molotch and Logan claim that a particular "class" of rentiers lies at the heart of this unified elite and devotes itself to earning profits solely from real estate. Other businesspeople and local politicians support the activities of the rentier class because they too experience an increase in wealth or power from growth. Local newspapers and hospitals, along with city merchants, for example, thrive on population growth, as do construction companies. Even city servants, such as the police or teachers, find their ability to raise wages enhanced by the activities of rentiers who expand the real-estate sector and attract more permanent residents.

The growth machine perspective is deficient, however, in explaining the way metropolitan regions develop in the US. First, there has never been a separate group of rentiers devoted exclusively to real-estate investment and who constitute a distinct class in America. More accurately, the existence of a free market in real estate is a prime source of profit for any business interest and large numbers of people from diverse backgrounds invest in it in different ways. Homeowners, for example, invest in real estate as part of the purchase of a home, yet do not belong to a special class. Also, they often oppose unbridled growth because it threatens their lifestyle even while enhancing property values. Hence they are often split over questions of growth and sometimes take to task politicians who give blanket approval to development.

Secondly, while some business interests, such as newspapers and retailers, seek population growth as a way to increase their profits, other equally powerful capitalist interests, such as the owners of factories or global corporations, do not depend on local growth for profits and therefore have no incentive to support a local conspiracy of growth-machine elites. Yet the actions of these powerful economic actors often determine the fate of the local community. This has been the case especially in the 1980s and 1990s as global corporations have remolded the economic terrain of advanced countries like the US according to their own needs. The growth-machine approach is at bottom a rather simplistic view of elite control, as there are, in fact, several factions of capital that pursue profits in any given area. At times these interests may join together and concur in making decisions, but at other times they compete openly and are at odds concerning growth plans.

Finally, while development and the quality of life are correlated at initial stages of growth, these two dimensions ultimately diverge as the environmental costs of population expansion drag down the quality of life through such nuisances as increased traffic and pollution or the disappearance of open space. Thus, there are community interests that may support growth but also equally powerful social groups that oppose growth or seek to manage it to protect the quality of life. In short, both the business community and the public are made up of many factions that often compete over development decisions. Fragmentation is fluid as coalitions constantly emerge, splinter and regroup in new forms. These diverse interests hardly comprise anything like the seamless growth machine hypothesized by Molotch and Logan.

A third, more recent perspective on urban development is the globalization approach (Chase-Dunn 1985; Sassen 1991). As presented in the urban literature it is basically a catchphrase meant to orient analysis of local areas toward larger economic forces operating at the global level. Although conceptually undertheorized, globalization analysis has made a contribution to urban research by identifying the *transnational corporation* (TNC) as the principal actor in the circulation of capital across the globe. According to the globalization thesis, the TNCs dominate economic activity today and search out the best locations around the world for cheap labor to produce their products. For this reason local areas and individual industries must go about their business with one eye peeled to the world-system level as the future prosperity of any given place is now tied to the way that area fits into the structure of global business.

The main problem with the globalization approach is that it ignores history and the political economy of capitalism (Gottdiener and Komninos 1987). Investment on an international scale has been occurring for centuries. While it is certainly true that many cities in advanced societies have lost their major industries since the 1970s, the reasons for this decline are quite complex and have more to do with the crisis tendencies of late capitalist societies (Mandel 1977) than with the actions of transnational corporations alone (see Harvey 1989). Although the local economies of many important cities are increasingly tied to financial and producer services, this trend alone cannot explain the major forms of urban restructuring since World War II. The most significant trends have been the massive shift to the suburbs of both people and economic activity, on the one hand, and the massive shift of both people and economic activity to the Sunbelt area of the United States on the other, and globalization does not deal with either of these important recent trends (Gottdiener 1994b).

A final perspective, derived from the work of Henri Lefebvre (1991b), is called the *socio-spatial approach* (see Gottdiener and Feagin 1988; Gottdiener 1994a, b; Feagin 1998). This analytical perspective views local areas as comprised of various, often competing, growth networks rather than a single coalition, even though all urban areas in the United States remain dominated by business interests. Each network of business leaders and politicians is seen as having its own particular interest in promoting growth. Entrepreneurs have the difficult task of trying to valorize both their location and their businesses to attract capital and people.

Elites usually do run towns, but their interests do not necessarily conform to the particular needs of a separate class of real-estate speculators. More accurately, the elite is by definition composed of the most successful business interests – at the time. As investment opportunities change, so too does the ruling coalition of elites. Thus, in the course of development a city can experience leadership from a succession of elites, each of which rides a particular wave of prosperity only to decline later in the typical cycle of boom and bust, being replaced by a competing group with a new vision.

Although real-estate interests are, indeed, central to the growth of regions, the more general case of city development is explained best by conceptualizing investment activity in the built environment as a combination of actors and structural conduits known as the "second circuit of capital" (Lefebvre 1991b). Real estate is seen not as the exclusive domain of a separate rentier class, but as consisting of a structure of banks, other financial conduits and diverse modes of agency, such as business interests, real-estate agents, and public and private investors, including homeowners, who channel money into the built environment. Thus, despite changes in the economy, investment in land is always a way of acquiring wealth under capitalism and the economy is comprised, in part, of different real-estate factions that at times compete and at other times cooperate with each other for this opportunity. This flow of capital is not dependent on the conspiratorial activities of a separate class, as the growth-machine perspective argues, nor is it controlled solely by the transnational corporations and investment patterns emphasized by the globalization perspective. Rather, the ebb and flow of investment involves the actions of various growth networks existing at different spatial scales, some local, some national, some global, that are often in competition with each other. Unlike the ecological and globalization perspectives, and in a more theoretically sophisticated way than the growth-machine approach, socio-spatial theory is used in this book to describe urban growth in Las Vegas as a complex, shifting process of conflicting interests devoted to the accumulation of capital and the protection of the quality of community life.

Understanding the growth of cities requires an appreciation for the dynamics of the real-estate market, competing economic interests within each locality, the role of local government and of community groups, and the relation of the local area to the larger political economy of the nation and the globe. In particular, the socio-spatial perspective suggests that metropolitan development is highly dependent on incentives that are created by the various forms of government policy, in addition to the actions of individual private entrepreneurs. In fact, business people and public officials often work

closely to promote growth schemes. Thus, urban development is as much a product of state intervention as it is of the activities of a select group of capitalists who invest in land.

