

SARATOGA SPRINGS

A Brief Gambling History

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UNITED STATES HOTEL.



GRAND UNION HOTEL—BROADWAY FACADE



The resort town of Saratoga Springs, New York, has a long and extraordinary history. From its humble beginnings as a destination for wealthy gentlemen to its days as a refuge for organized crime, this once sleepy town matured into a haven for illegal gambling. Its twisted history, and all the players, is still being uncovered.

PART ONE

The Setting

Saratoga Springs became famous in the early 1800s when natural springs gushed forth crystal clear mineral-rich water. The natives had been using the carbonated water for medicinal and refreshment purposes for hundreds of years, but it would take the European settlers to turn it into a commercial commodity and service.



BOTTLING PLANT FOR MINERAL WATERS, STATE RESERVATION, SARATOGA SPRINGS, N. Y.

Thousands of people flocked to Saratoga Springs each summer to partake in the ever growing industry of spas.

The reports of miracle healing brought the hopeful and curious in ever increasing numbers.

This influx of tourism money caused the development of new industries to entertain the crowds. No longer was the community supporting themselves, they were now providing services to thousands of vacationing patrons. As with most areas with a swelling of tourists, businesses started catering to their every need – both legal and not. One such trade that found an enthusiastic audience was gambling.

Most of the gambling in Saratoga during the early 1820s was confined to gentlemen enjoying the turn of the cards in the fine establishments like the United States Hotel. Once the women retired to their rooms, the men would take up a game in one of the meeting rooms set aside for such late night recreation. The games were normally unorganized and the house had no take in the action.

During the late 1830s, a new form of gambling emerged in Saratoga. The day of the house offering space, but no cut of the proceeds, was quickly disappearing. Area bowling alleys and billiard halls started installing chuck-a-luck games and faro tables for their patrons. The sporting atmosphere of these places made them a perfect fit for gambling, and profits from these side games grew. In 1842, a man named Ben Scribner opened the first house in Saratoga with the exclusive purpose of offering gambling. Located next to the United States Hotel for easy access to visiting patrons, Scribner's place was popular, but small with a modest atmosphere. It did not last long as the wealthy tourists, who were used to the extravagance of places like Monte Carlo, demanded more.

PART TWO

The Club House

The opening of the Club House in 1869 would change the future of the town of Saratoga Springs and transform the industry of gambling and entertainment in this once sleepy town. The time was right for an ambitious and intelligent gambler to bring Saratoga to the next level - and that man was John Morrissey.

The John Morrissey years

Born in 1831 in Ireland and uprooted to America at the age of three, John Morrissey was destined to have a life revolved around gambling. This son of a gamecock breeder learned early that survival on the streets was gained from a tough exterior, intelligence and money.

Morrissey never had much time for school, and instead relied on his time working in bars and gambling houses for his education. By the age of 22, John Morrissey had traveled to California in search of gold, opened a few faro houses, and even took time out to become the 1853 American Boxing Champion.

Morrissey's retirement and wanderings eventually led him back into the gambling business. With the help of his partner Matt Danser, a professional gambler, he opened his first New York City casino. This place was located on the corner

of Broadway and Great Jones Street and was an instant success. Business was so good that it did not take him long to open a second place at 12 Ann Street. In the next couple of years, Morrissey would amass great wealth and quickly expanded his casinos to include three more popular gambling houses.

After conquering New York City, Morrissey turned his attention to the resort town of Saratoga Springs. He brought with him the knowledge and expertise of a real gambling manager and turned the town on its ear.

His first venture was a small, but instantly successful gambling house on Matilda Street (now Woodlawn Avenue). Morrissey's showmanship and elegance far

outweighed the dirty pool halls and back alley bars. This however was just the beginning.

Believing that gambling was an evening sport, John Morrissey set out to build a daytime activity to draw in the crowds. He introduced horse racing to Saratoga with the construction of the Horse Haven track in 1862 which would be quickly replaced by a larger track across the street the next year. Its construction was so precise and enduring that it remains as the oldest track in America still in use today.

Morrissey's vision of gambling grandeur would be

achieved in 1867 when construction began on his famous gambling house. Originally slated as "the Casino", the name was changed to the Club House by opening day. No expense was spared in its construction. Chandeliers, statues, brass and beautifully crafted wood decorated the



John Morrissey's "The Club House"

opulent building. After two years of construction at a cost of \$190,000, the Club House was ready for business.

