

PROLOGUE

Luxury hotels weren't something she knew about firsthand. Until now, she had never been inside the Ritz Carlton. The closest she'd come to the grand hotel was when walking on the Boardwalk. But here she was in the anteroom of a large suite of rooms, seated in a chair that nearly swallowed her. She was frightened, but there was no turning back. She sat there trembling, folding and refolding her frayed scarf.

As a housewife and summertime laundress in a boardinghouse, she felt out of place and her nervousness showed. Flushed and perspiring, she noticed that her dress and sweater needed mending and she grew more self-conscious. It was all she could do to keep from panicking and running out. But she couldn't leave. Louis Kessel had told her Mr. Johnson would see her in a moment and she had to wait. To leave now would be embarrassing and, worse still, might offend Mr. Johnson. If it weren't winter, and if there weren't so many unpaid bills, she never would have worked up the courage to come in the first place. But she had no choice; her husband had been a fool and she was desperate for her family. Louis Kessel appeared a second time and motioned to her. She followed him, not knowing what to expect.

As she walked into Mr. Johnson's sitting room, he took her hand and greeted her warmly. It was several years since she met him at her father's wake, but Johnson remembered her and called her by her first name. He was dressed in a fancy robe and slippers and asked what was troubling her. In an instant her anxiety vanished.

In a rapid series of sentences she recounted how her husband lost his entire paycheck the night before at one of the local gambling rooms. He was a baker's helper, and during the winter months his \$37 each week was the family's only income. She went on and on about all the bills and how the grocer wouldn't give her any more credit. Johnson listened intently and, when she was finished, reached into his pocket and handed her a \$100 bill. Overwhelmed with joy, she thanked him repeatedly until he insisted she stop. Louis Kessel motioned, telling her there was a car waiting to drive her home. As she left, Johnson promised that her husband would be barred from

every crap game and card room in town. He told her to come back any time she had a problem.

Enoch “Nucky” Johnson personifies pre-casino Atlantic City as no one else can. Understanding his reign provides the perspective needed to make sense of today’s resort. Johnson’s power reached its peak, as did his town’s popularity, during Prohibition, from 1920 to 1933. When it came to illegal booze, there was probably no place in the country as wide open as Nucky’s town. It was almost as if word of the Volstead Act never reached Atlantic City. During Prohibition, Nucky was both a power broker in the Republican Party and a force in organized crime. He rubbed elbows with presidents and Mafia thugs. But to Atlantic City’s residents, Johnson was hardly a thug. He was their hero, epitomizing the qualities that had made his town successful.

Originally conceived as a beach village by a doctor hoping to develop a health resort for the wealthy, Atlantic City quickly became a glitzy, raucous vacation spot for the working class. It was a place where visitors came knowing the rules at home didn’t apply. Atlantic City flourished because it gave its guests what they wanted—a naughty good time at an affordable price.

Popular recollections of the old Atlantic City, believed by many, is that it was an elegant seaside resort of the wealthy, comparable to Newport. Such a notion is fantasy. In its prime, Atlantic City was a resort for the blue-collar workers of Philadelphia’s industrial economy. The resort was popular with people who could afford no more than a day or two stay. These working poor came to town each summer to escape the heat of the city and the boredom of their jobs. Atlantic City gave them a place to let loose.

There were four ingredients to the resort’s success. Each was critical. Remove any one of them and Atlantic City would have been a very different place. The first ingredient was rail transportation. But for the railroad, the development of Absecon Island would have waited at least 50 years. The second was Philadelphia and New York real estate investors. They brought the money and expertise needed to build and manage dozens of hotels and hundreds of boardinghouses on an island of sand. The third was a large volume of cheap labor to run things. There was only one labor source: freed slaves and their children. The final ingredient was a local population willing to ignore the law in order to please vacationers. From the turn of the 20th century and for the next 70 years, the resort was ruled by a partnership comprised of

local politicians and racketeers. This alliance was a product of the relationship between the economy and politics of the city.

From its inception, Atlantic City has been a town dedicated to the fast buck. Its character as a city is uncommon because it never had any other role to perform than that of a resort. It has always had a singular purpose for its existence—to provide leisure time activities for tourists. Atlantic City's economy was totally dependent on money spent by out-of-towners. Visitors had to leave happy. If they didn't, they wouldn't return.

The key was to cater to patrons' tastes in pleasure, whether those desires were lawful or not. Resort merchants pandered to the visitor's desire to do the forbidden, and business owners cultivated the institution of the spree. Within a short time after its founding, Atlantic City was renowned as the place to go for a freewheeling good time. It grew into a national resort by promoting vice as a major part of the local tourist trade. However, maintenance of the vice industry required Atlantic City's government to make special accommodations. It was inevitable that the principals of the vice industry would make an alliance with the local political leaders. Without some type of understanding between these two spheres of power, Atlantic City's major tourist attraction would have had a tenuous existence.

The resort's guests couldn't be harassed while enjoying themselves. It would be bad for business. That gambling, prostitution, and Sunday sales of liquor violated state law and conventional morality didn't matter. Nothing could interfere with the visitors' fun or they might stop coming. Atlantic City's leaders ignored the law and permitted the local vice trade to operate in a wide-open fashion as if it were legitimate.