In the early period of Las Vegas' development, a succession of elites ruled the town beginning with early Mormon settlers, business owners providing provisions for prospectors, and eventually railroad moguls and real-estate speculators like William Clark. Despite their efforts, however, early Las Vegas' growth was equally dependent on external factors, such as the need for cost-effective travel across the desert to California and the discovery of gold deposits in the area. During the 1920s, however, neither these factors nor the best efforts of the business elite could budge Las Vegas from its post-gold-fever downturn and depression doldrums. Without outside help, the town would not have grown in the Depression years.

The Federal Trigger

By all historical accounts, Las Vegas would have remained a backwater town if not for the intervention of the federal government. Thus, as the socio-spatial perspective asserts, it was the link to the larger system of political economy that provided the necessary valorization of the Las Vegas location for future expansion, despite the best efforts of local elites and growth boosters. As historian Eugene Moehring suggests, this government intervention was not much different from the spending which also aided the development of other Sunbelt cities:

> Las Vegas' triumph as a world resort was never assured. Virtually no one in the 1920s would have expected the town to blossom into the metropolis that it is today. Lack of water, fertile land, productive mines, and heavy industry made it an unlikely candidate. But the same forces which forged the new west and lured millions of people to the sunbelt, also expanded Las Vegas. Reclamation projects, New Deal programs, defense spending, air conditioning, interstate highways, jet travel, right-to-work laws, low taxes – all of the factors that promoted Atlanta, Houston, Phoenix, Los Angeles, and other sunbelt cities – helped Las Vegas, too. (1989: 13)

In 1928, Congress passed the Boulder Canyon Act, which authorized spending to construct the world's largest dam on the Colorado River at a site just southeast of Las Vegas. The Boulder (later renamed Hoover) Dam project eventually pumped millions of federal dollars into the area at a time when the rest of the nation was suffering in the grip of the Depression. Jobs were advertised nationally, attracting a large influx of people. At the peak of construction, 5,128 laborers were employed at the building site, nearly doubling the Clark County population. In addition, the dam "immediately multiplied Las Vegas' economic assets, awarding the town a substantial water, power, and construction hinterland to the southeast" (Moehring 1989: 14).

Federal dam construction was thus a powerful financial stimulus that counteracted economic depression in the region. The decision to build the dam near Las Vegas was not secured by the local elite, although they had helped lobby the government for the project. Instead it was largely due to the efforts of Nevada's two Senators, Republican Tasker Oddie and Democrat Key Pittman. The federal government supported the region with a payroll of half a million dollars a month, but bypassed Las Vegas proper to construct its own town, Boulder City, adjacent to the construction site to house the workforce of more than 5,000 people. Boulder City was a company town controlled by the federally sponsored construction firm that was building the dam. Strict regulation of the workers, including restrictions against the sale of alcohol as well as union activities, ensured a trouble-free labor force, as did the site's distance from Las Vegas. Because so many laborers were unemployed during the Depression, the company had its pick from a large pool of eager workers who migrated to the construction site.

Although the dam workers were housed twenty miles away, Las Vegas merchants benefited enormously from the project. Downtown warehouses and railroad shipment facilities expanded and, even more significantly, the dam construction site became a major tourist attraction:

> Almost 100,000 came during the first full year of construction in 1932 while double that amount visited Las Vegas. In 1933, the dam drew 132,000 and Las Vegas 230,000. Recognizing the magnetic value of the new "world wonder," the latter's chamber of commerce began to bill Las Vegas as "the gateway to the Hoover Dam." (Moehring 1989: 18)

By the late 1930s more than a quarter of a million tourists a year visited Las Vegas, a city with only 8,000 residents in 1940, spurring the growth of a nascent hotel and casino industry. Thousands of people arrived each year looking for work at the dam construction site and many remained in Las Vegas. In addition, a significant number of homeless persons also emerged from the population of Depression-weary work seekers. Eventually this problem was addressed by the federal government, which provided funds and relief supplies to the city. Local growth also attracted investors, many of whom took their

chances building housing and dabbling in real estate: "In 1930 developers built over $1.2 million worth of new structures. . . . Many were small houses whose rooms could be easily partitioned off to form apartments" (Moehring 1989: 19). The Union Pacific Railroad also invested capital in its Las Vegas yards. This created new construction jobs and a larger handling capacity for the tons of supplies now passing through the city, further stimulating the expansion of the warehousing sector and other businesses in the region.

Gamblers and local business interests successfully petitioned the state legislature to re-legalize gambling in 1931 as purely a business proposition: "The legislature's action did not reflect panic at the depression, frustration at continuing illegal activity, or a desire to collect revenue. Rather, gaming became legal again due to a concerted effort by a business community that saw the economic potential of gambling and the tourism that would come with it" (Green and Elliott 1997: 167). Although tourism was a burgeoning industry due to the dam site, gambling activity was not considered at the time to be a principal Las Vegas attraction, as Moehring observes:

> City fathers did not foresee gaming as the town's economic savior – even the location of gaming clubs was limited. The municipality passed a redlining ordinance confining the industry to Fremont Street between First and Third Streets. Subsequent years saw the district expanded to Fifth Street and beyond, but (except for the Moulin Rouge in 1955) town authorities were careful to prevent casino activity from spilling over into residential neighborhoods. (1989: 20)

These restrictions probably had a lot to do with the fact that the majority of the town's 5,000 residents lived within a few blocks.

During the 1930s, then, a boom period returned to Las Vegas due primarily to federal government spending. After 1933, the presence of two influential Democratic senators, Key Pittman and Pat McCarran, helped Nevada get more New Deal money thanks to their strong support of President Roosevelt (FDR). The city possessed a diverse service sector that included retailing and transshipment of construction supplies, marketing, tourist services, and hotels. The federal government channeled millions into the area for dam construction, also constructing a post office and War Memorial Building in downtown Las Vegas. The municipal government responded by launching an ambitious infrastructure improvement scheme that included urban-style sanitation, a zoning ordinance, and the building of schools and sewers. In short, the town grew because of its diverse services built around the influx of federal funds, a growing population of job seekers and tourists, and municipal support for urban services.