When the doors opened, patrons were greeted by employees in white coats who offered drinks and instructions on where to go. The ground floor was open to the public and offered faro and roulette. The second floor was much more discriminating and was only accessible to poker players and high rollers.

Although the Club House was immensely popular with the public, there were those forbidden from gambling. The first was the local public. Trying to stay in favor with the Saratoga citizens, John Morrissey made it a point not to take money from the locals. He offered them jobs and gave

heavily to the local charities and businesses, but was sternly against taking their bets.

Also denied gambling rights were women. Morrissey thought gambling was a gentleman's sport and had a strict rule of not letting women into the casino areas. He took this rule so seriously that when rumors were circulating that women were gambling in his club, he wrote an editorial in the *Saratogian* newspaper in 1871 stating "No lady has ever gambled, nor will ever gamble in my house." He later added that the ladies were welcome to come in to "look at the house and the furniture."

The casino drew in all sorts of gamblers. Those who were reported to have visited the club include American presidents Chester A. Arthur and Rutherford B. Hayes, as well as Civil War generals Grant, Sherman and Sheridan. Tycoons with the names Vanderbilt and Rockefeller were enthusiastically welcomed frequent patrons. The Club House quickly became the meeting place for the social and economic elite.

Despite all the praise from the vacationing patrons, there was still an air of discontent which seems to always revolve around activities such as gambling. One of the first threats to the local gambling houses came in 1886 when Anthony Comstock, leader of a group called the New York Society for the Suppression of Vice, started gathering evidence against the Saratoga casinos. His report included twenty places where gambling paraphernalia was found. As a show of good faith, the clubs and bars closed their gaming activities for the duration of Comstock's stay. As soon as he left however, the casinos reopened with the added business generated from the publicity.

Other temporary shut-downs occurred during Morrissey's reign; one in 1895 instigated by another activist group, and the other in 1903 by the police commissioner. These attempts accomplished little more than to drive the games temporarily underground and none were successful for any length of time. Saratoga Springs was receiving all the free advertising it wanted from such papers as the *New York World* which named Saratoga "Our Wickedest Resort" and "The Monte Carlo of America."

In the face of all this turmoil, the Club House was continually popular and made John Morrissey a wealthy

man, but increasingly bored. Growing tired of the casino business, he finally sold the title to the Club House and the race track and left Saratoga forever.

Reed and Spencer interim:

When John Morrissey sold his interest in the Club House and the racetrack, two partners named Reed and Spencer took the deal.

Reed and Spencer did little to respect the grand class of the Club House. A period of decline ensued as they fed off the public, giving little back to the house and its upkeep. Reed grew weary of the small town and sold his interest to Spencer who then owned the club and track outright.

During Spencer's reign as the Saratoga gambling king, the authorities increased their pressure on him to close down. On one occasion, the local political scene ordered him to shut down the gambling in the Club House. Spencer flexed back by threatening to close down the racetrack in retaliation. Understanding the ramifications on tourism of such action, the authorities backed off and let him continue unabated.

During the 1890s, Spencer liquidated his interests in Saratoga. Never feeling comfortable in the town, he quietly took his profits and left. He sold the racetrack to a New Jersey track owner and the Club House to the famous gambler Richard Canfield.

The Richard Canfield years:

Like his predecessor, Richard Canfield would bring back the class and elegance to Saratoga's Club House. Born June 17, 1855, in New Bedford, Massachusetts, Canfield did not take long before he too was out in the real world, learning the trade of gambling.

At the age of 18, he took a job in a local poker room to build up enough money to move to New York City. There, he worked at 818 Broadway Street (one of Morrissey's clubs) under the tutelage of Ferdinand Abell and Luciano Abbleby, both owners of various gambling clubs in Brooklyn and Newport, Kentucky.

In 1888, Canfield and his partner David Duff were able to open their own place called Madison Square Club at No 23 West Twenty-sixth Street. The first floor of the club offered faro and roulette with poker dealt on the second.

The third and fourth floors had living quarters for him and employees.

His gambling empire grew when he bought the Nautilus Club in Newport, Kentucky, from his former employer Abell in 1897. A year later, he expanded further with the No 5 E Forty-fourth Street Club in New York City which he immediately renamed the Saratoga Club.