The resort's singular purpose demanded a single mentality to manage its affairs. This need, combined with the dominance of the Republican Party in southern New Jersey for several generations after the Civil War, produced a mind-set that didn't permit traditional politics. Reformers and critics were a luxury that couldn't be tolerated. Success of the local economy was the only political ideology. There was not to be a "loyal opposition" nor a bona fide Democratic Party. You went along with the system or you were crushed. By the beginning of the 20th century a political juggernaut bearing a Republican label, and funded with money from the rackets, was firmly entrenched.

The first “boss” of Atlantic City politics was Louis “The Commodore” Kuehnle, who ruled from approximately 1890 to 1910. The Commodore recognized the potential of the local vice industry as a reliable source of income for his political organization. It was Kuehnle who established the procedure for assessing and collecting extortion payments from the racketeers who provided unlawful entertainment. Under the Commodore, gambling parlors, speak-easies, and brothels operated as if they were legal. The only time the local police clamped down on anyone was if they were late with their payment. Money from extortion, together with bribes and kickbacks paid by government contractors and vendors, formed the financial basis of Kuehnle’s machine. After banging heads with Woodrow Wilson in the gubernatorial election of 1910, Kuehnle went to jail for election fraud.

Kuehnle’s successor, Nucky Johnson, was the absolute master of Atlantic City politics for the next 30 years. Johnson understood people and power and knew how to handle both. There was not an elected official or city or county employee who did not owe his job to Nucky. He shared in the profits of every municipal contract and gambling operation in town. Prior to going to jail, Kuehnle tapped Johnson as his successor because he had the support of both the politicians and racketeers. By this time, the people of Atlantic City were conditioned to political bossism, and they accepted Nucky as the resort’s new boss. Atlantic City’s residents expected, and wanted, the type of government from Johnson they had known under the Commodore. They weren’t disappointed.

By means of guile, finesse, and the shrewd use of money obtained through various types of extortion, Nucky Johnson established himself as a force in two different worlds. He was both the most powerful Republican in New Jersey, who could influence the destinies of governors and senators, and a racketeer, respected and trusted by organized crime.

Nucky Johnson gave Atlantic City the brand of leadership it needed. The political and economic power structure that had evolved was thoroughly corrupt. If Johnson had refused to work with the racketeers he would have been replaced. However, Nucky took one giant step beyond what the Commodore had achieved in terms of his alliance with the vice industry. Johnson included the key racketeers as members of the Republican organization, making him head of

both the political machine and the rackets. Under Nucky, the two rings of power became one.

The repeal of Prohibition in 1934 marked the beginning of the end for Atlantic City's days of glory. Two years later, at the prompting of William Randolph Hearst, President Franklin Roosevelt sent the FBI to town and it didn't leave until it had a conviction against Johnson for income tax evasion. It took five years, thousands of investigative man-hours, dozens of indictments of Johnson's associates, scores of witnesses who perjured themselves, and several incidents of jury tampering, but Nucky was finally dethroned. In 1941 Johnson went to jail and served four years.

The power structure Nucky left behind was far more complex than the one he inherited from the Commodore. Atlantic City's next boss had to be someone who could command the respect of the local politicians and racketeers alike. Johnson's successor, Frank "Hap" Farley, was the Irish American lawyer/politician par excellence. His career and method of operation have striking similarities with the fictional character Frank Skeffington, created by Edwin O'Connor in *The Last Hurrah*. Prior to Johnson's troubles with the FBI he hand-picked Farley to run for the state assembly in 1937. During the next several years Hap Farley ingratiated himself with two of Johnson's most influential lieutenants—Jimmy Boyd, clerk of the board of freeholders and Johnson's political right hand, and Herman "Stumpy" Orman, a streetwise real estate salesman who had done well for himself during Prohibition and was well-connected with the national crime syndicates.

Farley, Boyd, and Orman—it was the perfect relationship. Farley was the leader who went off to Trenton and dealt with the public at large. Boyd was the hatchet man, the political enforcer who kept the troops in line. Orman controlled the rackets and collected the protection money used to finance the organization. Boyd and Orman were Farley's buffer and insulated him from anything that might send him to jail. Hap inherited Jimmy and Stumpy. He couldn't have replaced them if he wanted to.

Farley's relationship with Boyd and Orman gave him the opportunity to be a full-time legislator and public servant. Hap immersed himself in the problems of his town and never hesitated to use his power to promote Atlantic City's interests. He was out in front on every issue affecting the resort's economy. During the 30 years he

served as state senator from Atlantic County, Hap Farley established a record of accomplishment that made him a legend in Trenton. His seniority, combined with his mastery of the legislative process, made him, for more than 25 years, an insurmountable reality with whom every governor had to contend when creating an agenda. Farley dominated the senate so thoroughly that it was political suicide to oppose him. The governors either dealt with Hap or saw their programs frustrated. To his disappointment, much of Farley's effort as a legislator was directed at delaying the deterioration of his town. It was like trying to stop the tide. Atlantic City was a victim of post-war modernization and as its fortunes declined, so did Hap's. Farley clung to power as long as he could and was ousted by a Democrat in 1971.

The several years following Farley's departure were a desperate scramble to revive Atlantic City through casino gaming. The adoption of the Constitutional referendum in 1976 legalizing gambling in Atlantic City is a tribute to the resort's long-time knack at promoting itself beyond its true worth. Gambling and the money it brought to the resort has breathed new life into a sorry town, and the climb back to national stature has begun. Regardless of how this experiment in urban renewal ultimately plays out, Atlantic City will remain a creature of the values that made it great the first time around.