After gaming was again legalized, development took off in the 1930s. Speculators built small casinos along the southwest corridor leading to Boulder City, the only Nevada town where gambling remains illegal to this day. The gambling casinos were successful as dam workers and tourists flocked to them. In 1932, downtown Las Vegas' first "luxury" hotel, the three-story Apache, also contained two other firsts, the city's first elevator and a refrigerator. In 1934, the Coca-Cola Company built a bottling plant to service the local tourist industry. In addition to creating jobs, the plant also anchored a growing food service sector that supplied local restaurants and hotels.

During the 1930s, Las Vegas also introduced another innovation, the swamp cooler, which "revolutionized living in the desert town" (Moehring 1989: 22). While swamp coolers in 1938 were "almost unknown in many parts of the nation, every hotel, auto court, restaurant, business establishment and home in Las Vegas was now cooled" (Jones, cited in Moehring 1989: 22). While unattractive and noisy compared with today's powerful air conditioners, swamp coolers made life in the desert bearable for a wider variety of residents.

The principal infrastructural innovation fueling the Las Vegas expansion, however, was the prevalence of cheap and plentiful electricity. While the city could not exist without water, it could not have grown into a tourist mecca without this relatively inexpensive source of power. More than anything else, Las Vegas is a city of lights. The recently opened pyramid-shaped Luxor features a high megawatt searchlight, which shoots up from its apex into the night sky. Airline pilots can see the beam hundreds of miles away and NASA astronauts circling the globe commented that Las Vegas is by far the brightest spot on the Earth. Access to cheap electricity, however, often was a major source of conflict in local politics, particularly during the 1930s.

A "Good Government" Town

Before the establishment of its image as a tourist mecca, Las Vegas was, and in many ways remains today, an ordinary town. In fact, as gambling expanded during the 1930s, some local residents expressed concern that the town not be burdened with an unsavory reputation. The majority of the population was not connected directly to casino operations, consisting largely of service people and small businessmen who were making a steady income from retailing, warehousing,

and the railroad. At the time of the 1931 municipal election, the same year that gambling was re-legalized, the Democrats put forward a candidate who symbolized the good-government/small-business ethos, Ernie Cragin, an insurance broker and long-time resident. The local paper, which was identified with the Democrats and would play a special role in boosting FDR's Depression recovery administration, was a major supporter of Cragin, who ran as an "Honest Businessman." His campaign was based on an appeal for anti-corruption government and decent community values.

Ernie Cragin thus became the first self-proclaimed "reformist and civic-minded" mayor of Las Vegas, in 1931. The concept of reformism here must be understood within the historical context of the times, however. Cragin's predecessor, Fred Hesse, had been arrested and nearly recalled for violating prohibition laws. Thus, opposing corruption was more lip service than reality. Also, Cragin was a well-connected businessman who equated reformism and civic mindedness with a pro-business approach. He did, however, embark on an ambitious program that brought important infrastructure improvements as the city caught up with developers by putting in miles of paved roads, sidewalks, curbs, gutters, and drainage facilities. Cragin also built city parks and even managed to construct a modest municipal golf course. Again, many of these projects were aided by funding from Washington as Nevada's powerful senators, McCarran and Pittman, secured considerable funds from Depression-era programs, especially the Works Progress Administration (WPA).

In the mayoral election of 1935, however, Cragin ran into trouble. Despite improving the basic infrastructure of Las Vegas, he had not been able to work out a satisfactory arrangement with Boulder Dam officials for cheaper electricity rates. His opponent, Leonard Arnett, won by promising to build a power plant and transmission line to service the town of less than 8,000 residents. Local Las Vegas political life didn't run smoothly under Arnett, however, as he failed in his assault on the power company and suffered from poor health, subsequently moving to California to buy a chicken ranch. His successor, John Russell, became so estranged from the city commission that they resigned and a new commission was appointed, after which the original commissioners rescinded their resignations, which Russell in turn refused to accept, leaving two city commissions in operation. Cragin's re-election in 1943 restored order and a pro-business environment. Cragin served two more terms until being defeated by C. D. Baker, a city surveyor and land developer. His close association with Senator McCarran, and the fact that his insurance company insured most major local businesses, hurt Cragin. Thus, while not directly accused of corruption, Cragin, despite his reformist rhetoric, appears to have been one of the good old boys all along.

During the 1930s, Las Vegas established itself as a tourist destination, averaging a remarkable 300,000 visitors annually, despite its small permanent population. Tourism early on was stimulated using the theme of a western, frontier experience, with "Wild West" signifiers deployed in an organized effort to attract visitors to a town with unpaved streets and wooden sidewalks. The town held a "Helldorado" rodeo, complete with a cowboy parade, and constructed a mock Helldorado village that simulated a frontier western town. Casinos borrowed images from cinematic depiction of Old West saloons and Hollywood used Las Vegas in its western films. The Roy Rogers movie "Heldorado," with one "l" removed to make the title suitable for the movie-going public, featured frontier celebrations of the town, and actor Gabby Hayes was the first to call Las Vegas a "booming metropolis" in the movies.

Las Vegas also established a Hollywood connection thanks to Nevada's six-week residency requirement for uncontested divorce. The process was much easier than the extensive wait and bureaucratic hassle required by California and other states. Film celebrities thus began to travel east from Los Angeles to Nevada when their marriages broke up. The most notable case was the divorce by Ria Langham from Clark Gable in 1939 (see chapter 3). Celebrity divorces brought the aura of Hollywood glamor to Las Vegas, rivaling the town's frontier image and becoming critically important in later development of the region.

Saved by the War

By the late 1930s the United States had still not fully recovered from the Depression. Despite the influx of tourists, the Las Vegas economy was in recession, and business prospects remained bleak. When the United States entered World War II, however, government spending changed the fortunes of Las Vegas forever, as it did other areas of the Sunbelt. Because of its desert location and excellent year-round flying weather, the Army Air Corps decided to locate a major gunnery school and air force training base in the area. The Las Vegas Army Air Corps Gunnery School was established eight miles north of downtown Las Vegas in the early war years, costing more than $25 million to construct. It's successor was reopened by the Department of Defense in 1949 and renamed Nellis Air Force Base. The base remains a major national training facility to this day, with more than 3 million acres of ground space and more than 5 million acres of air space, the largest of its kind in the world.