It was during a trip to Monaco that Richard Canfield finally understood the potential of high class gambling. The elegance of the casinos and the demure of the clientele made him realize just how pedestrian the American gambling scene was in comparison. He returned to the states and started looking for a new base of operations. In 1902, his attention was drawn to Saratoga Springs where he bought the deteriorating Club House (and later the racetrack). He quickly started remodeling and bringing the club not only to its former glory, but surpassing it.

He spent over \$1 million on renovating the Club House and its surrounding grounds. An Italian garden was constructed complete with elaborate fountains and beautiful landscaping. Inside the club, an art gallery with priceless paintings was given a wing, with the centerpiece a portrait of Canfield painted by James McNeill Whistler (of the Whistler's Mother fame). The kitchen was remodeled and famous chefs were brought in to run it. The Club House's patrons would be served the very best, even though it meant losing around \$70,000 a season on food. To accompany the restaurant, the wine cellar was stocked with rare vintages at a cost of \$40,000. The Club House would be Canfield's crowning achievement.

When the casino opened, the tourists flocked to it like the good old days. The same rules applied concerning locals not gambling and it was strictly closed on Sundays. He provided a rich experience to his patrons and only allowed credit to gamblers who could afford to lose more than their wallets would carry.

It was estimated that around \$2,000,000 was wagered each day within the Club House walls. Extraordinary amounts were bet as the wealthiest of patrons tried their luck and took in the opulence of their surroundings. The table limits were high, well exceeding the allowable amounts in Monte Carlo.

Stories of legendary gambling abound from the Club House under Canfield's ownership. One of the club's wealthiest patrons was John W. "Bet-a-Million" Gates, a Chicago businessman who amassed a fortune dealing in barbed wire. It was reported in 1902 that Gates lost \$400,000 in one day at the track. In order to make some back, he turned to the faro tables at the Club House and proceeded to win back \$150,000. He left happy only netting a loss of a quarter of a million dollars.

The Vanderbilts were also frequent patrons. Cornelius Vanderbilt suffered an epileptic seizure while playing cards. When he returned to consciousness, he shooed away any help and immediately returned to his game. William Vanderbilt, Cornelius' son, one night while waiting on his lady friend to arrive, lost \$130,000 in ten minutes at the Club House's tables.

Anything was bet as in one game, a gambler wagered a Rembrandt painting against \$100,000. Large sums of money flowed back and forth everyday. Richard Canfield was able and willing to make the true gambler's dreams come true. He loved what he was doing, and was becoming rich from it.

The constant flow of money attracted the best and worst in people. To prevent any potential problems, Canfield hired a man named Patrick McDonald to manage the Club House. With him came six private investigators to help protect the club from crooks and cheats. These men were both visible and undercover acting as both a deterrent and police force.

Despite all the merriment and fun, the attitude in Saratoga was starting to change. The authorities were increasing legal pressure on Canfield and the other small gambling dens in town. In an effort to apply pressure indirectly, police raided his Saratoga Club in New York City. The shock caused him to close the doors to the Club House, despite protests from his patrons.

Tired of the constant threats of raids and hassles, Richard Canfield sold the Club House in 1907 to the city of Saratoga Springs. The club would no longer allow gambling within its walls as the city converted it into a museum.

With Canfield's departure and the permanent closing of the Club House, a great chapter in Saratoga gambling passed into history.

PART THREE

Lake Houses and the Mob

After the Club House closed its doors to gambling for the last time, a transformation took over the gambling scene in Saratoga Springs. The concept of service over profit became lost in the frantic competition which arose as dozens of places opened their doors to betting.

As the 1920s came roaring in, a loose attitude toward the vices in America took hold. Backlash from the Prohibition experiment was starting to give popularity to the illegal speakeasies which sprang up everywhere. Saratoga was no exception.

Even without the Club House, the racetrack continued to operate, drawing in the gamblers. It was not long before the slack in evening entertainment would be picked up by the locals. A few of the resort houses on Lake Saratoga were transformed into restaurants with gambling dens in the back and historical buildings in town were gutted to make room for roulette and poker tables.

In 1921, one of the most notorious of gamblers decided to make Saratoga his next venture. Arnold Rothstein, after having visited Saratoga Springs in 1904, was smitten by its beauty and potential. A gambler by trade, his claim-to-fame would come in 1919 as being the mastermind behind fixing the "Black Sox" World Series. A known cheater in sports betting, Rothstein was still able to run a fair game in his new club – which he called the Brook.