As federal coffers overflowed with funds to support the war effort, Nevada's senators, especially Pat McCarran, were cashing their chips with the Roosevelt administration in return for their many years of support. One pet project to establish a magnesium plant was in doubt, however. Magnesium was an essential ingredient in armaments, used for tracer bullets, bombs, flares, and airplane components, and California had the manufacturing labor force, as well as excess plant capacity to accommodate a magnesium-production sector. However, the largest manganese deposit was in Gabbs Valley, in Nye County, Nevada, and after intensive lobbying by the Nevada congressional delegation, the Roosevelt administration sanctioned the establishment of a new facility, the Basic Magnesium (BMI) plant, southeast of Las Vegas. The factory eventually employed more than 10,000 people and spawned a new town, Henderson. During the war, the plant employed approximately 10 percent of the entire Nevada population (Moehring 1989: 35). The air force base and the magnesium plant thus combined to produce a mini-population boom for Las Vegas, as the flood of federal funds boosted the sagging economy. In short, World War II was an economic blessing to Las Vegas, and the Clark County population tripled during the war years from 16,000 to more than 48,000.

During the war, with so much money and active housing development in the region, Las Vegas developed a close relationship with the rapidly growing adjacent state of California. As the latter grew in population and wealth, so did the former. According to Moehring: "As early as 1942, the symbiotic relationship between the two 'martial cities' was evident. Las Vegas provided the electricity and magnesium to feed southern California's aerospace and munitions factories, while Los Angeles provided the defense workers and troops who thronged Las Vegas' casinos throughout the war" (1989: 36).

This symbiotic relationship persists to the present, as the Las Vegas economy is fundamentally dependent on the many people who travel regularly from southern California to gamble. As we shall discuss in chapter 4, despite California's recessionary economy in the 1980s and 1990s, people and money still flow regularly to Las Vegas, helping the area prosper.

African-Americans come to Las Vegas

Though named by Spanish explorers, Las Vegas remained a city dominated by Anglos. During the construction of Boulder Dam, the federal government and the Six Companies reflected racist attitudes of the time, as few black workers were hired on the project. While the peak workforce on the dam was 5,251 in July 1934, only 11 were African-Americans (Fitzgerald 1997). While blacks and other minorities lived in Las Vegas from early on, World War II increased the number of minorities, with the establishment of the federally funded magnesium-production industry in Henderson. During the war the plant was plagued by persistent labor shortages, so management recruited a large number of African-Americans from the South, principally from Arkansas, Louisiana, and Mississippi.

The influx of black people was accommodated by segregated housing facilities. The Carver Park housing project was built with provisions for single and family apartments and amenities such as a park and grammar school, all separated from the white part of Henderson by Boulder Highway. This segregation of housing facilities set the tone for the future treatment of imported black workers. In Las Vegas, African-Americans settled in the blocks just to the north and west of downtown, which became known as the Westside. Segregation, both formal and informal, continued to be the norm until the early 1970s.

From Town to City: The Role of Venture Capital and Real Estate

In the period following World War II, Las Vegas' population increased dramatically, tripling in the 1940s and again in the 1950s, remarkable for an isolated desert outpost. While the growth spurts of the 1930s and early 1940s were the direct result of federal spending, from 1945 to 1960 development also was the consequence of money invested in casino gambling by individual entrepreneurs who realized the vision of Las Vegas as a major tourist destination.

Prior to the 1940s, gambling was widespread throughout the southwest. Ironically, in the 1920s Los Angeles had more gambling activities than Las Vegas. In 1938, however, a reformist mayor, Fletcher Bowron, assumed office in Los Angeles and banned the practice, with ample support from the new State Attorney General, Earl Warren. Efforts to clean up the city resulted in the migration of many big-time gaming interests to Las Vegas, where they flourished.

The shift from frontier town to city after World War II thus was fueled by the attraction of investment capital to its gambling operations. Throughout the United States both small and large fortunes were made by businesses as a result of the war effort and the billions spent by the federal government. With plentiful surplus capital, venture capitalists, undaunted by potential risks, sought out opportunities to make even more money in peacetime and some in the West

saw Las Vegas as a good place to put their new-found fortunes to work.

One of the earliest visionaries was also the first to introduce the idea of the "resort hotel" to Las Vegas. Thomas Hull became wealthy in California by constructing Spanish-style resort hotels that featured large pools and recreational facilities in a sprawling, garden setting. In 1941 he built the El Rancho Vegas in the same style. Wayne McAllister, a Los Angeles architect, was hired by Hull to design the stucco and shingle resort "with 50 rooms wrapped around a court and a pool area" (Gapp 1992: 36). According to architectural critic Alan Hess, McAllister and other Los Angeles architects, such as Douglas Honnold and Martin Stern, Jr, invented the "Googie Style" of urban strip architecture (Gapp 1992: 36). First used in coffee shops, such as Ships, the style stressed parabolic shapes and long, angular roofs. According to Hess: "Coffee Shop Modern was also at least obliquely connected to the work of Miami Beach kitschmeister Morris Lapidus, whose Fontainbleu, Eden Roc, and Americana Hotels spoke of unbridled luxury and self indulgence" (Gapp 1992: 36). McAllister later designed the Flamingo for mobster Bugsy Siegel.

Hull also is credited with a second innovation. The El Rancho Vegas was deliberately constructed just a few feet south of the city line in order to avoid taxes and government controls. Later others followed his lead, constructing their hotel-casinos outside city limits along the dusty, two-lane highway that led south to California, which is now Las Vegas Boulevard, the famous "Strip." According to Moehring:

> The El Rancho's early success demonstrated the feasibility of combining casino operations with a large resort hotel. Moreover, Hull convinced hotelmen everywhere that the spacious tracts bordering the Los Angeles highway were ideal locations to build the mammoth resorts which eventually made the town famous. (1989: 45)

Yet another innovation of Hull's was hiring singers and comedians to entertain his guests. Thus, the legendary Las Vegas lounge act was born.

Hull, however, was ahead of his time and after suffering financial losses the El Rancho was sold to another investor. Such turnover was a constant feature in early Las Vegas real-estate dealings, where an uncertain terrain of shifting fortunes, bankruptcy, buyouts, and changing ownership lay behind the façade of the world famous hotels. Typically, however, yet another venture capitalist would purchase the existing building, avoiding the headaches of new construction and trying his or her luck at running a casino-resort. If s/he went bust, someone else would step in. In this way, the fortunes of real-estate venture capital were very much like those of the ordinary gambler. Investors were attracted by the dream of riches, they gambled and some lost, while still others were waiting to take their places.

Entrepreneur R. E. Griffith made a fortune during the war as a theater operator. He visited Las Vegas in the early 1940s and became convinced of the city's growth potential. With his nephew he built a casino-resort on a parcel of land further south on the Los Angeles highway outside the city boundary. They chose a Western motif and designed a huge building with elaborate interior furnishings. Their Last Frontier resort, with a large bar and restaurant, epitomized the grand Western, cowboy style of the old southwest and became an overnight success:

> The decor was deliberately extravagant awarding the resort instant notoriety. The main building contained a trophy room lined with large stuffed animals. . . . The Horn Room and Gay Nineties Bar were illuminated by lighting fixtures shaped in the form of wagon wheels suspended by chains hanging from the ceiling. The main banquet facility, the Ramona Room, seated 600 guests and was supported by expensive flagstones and large wooden beams. . . . In the guest rooms cow horns adorned every bed. . . . the hotel provided guests with horseback and stage coach rides, pack trips, a showroom seating 600 and parking for 400 cars. (Moehring 1989:46)

The developers also built a mock frontier village next to the resort, complete with hundreds of Western artifacts. This feature attracted many tourists and was the first "themed resort" in Las Vegas.

The Frontier was eventually sold to other investors although, unlike the El Rancho, this turnover took a full nine years because of the Frontier's healthy profit margin. Following a series of owners, the hotel-casino complex was eventually torn down and replaced by a much larger building in 1965. A few years later, Howard Hughes purchased the property during his Las Vegas buying spree.

While these pioneering resort-casino complexes changed the face of Las Vegas, a third entrepreneur added another element to the regional growth miracle. Benjamin "Bugsy" Siegel, a mobster associated with the East Coast mafia, became obsessed with building a world-class resort, though the idea for the Flamingo came from Billy Wilkerson, publisher of the *Hollywood Reporter*, who himself lacked access to funding and supplies during the war. Siegel's significance for Las Vegas lay not only in his mob connections, the source of funding for the Flamingo's construction, but also in his close links with the Hollywood community. Las Vegas had already achieved some notoriety as a place offering quickie divorces to celebrities, but Siegel recruited Hollywood stars as a glamorous attraction. His vision of a lavish resort complex, unparalleled in Las Vegas, was realized when the Flamingo opened, after several delays, in December 1946. The resort had more than 100 rooms appointed with luxurious details, including marble bathrooms with expensive fixtures. Excessive construction cost overruns led to Siegel's murder by mob bosses, who reopened the Flamingo, after a brief period of closure, in March 1947. Moehring sums up Siegel's contribution to Las Vegas:

> While elegant in a western sense, the El Rancho and Last Frontier were little more than opulent dude ranches. The crucial event, which transformed Las Vegas from a recreational to a full-fledged resort city, was Bugsy Siegel's Flamingo Hotel. In a sense, the Flamingo was the turning point because it combined the sophisticated ambiance of a Monte Carlo casino with the exotic luxury of a Miami Beach–Caribbean resort. The Flamingo liberated Las Vegas from the confines of its western heritage and established the pattern for a "diversity of images" embodied in future resorts like the Desert Inn, Thunderbird, Dunes, Tropicana, and Stardust. (1989: 49)

In short, by attracting movie star glamor to the desert, Siegel merged earlier Las Vegas venture visions with those of Hollywood fantasies.

Soon thereafter a fourth hotel, the Thunderbird, opened in 1948 on what was to be the Strip, with Siegel's old friend Meyer Lansky as the hidden owner. By then, distinctive symbols and themes were beginning to define individual casinos as hotel owners vied with one another to provide unique thematic or symbolic environments to attract tourist dollars. For example, the Thunderbird resort-casino featured a Native-American theme. The thunderbird is an ancient Navajo symbol and the hotel's Navajo-style decor included the "Wigwam" and "Navajo" rooms that functioned as restaurants.

During the postwar period a second prominent aspect of Las Vegas' development also emerged. Hotel openings on the Strip were viewed with alarm by the city's established gaming interests so they struck back with development schemes of their own to maintain the downtown Glitter Gulch's status as the focal point of tourism and gambling. In 1945, the Golden Nugget casino opened, and three years later sported the largest neon sign in Las Vegas, one that could easily be seen from the Los Angeles highway, establishing a pattern of competition between downtown and the Strip that continues to be a factor in Las Vegas' development. Also, in contrast to the monolithic view of development hypothesized by the "growth machine" perspective, Las Vegas provides a clear example of growth factions and the way real-estate investors compete with each other for profits using the properties of location and differences in state regulation.

Venture Capital and the 1950s Growth Spurt

Development in Las Vegas prior to the 1950s was largely a result of extensive federal spending, first on the dam and then on the war effort, a pattern typical of other Sunbelt cities as well. As a tourist town, however, Las Vegas also has experienced a unique version of the boom and bust cycles afflicting real-estate investment across the nation. During certain years, such as the late 1940s, things were relatively quiet and only a few casino projects were announced. Then, as if by magic, the area was inundated with real-estate investments.

The socio-spatial perspective argues that the explanation for these cycles lies in the workings of a national economy that is split between a sector for investments in industry and a "second circuit of capital" that channels investor money into real estate (Lefebvre 1974). While the industrial sector historically has been the main circuit for the accumulation of wealth in the United States, real estate has always been an alternative way of acquiring wealth owing to the free market in land. According to Lefebvre, both the primary and the secondary circuit go through periods of capital investment expansion and contraction, although the two circuits follow different cycles. Thus, at times, when the opportunities for profits in the industrial sector are attractive, capital will be siphoned through banks and other financial conduits to that sector and real-estate investment will suffer, leading to a slowdown in development. In contrast, when the primary sector experiences recession and opportunities for profits from investment dry up in industry, capital switches to investment in real estate as a means of making money. During this period, housing, hotel, resort, mall, and recreational businesses experience a rapid influx of new capital, funding expansion in these areas.

Focusing on the second circuit of capital in real estate and its related cycles in the primary circuit of industrial growth is critical to understanding the case of Las Vegas. While the area has some manufacturing, largely derived from federal spending in the 1940s, the overwhelming source of profits has come from investments in real estate, more specifically, from the construction and operation of casino resorts.