When the doors opened for business in 1921, the Brook started out as a classy establishment. Evening dress was required and only the socially registered could enter. For those high rollers who wished it, limousines were provided. This social requirement and treatment were not to last however. As the crowds became more casual, so did the Brook. Although the standards were lowered, it was still important to show some style in order to get past the off-duty police officers who acted as screeners at the door.

The gambling inside the club was legendary. One story goes that famous gambler "Subway" Sam Rosoff was up \$400,000 after a very lucky streak. Afraid that he might cash in, Rothstein made a call to a friend asking him to bring \$300,000 to the club. By the time the money arrived, Rosoff had not only lost the \$400,000, but he was actually down \$100,000 and falling fast.

Poker had some big action in the Brook. Nick the Greek and Rothstein went head-to-head one night where one pot reached \$605,000. Although the total amount of the night's take is not recorded, Rothstein is reported to have won a monumental sum.

A third story happened one night when Charles Stoneham, owner of the New York Giants, lost \$70,000 on roulette. This may not seem impressive at first, but it should be understood that the game was conducted over the phone!

Arnold Rothstein was able to evade prosecution in Saratoga, but his reputation



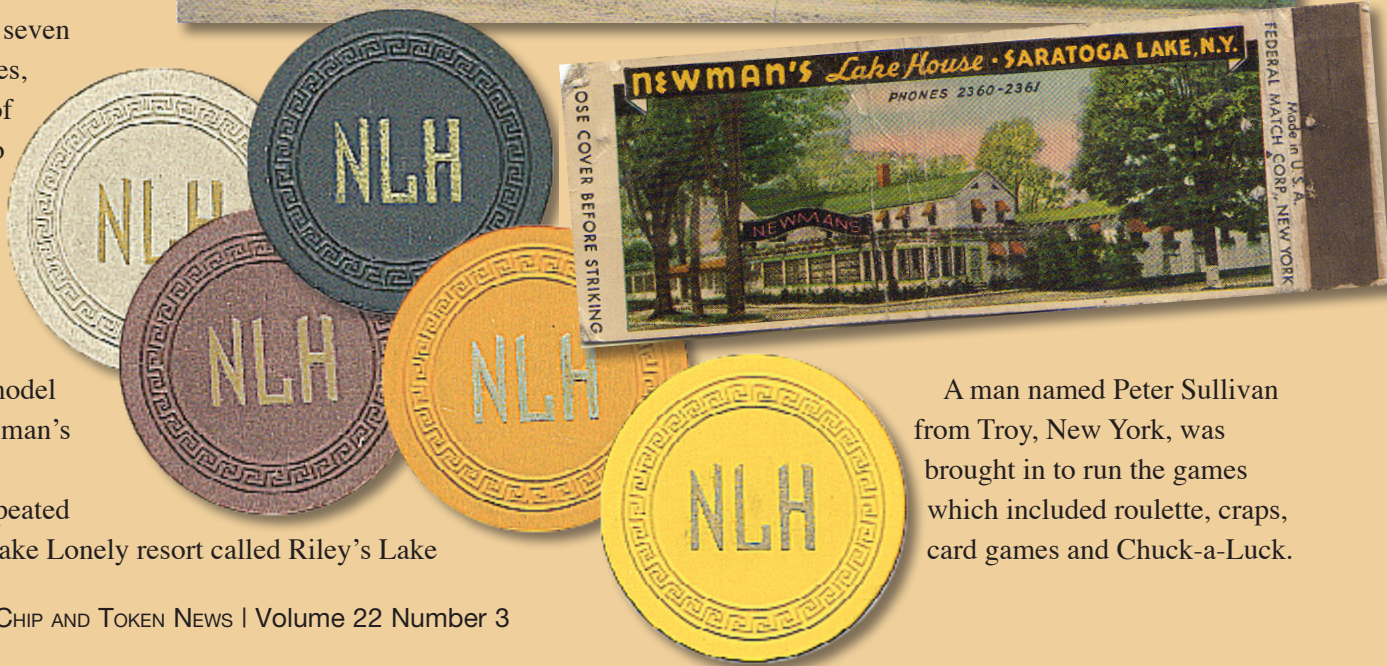
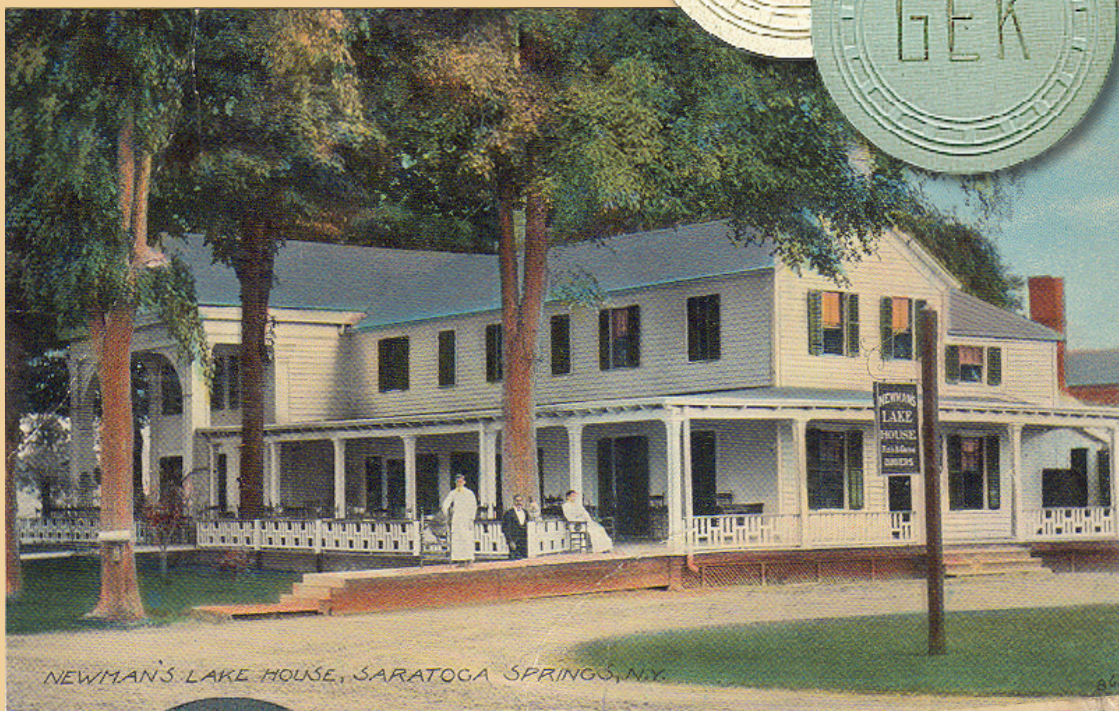
and enemies were far reaching. His fast life of cheating and high stakes would expedite his end. In 1928, during a card game in New York City's Park Central Hotel, Rothstein was shot and killed. The Brook would suffer from his loss and quickly decline into obscurity.