Since the 1940s, the two most outstanding periods of investment in, and construction of, casinos took place in the 1950s and again in the current period, from 1988 to the present (1999). In between, more

subdued building periods were seen in the middle 1960s and again in the early 1970s. Each time, huge amounts of money were poured into the construction of massive casino projects and, as the socio-spatial approach suggests, each expansionary phase came as a result of a downturn in primary-circuit investment activity in industry. The 1950s real-estate boom, for example, occurred following the acquisition of huge fortunes during World War II, but at a time of recession when the high pitch of wartime industrial production was winding down. Similarly, during the famous recession under the Eisenhower Administration in the late 1950s, casino construction in Las Vegas also increased dramatically.

Later expansion in the desert community was also dependent upon another crucial factor, finding a way to deliver water allocated from the Colorado River to the valley, as ground water was becoming seriously depleted. To resolve the water delivery issue, McCarran's protégé, Senator Alan Bible, along with Senator Howard Cannon, secured an $81-million public works project from President Lyndon Johnson. The Southern Nevada Water Project provided construction, maintenance, and operation of a water delivery system that included six pumping plants, a regulatory reservoir, a four-mile tunnel, and more than thirty miles of pipeline to valley users. According to one observer: "The Southern Nevada Water Project was the key factor in triggering the growth and development of the Las Vegas Valley in the 1970s and beyond" (Elliott 1997: 166).

Once the infrastructure was in place to provide the necessary water for additional growth, the present casino-resort expansion period began. This was also helped by an unprecedented increase in wealth resulting from the deregulation of banking and industry during the Reagan years. In both cases government policies were at least indirectly responsible for the enormous profits generated, but large sums of money also were made in real terms due to industrial and commercial expansion. With each cycle of expansion in the primary circuit, however, diminishing returns to capital created crisis conditions for subsequent investment there, stimulating capital flows to the second circuit of real estate, which promised higher returns. In all these cases, then, the cyclical flow of immense sums of money into real-estate speculation spawned spectacular periods of growth in Las Vegas.

From the late 1940s into the 1950s Las Vegas' four major Strip casino-resorts, the El Rancho, the Last Frontier, the Flamingo, and the Thunderbird, prospered as Californian tourists came for quick and relatively inexpensive vacations. According to John Findlay: "Upward mobility teamed with rising affluence, southern California's car culture, and new patterns of leisure to boost Nevada tourism in the decades following World War II" (Findlay 1990: 13). But money flowing into the region found the downtown area impractical for further investment because the market demanded resort-casinos, not old-fashioned gambling joints. The more established downtown casinos made more money on gambling than the four resorts outside the city limits, but the Strip region south of Las Vegas contained large expanses of undeveloped desert land not owned by the federal government, necessary for golf courses, swimming pools, riding trails and tennis courts. The newer planned developments thus could offer comparative luxury, upscale accommodations and active leisure pursuits in addition to twenty-four-hour gambling.

The 1950s thus saw extensive real-estate development along the Strip. In 1950, the Desert Inn was constructed on Las Vegas Boulevard near the Frontier. Famous at the time for having the largest golf course in Las Vegas, the Desert Inn hotel-casino was built in the Miami Beach/Havana pastel style. Fronted by Wilbur Clark, part-owner of the El Rancho, with investors from the Cleveland underworld (Moe Dalitz, Sam Tucker, and Morris Kleinman) actually in charge, it was an upscale resort with an image of luxury and glamor. The "DI" attracted some of the most visible personalities of the time.

Four more world-class resort-casinos opened between 1955 and 1958. The Riviera opened in April and the Dunes in May, 1955. A year later the Hacienda hotel-casino anchored the southernmost end of the Strip and the high-rise Fremont Hotel opened downtown, while the following year the Tropicana opened as a deluxe resort with a tropical/Caribbean motif, rivaling the Flamingo as *the* luxury Las Vegas resort. The 1950s resort-building boom came to an end in 1958 when the Stardust hotel-casino opened as "the largest hotel in the world" with more than 1,000 rooms.

Collectively, these resorts boasted several firsts. The nine-story Riviera was the first high-rise hotel on the Strip, in marked contrast to the low-rise motel or bungalow style of other establishments (Moehring 1989). It also had a decidedly European flair. The Dunes, with an Ali Baba/Arabian Nights theme, lost money during its first years of operation but added a burlesque review, the "Minsky's Follies" strip-tease dance show, the first of its kind in Las Vegas, and immediately turned a profit. The Hacienda was the first casino-hotel to cater specifically to a family crowd, with several swimming pools and a go-cart track. The Stardust was not only the largest hotel in the world, but also replaced the downtown Golden Nugget as the casino with the largest neon sign, containing "over 6 miles of wiring, 7,100 feet of neon tubing and 11,000 lamps. On a clear night it served as a great beacon for approaching cars sixty or more miles out on the dark desert roads" (Moehring 1989: 83).

The Stardust also distinguished itself from other resorts by introducing the first spectacular stage show, the "Lido de Paris" production, imported from Paris, and featuring topless dancers. "The success of the Lido encouraged other resorts to adopt the production show policy. The Dunes engaged 'Casino de Paris' and the Tropicana brought the American rights to the 'Folies Bergères'" (*Review-Journal* 1989: 27AA). The glitz of classy Parisian stage shows, large neon signs, themed environments, and the creation of a resort ambiance thus established the stylistic and competitive differentiation of the Strip from the city's downtown, which retained its traditional Wild West theme and its primary emphasis on casino gambling.

Accessibility to the area was enhanced in the 1950s and 1960s by the development of interstate highways, while government housing programs stimulated suburbanization, making Las Vegas a viable market for the development of single family homes. Though residential home construction was a risky venture in the desert (see chapter 5), home construction flourished in the suburban regions outside the Las Vegas city boundaries in unincorporated townships such as Winchester, Sunrise Manor, and Paradise. By 1970 Clark County boasted a population of 273,288, sufficient to be classified as a Standard Metropolitan Statistical Area by the Census Bureau and making Las Vegas, along with Phoenix, Tucson, and San Antonio, a prime example of rapid Sunbelt city growth.

In the mid-1960s, another mini-boom in Las Vegas' casino construction took place. Jay Sarno, the owner of Circus Circus, a successful family-oriented casino, opened Caesars Palace in 1965. Sarno's massive property featured a Romanesque theme complete with faux-marble statues. Four years later Sarno sold it for $60 million, at three times its cost. A year later, in 1966, the Aladdin Hotel opened with an Arabian theme similar to that at the Dunes. Its Baghdad Showroom offered three different theme shows twice a night, featuring "big name" entertainers. Construction of both properties was financed largely by loans from the Teamsters Union's pension funds.

One of the most spectacular players among Las Vegas venture capitalists was Howard Hughes, who began investing in the area in the 1960s. In a short period of time, he purchased the Frontier, the Sands, the Castaways, the Silver Slipper and the Landmark, becoming the largest owner of casino property in the area. Hughes also initiated an influx of global investment funds, financing his purchases with defense-related profits and Hollywood money, a trend that became more prominent in Las Vegas during the 1980s (see chapter 2). Hughes also transformed the nature of Las Vegas casino ownership. Prior to his arrival, many casinos were owned or controlled by the mob and were built with Teamsters Union funds. By supplying his own corporate financing, Hughes introduced "legitimate" corporate control of casinos to Las Vegas, another feature that was to become more significant in the 1980s and 1990s, though not without controversies of its own.

Another prominent Las Vegas investor with Hollywood connections was Kirk Kerkorian, who bought controlling interests in the Flamingo and Bonanza casinos. In 1969, he financed construction of the International Hotel, later renamed the Las Vegas Hilton, which became the world's largest resort. With more than 1,500 rooms, the resort featured a 30,000-square-foot casino. After selling his major properties in the early 1970s, Kerkorian bought MGM studios in Hollywood and then returned to Las Vegas in 1973, bankrolling the construction of a resort-hotel that also became Las Vegas' largest. His 2,100 room "MGM Grand" (now Bally's) was named for the Hollywood film *Grand Hotel*.

An equally important development in Las Vegas was the growth of the city's convention industry. Most large casinos had their own convention facilities, but in 1959 a separate convention center opened east of the Strip on Paradise Road. By 1970 the area hosted 269 conventions annually with 269,000 delegates who spent an estimated $63.6 million, and by 1980, that figure had jumped to 449 conventions with 656,000 delegates and an estimated income of $227 million (Moehring 1989: 122), providing a significant boost to the burgeoning tourism industry (see chapter 4).

Las Vegas' Growth, Like Every Place Else

Because of the prominence of casino gambling and tourism, Las Vegas' patterns of development are clearly unusual when compared with other cities. In other ways, however, Las Vegas is very much like any other Sunbelt town as the importance to the town of the railroads, government spending, and the World War II shift of national resources to the south and west also were major factors in the growth of other cities in the region. Historically, urban sociologists have utilized the ecological paradigm to explain growth trends (see Hawley 1981), stressing the role of "demand-side" factors such as the desire to locate housing and industry in areas with mild climates, open space, and cheap taxes. Today, however, the ecological approach has been

replaced by a new paradigm, the socio-spatial approach (see Gottdiener and Feagin 1988; Gottdiener 1994a; Feagin 1998), which balances the demand-side view with "supply-side" considerations. The latter include the important role of government spending in channeling growth towards specific patterns, the role of real estate as a leading edge of development, and the actions of businesses to locate where labor costs and class conflict are reduced. These and other supply-side factors, such as military spending, government programs, federal highway construction, and the mortgage interest tax deduction for homeowners, clearly were major factors in the development of Las Vegas as well as of other Sunbelt cities.

In 1956, for example, Congress passed the National System of Defense Highways Act, more commonly known as the Interstate Highway Act. Using federal funds and a gasoline tax, this measure was single-handedly responsible for the construction of an immense system of divided and limited-access highways stretching across the United States. Construction of these superhighways also proved to be a gold-mine for real-estate speculators. By carving up the interior of the nation and allowing for high-speed commuting between city centers and surrounding areas, the Interstate Highway Act facilitated the massive movement of people and industry to the suburbs and to the southwest region of the country (see Gottdiener 1994a).

The Interstate Highway Act had an especially profound effect on Las Vegas, as the old Los Angeles highway was replaced by Interstate Highway 15, allowing rapid auto travel between Las Vegas and both Los Angeles and Salt Lake City. Also, speculators and developers moved in to construct moderately priced single family homes, drawing a steady population influx of permanent residents from around the country. During the 1950s, Clark County grew from 48,289 to 127,016 people, and to 273,288 by 1970, a five-fold increase in twenty years. In the late 1960s, more than 1,000 new residents a month moved to Las Vegas, while more than 2.5 million tourists visited each year. Easy access to the region via the interstate highway thus figured prominently in the growth and prosperity of the area.

Another supply-side factor enhancing Las Vegas' growth was military spending. As we saw, the introduction of Nellis Air Force Base to the region during World War II proved to be a major boon to Las Vegas, as did government support of the Basic Magnesium Plant in Henderson. Also, during the 1950s the federal government designated Nevada as the nation's nuclear test-site facility. The federal government knew, or at least acknowledged, far less about the dangers of nuclear testing back then and local boosters welcomed the presence of the Atomic Energy Commission. Its spending provided a significant boost to the area's economy and was seen by locals as a patriotic contribution to national defense and the Cold War at a time when Estes Kefauver's Senate hearings were attacking the city. Some residents even held backyard parties to view the blasts and a local bar was named "The Atomic Cafe."

A third factor common to Las Vegas and other Sunbelt cities is their multi-centered pattern of metropolitan growth. In the past, urban sociologists viewed metropolitan development in terms of population and resources concentrated in large central cities with active and growing suburban rings of low density. Today, one finds a different picture of the patterns of growth, as almost all metropolitan areas are now polynucleated (see Gottdiener 1994a). Both population and economic activities are dispersed throughout the expanding metro region, with many centers, interspersing suburbs, mixes of industry, commercial and retail malls, public facilities, airports, and an expanding network of highways and roads.

As in so many other ways, Las Vegas was a trendsetter in this regard, as the region began to decentralize and regroup as a multi-centered area early in its history. The magnesium plant built during World War II helped found the city of Henderson and earlier construction of the Hoover Dam was responsible for the establishment of Boulder City, both southeast of Las Vegas. Even earlier, in 1917, North Las Vegas began as a residential subdivision, with bootleggers using the area's artesian wells in the 1920s and lower-income workers settling there in the 1930s.