Along with the change in owners, the rules of Saratoga gambling also changed. No longer were locals prohibited from gambling, and in some places were actually encouraged to do so. The old days of the host wearing a tuxedo and smile were also gone, replaced by local gamblers and outside hustlers.

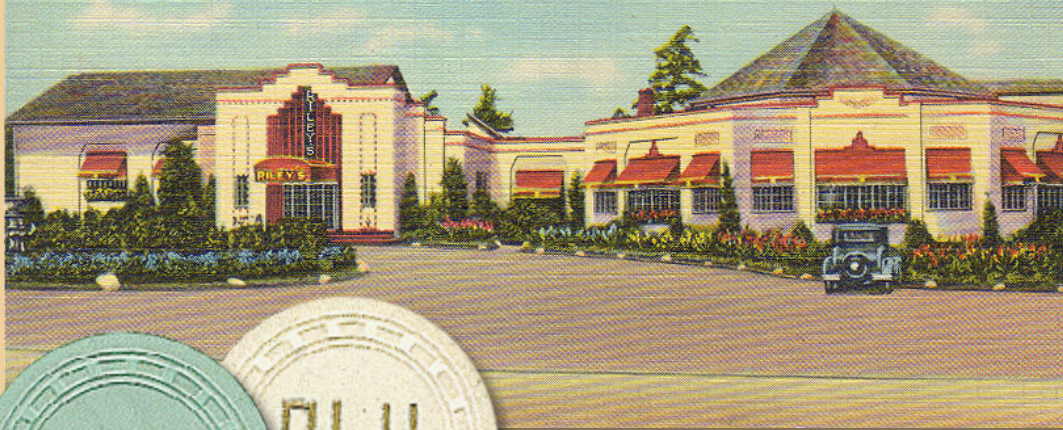
Two men named John King and his son Gerald were two of the first of the new breed to come into Saratoga. They bought a resort called Newman's Lake House on Lake Lonely and set about renovating it from its humble origins of a quiet get-away to a gambler's destination. The front of the house was transformed into a restaurant with a dining room capable of sitting 500 patrons and the back was gutted to make room for an illegal casino. Patsy Grennian of Schenectady, New York, operated the casino which consisted of seven roulette tables, one Wheel of Fortune, two craps tables and a bird cage.