Perhaps the most significant event, however, was the failure of Las Vegas to annex Strip resort development. The boundary between the city and Clark County was fixed at what is now Sahara Boulevard, so entrepreneurs like Tommy Hull and Bugsy Siegel avoided city taxes by developing resort-casinos on the Strip south of the city line. The early success of Strip hotels prompted the city in 1946 to attempt an annexation of the area but in a referendum this was opposed by 90 percent of Clark County's voters. Strip casino owners resisted all attempts at consolidation to maintain the lowest possible taxes and a minimal municipal burden, as there was no incentive to join the city once it was discovered that a Strip location, the first stop for California travelers, had no dampening effect on tourist dollars. Eventually the Strip casinos formed their own unincorporated area, Paradise Township, legally establishing by the 1960s a pattern of multi-centered growth.

State Politics and Change in the 1960s

Our discussion of regional development so far has neglected to highlight the role played by local political interests in expansion. In addition to technological innovations in transportation and communication, the role of real-estate development, changes in the national economy, and the stimulation of federal government programs, the activities of the local government also are essential for understanding metropolitan development patterns. In the case of Las Vegas in particular, regulation by the state of Nevada has been directly responsible for the special character of its development. This is so because it has explicitly legitimated activities that other areas of the nation considered illegal, such as gambling and prostitution, though the latter is legal only in rural counties. Nevada law also permits easy uncontested divorce and marriage, attracting millions of people over the years, including many Hollywood celebrities. State government, in short, has helped make "sin" profitable for Las Vegas.

In the 1940s and 1950s great concern was expressed at the national level over alleged mob influence in Las Vegas, often placing local and state leaders in conflict with the federal government. In the 1950s, Tennessee Senator Estes Kefauver used his committee investigating organized crime to train a glaring spotlight on mob activities in the region. The powerful influence of the Mormon Church also outwardly added to the pressure to clean up the town, although many Mormons served in high-ranking casino executive positions.

As a result, Nevada's state government was moved to try to chase the mob out of the state. Under the guidance of Governor Grant Sawyer's "hang tough" gaming policy, the groundwork was laid to clean up the industry. In 1959, Sawyer replaced the Tax Commission with a State Gaming Commission to oversee the industry. He appointed commissioners with high profiles in law enforcement, including former FBI agents, and created the List of Excluded Persons, the infamous "Black Book." However, the most far-reaching transformation of the state's principal industry came in 1969 when the Nevada Legislature passed the Corporate Gaming Act. For the first time, publicly traded corporations were permitted to own casinos. As a result, hotel chains such as Hyatt, Hilton, and Ramada invested in Las Vegas. The Corporate Gaming Act also prompted local casino operators, such as Sam Boyd, to incorporate and invest in gambling enterprises elsewhere. Boyd Gaming is now a national corporation with twelve casinos in five states. Corporate control soon overtook individuals as the principal form of ownership and forever changed the operating environment of Las Vegas, greatly diminishing the free-wheeling influence of the mob and its Wild West predecessors.

Another important feature of local politics mentioned above was the failure of Las Vegas to annex its surrounding suburbs, which resulted in an inefficient fragmentation of political jurisdictions and services. According to Moehring:

> The city's relative failure to expand its borders created a political vacuum, which the suburbs ultimately filled. Instead of one city government for the entire metro area, four cities and one county government have administered police, fire, planning, and other government functions. This political fragmentation, in turn, has led to needless duplication of services and inefficiency. (1989: 140)

In this sense, then, Las Vegas is different from other Sunbelt cities, which grew by annexation and were able to establish metro area governments that could pool scarce resources in support of services. While excessive costs of duplicated services and governmental inefficiency continue to be problematic, steps were taken to make amends and in 1973 the Las Vegas and Clark County Police Departments were merged. The community has since also implemented a Regional Flood Control District and Regional Transportation Commission for public transit. Nevertheless, Las Vegas is still hampered by the redundancies of a large county bureaucracy and four city governments (Henderson, North Las Vegas, Las Vegas, and Boulder City).

Another aspect of urban development in Las Vegas and elsewhere, emphasized by the socio-spatial perspective, is the relationship between phases of growth and the dynamics of change in the national and global political economy. A mid-1990s *TIME Magazine* cover story periodized the phases of Las Vegas' growth differently, however, highlighting the cultural aspects of change. It suggested that the first period came in the 1930s and 1940s when Las Vegas was an "ersatz Old West outpost," becoming a "gangsters-meet-Hollywood high-life oasis in the 50s and 60s," and finally, "an uncool polyester dump in the 70s and 80s" (Anderson 1994: 43). While amusing, this point of view ignores the profound economic growth of the region and the ways transformations in Las Vegas are linked to changes in the national and international economy. Focusing on these crucial factors, the history of Las Vegas can be more adequately periodized in the following fashion:

Phase one, which lasted from 1861, when Nevada became a territory of the United States, to 1931. The local economy was dominated by mining, railroad, and commercial interests from Los Angeles who developed warehousing, as well as the first hotels. Phase two lasted

from 1931, when gambling was legalized, to 1954, just before the local economy was transformed by casino gambling. During the Depression, the federal government was the principal actor, providing funds for the construction of Boulder Dam, for manufacturing, and for the creation of an air base during World War II, bringing people and substantial resources to the area. This "federal trigger" (Moehring 1989) made Las Vegas into an urban center in the middle of the arid, dusty desert.

Phase three, between 1954 and 1969, saw the rise to dominance of gambling and casino interests in the region. Mob involvement contributed to Las Vegas' racy image as a town of wheeler-dealers, though it also contributed to the bankruptcy of many casino-resorts. A steady flow of new construction filled in the spaces along the Strip and added to the stock of downtown casinos. Big-name entertainment created a strong association between Las Vegas and show business. Growth was moderate, however, as was the annual increase in tourists.

During phase four, lasting from 1969 to 1987, mob influence on casinos was legally addressed to improve the city's image and Howard Hughes introduced a less unsavory, corporate image to casino ownership. The Nevada state legislature's passage of the Corporate Gaming Act in 1969 allowed public corporations to purchase casinos for the first time, changing the face of Las Vegas forever.

Also during the fourth phase, the annual influx of tourists intent on a gambling vacation reached into the tens of millions and, by 1977, gambling profits in Clark County surpassed $1 billion. Las Vegas enhanced its reputation as the home of celebrity acts as casinos added spectacular floor shows, many of them imported from Europe. The split between downtown and the Strip, however, remained an active conflict zone in southern Nevada politics.

The fifth phase, from the late 1980s to the present (1999), is characterized by the dominance of corporate control and the advent of megaresorts, and is the subject of the next chapter.