The successful model used in Newman's Lake House would be repeated in another Lake Lonely resort called Riley's Lake

House. A former bootlegger named Louis J. "Doc" Farone used the foundation of a recently burnt house and rebuilt it in a lavish and extravagant way. Entering the club, patrons were greeted by a large dolphin fountain and beautifully crafted furniture. During the summer months, the famous Delmontino's restaurant chefs prepared their culinary specialties for the guests under a large rotunda dining room. While they dined, they would be entertained by the biggest names in Hollywood who were flown in. Like the other successful clubs in the area, the food and entertainment were a front to the real business of gambling.



A man named Peter Sullivan from Troy, New York, was brought in to run the games which included roulette, craps, card games and Chuck-a-Luck.



In the
early 1930s,
another

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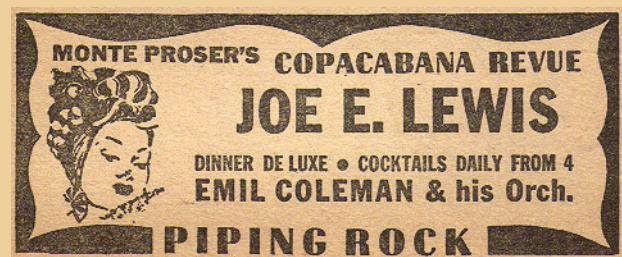
came onto the scene. Charles "Lucky" Luciano, renowned mob boss, came into Saratoga Springs and commanded over the gambling at the Chicago Club. Operated by two men named Gus Deneatteo and Martin "Matty" Burns, the Chicago Club attracted some of the biggest gamblers and gangsters of the time. Big better "Subway" Sam Rosoff was one of the club's leading patrons. Unlike most of the casinos in Saratoga, the Chicago Club had a dual purpose of both a card room and a horse betting parlor. As far as table action, the club only offered one craps table and one roulette wheel. Most of the space was taken by the turf betting parlor. Three men worked behind cages taking bets and reporting results. The business was so big and important that Lucky himself presided over the betting in August.

A good friend of Luciano, Meyer Lansky would also join the cast of club owners. Lansky was the Jewish mobster who was no stranger to gambling, owning clubs from New

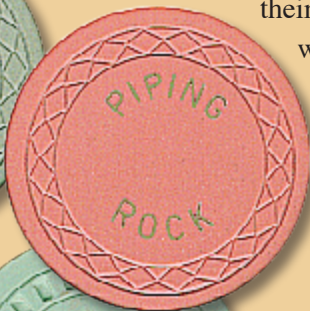
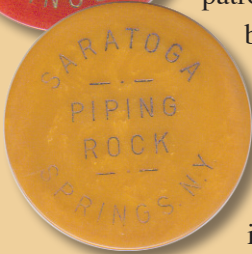
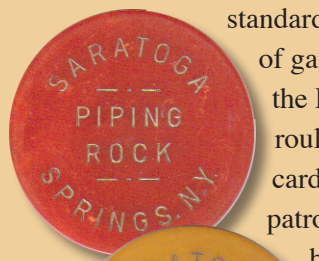


York City to Florida to Cuba. He was a financial genius and had all the right connections to get business done. He turned his focus to Saratoga.

In 1932, Lansky transformed a little place called the Lido Venice from a restaurant to the finely tuned illegal casino called the Piping Rock Club. To run the club during the August gambling season, Frank Costello, operator of the famous Copacabana in Manhattan, was partnered with Joe Adonis, operator of some of New Jersey's most



successful clubs. The casino was large for Saratoga standards. Although official numbers of gaming devices differs slightly, the Piping Rock at one time had 12 roulette wheels, three craps tables, one card table and a bird cage. While the patrons were not gambling, they were being entertained by some of the biggest acts of the time, such as Sophie Tucker, a club favorite. No expense was spared in booking the entertainers as was demonstrated in 1948 when a crackdown closed the club temporarily, but Lansky continued paying the entertainers their \$25,000 a week.



Meyer Lansky did not focus all his attention on the Piping Rock. He is reported to also have a piece of the gambling action in the Arrowhead Inn. The games were located on the first floor, along with a restaurant and bar. The large ballroom had plenty of space for entertainers and bands, and the Arrowhead made sure they brought in the best. Big names like Paul Whiteman, Bing Crosby and Jimmy Durante periodically entertained the patrons at the Arrowhead.

Knowing that running a successful casino took experience, men with various areas of expertise were brought in. Connected individuals like J.A. "O.K." Coakley and "Lefty" Clark, along with Joe Adonis and Charles Manny were put in charge. It was their job to make sure



the games ran smoothly. A raid revealed the extent of the gambling paraphernalia at the Arrowhead. At last count, there were five roulette tables, five card tables, two craps tables, two bird cages and a Wheel of Fortune.

Other clubs operated in Saratoga, most under the control of some less-than-decent citizens. The Meadowbrook starts its gambling career in 1936 when Doc Farone, already a stakeholder in two Saratoga casinos - Smith's Interlocken and Riley's Lake House took over control of the club and converted it into a casino. Having no intention of working the casino himself, he brought in James Siro to look after the gambling. Under Siro's watchful eye, the casino prospered.





The new breeds of casino owners were savvy, as well as cautious businessmen who grew the industry of gambling in Saratoga Springs to its frenzied heights. But not even the most well run operation could stand up to constant public condemnation. Raids were common by both the county and the state as they jockeyed over each other in a quasi-contest of who could confiscate more gambling paraphernalia.

This pressure was minimized somewhat by keeping an ever growing portion of the city law on their payroll which at one point amounted to a little over \$8,000 a week per club. This expense was deemed necessary, although not always foolproof. In some cases, incorruptible law enforcement officials found their way through the doors.

In the 1940s, Thomas Dewey, then governor of New York, was gearing up for his presidential bid. Knowing that widespread illegal gambling in his own state would hurt his tough-on-crime credibility, he ordered enhanced pressure on the clubs, driving the gambling underground.

The attitudes of the locals were changing as well. Where once the casinos only offered locals jobs, they were increasingly being made available for gambling – even catering to them. The citizens who once turned a blind eye to the corruption were now asking their police and representatives to clean up the town.

It was during this time that the business of illegal gambling was brought into focus due to the efforts of Senator Estes Kefauver and his committee on organized crime. Club owners were brought in to testify and eventually arrested and found guilty of various crimes. Meyer Lansky would spend 24 days in the Balstone

Spa County jail (his only time ever behind bars) for his involvement in the gambling associated with the Piping Rock. Doc Farone was found guilty in connection with illegal gambling for his Meadowbrook involvement, as well as the Kings with their Newman's Lake House link.

This sharp focus on cracking down on the business of illegal gambling was the final blow for most of the clubs. The heat from the police along with the mass exodus of employees and patrons to Las Vegas caused the clubs to close down for good in the early 1950s.

The shells of once vibrant action stood hollow for years, until one by one, the clubs were systematically erased from existence. The building's unattended emptiness left them vulnerable to the elements – especially fire. In 1934, fire destroyed the Brook, followed by the Piping Rock in 1954, the Meadowbrook in 1959, the Arrowhead in 1969 and Newman's Lake House in 1971.

For one brief night, Riley's Lake House would be revived for a charity function. The dilapidated structure which for decades housed only raccoons was renovated and decorated just like it had been in its prime. Horse drawn carriages were provided and charity patrons donned nostalgic clothes to make the image complete. It was a success for both charity and patrons. Unfortunately, this would be the last time the lake house would be used. Eventually, the unattended Riley's Lake House fell under the force of a bulldozer and was systematically razed to the ground.

Today, of all the major gambling clubs, only the Club House still stands. The present day museum remains a reminder of the glory which once radiated from the small town of Saratoga.