

## Strictly Business

The other day, driving through North End Commons (a neighborhood a bit north of the *Chronicles* offices and to the west of our house), I noticed a florist, a friend of mine, out in front of another flower shop, chatting with the owner. The two businesses have coexisted now for over a year, though they stand barely a block apart. I suspect that, like me, most of their customers patronize one or the other exclusively, though I doubt that there are many people who would refuse to go to the other shop if their preferred one did not have what they wanted. Each store has its own look and feel, and, outside of the standard carnations and roses, each carries a distinctive stock. Their healthy competition has helped revive commerce in a neighborhood that, for many years, has been struggling.

This is the free market at its best: Two shopkeepers, each making a living doing something he enjoys, reinvesting much of his profit in a neighborhood that he cares about, and each able to chat amiably with his competitor—who, because of his shared love for the neighborhood, is also his collaborator. Granted, there are certain conditions that make this scene between two florists more likely than a similar one between, say, two discount computer resellers or even two grocers—higher margins, stock that has to be turned over very quickly, a distribution area that is limited by the nature of the product, etc. Still, the scene shows that markets do not always have to tend toward the monopoly model—maximizing profits and minimizing costs by eliminating competition—so beloved of the libertarians.

Rockford, however, does have its share of monopolies, and none is more obvious and more potentially damaging than the monopoly in the newspaper business. We are a Gannett town, and the local Gannett paper, the *Rockford Register Star*, is our only daily. There are weeklies—most notably Frank Schier's *Rock River Times* and Rock Valley Publishing's *Rockford Journal*—but for day to day news, the *Register Star* is it.

Most cities of Rockford's size are one-newspaper towns, and that paper is usually owned by one of the major chains—Gannett, Knight-Ridder, Hearst, Tribune

Newspapers, Newhouse. While consolidation has always been a fact of life in the newspaper business, throughout most of Rockford's history, the city usually had two, often three, and occasionally four papers vying for the public's attention. That competition was healthy, and, more importantly, it was local. Each newspaper represented the viewpoint of a segment of the community. Whose voice, however, is represented by a \$6.7-billion "international company with headquarters in McLean, Va., and operations in 43 states, the District of Columbia, Guam, the United Kingdom, Belgium, Germany, Italy and Hong Kong"?

The largest newspaper company (by circulation) in the United States, with 101 daily newspapers, Gannett has come under fire in the past for predatory advertising practices and disregard for antitrust laws. (The U.S. Justice Department began to investigate Gannett in early 1981, but the Reagan administration had little interest in pursuing antitrust actions against media giants, and the case was quickly shelved.) In *The Chain Gang: One Newspaper Versus the Gannett Empire*, journalist Richard McCord documents many of the battles that Gannett has waged against locally owned newspapers (including here in Rockford). McCord's book, however, also makes it obvious that the problem is not Gannett per se but the evolution—or devolution—of newspaper publishing from a local concern to a centralized industry. Massive national (and, increasingly, multinational—Gannett, according to the company's website, is "the second largest regional newspaper publisher in the United Kingdom") corporations are almost structurally bound to view their "local" papers the way that Wal-Mart regards its "local" stores. "Success" and "failure" are measured in terms of monetary profit—advertising revenue even more than readers, who often are offered cut-rate subscriptions in order to boost the going rate of ads. In a limited market, advertising comes close to being a zero-sum game, which is why competition cannot be tolerated. Even if he has the best of intentions, the local publisher of a chain newspaper—who almost always was not born in the town he's sta-



tioned in and, please God and Gannett, will not die there—has little choice but to consider the impact on advertising revenue when deciding the long-term direction the paper will take.

What happens, however, when one newspaper already has a near-monopoly on advertising in its market? Part of Gannett's solution has been to lobby the Federal Communications Commission to relax restrictions on owning both a newspaper and a television station in the same market (since many businesses will advertise with both), and, under the Bush administration, they would likely have succeeded if Congress had not reined in the FCC. Another approach is to expand the newspaper's coverage into neighboring markets, increasing the pool of potential advertisers.

Under its most recent publisher, Fritz Jacobi, that seems to be the route that the *Register Star* is taking. On both its editorial and news pages, the paper constantly beats the drum of "regionalism" in the "Rock River Valley." It has consistently supported the expansive efforts of the newly renamed Rockford Regional Chamber of Commerce and the Rockford Area Council of 100, a business group of which Jacobi is also chairman of the board. To be fair, the *Register Star's* local coverage has taken a decided turn for the better under Jacobi, and the local commitment of some reporters, such as political editor Chuck Sweeny, is unquestionable. There is only so much room for news in each issue, however, and local manufacturers have privately expressed concern that coverage of issues that affect them is poor to nonexistent. But then, manufacturers tend not to need to advertise in their hometowns. That may not be the reason for the lack of coverage, but who could blame them for thinking that it is?

c

## The Eudaemonic Serb

The Ritz Club, the casino arm of the venerable and resplendent hotel in Piccadilly, is, for the discriminating player with an 18th-century sense of what gambling is all about, “the other place.” Apart from the late John Aspinall’s hallowed sepulchre in Curzon Street, this subterranean *al-hambra* is the only privately owned gambling club in London. The remaining 30-odd joints—some magnificently appointed, such as the Clermont, others irreparably dingy, such as the Victoria, still others, such as the Connoisseur, possessed of that curious blend of the gleam of brushed steel with the reek of Indian kitchen spices now characterizing the modern in what remains of Britain—are owned by hotel and leisure chains, some coming from as far afield as Atlantic City.

Loyal as I am to Aspinalls, I thought it was only fair that I should give the Ritz a chance, and, when the management there smiled on me benignly, I succumbed. On my maiden evening at the club, I found myself playing side by side with a man of athletic build who was betting the floor maximum of £1,000 per number. Judging by his accent in English, and from his lively banter, over the head of the impassive croupier, with a sidekick at the next table, I identified a Serb on a rampage. How ironic that all these jolly fellows should be from the Balkans, I thought, and straightaway something in my mind seemed to sprout the gossamer wings of a metaphor.

Now, in Moscow casinos, throwing down \$50,000 per spin is only *comme il faut*—a nameless fan of my gambling friend Yuri Bashmet, the violist, often comes to try his luck at the National with two million dollars—and the same may be true of the lawless expanse of local color between Split and Podgorica. Over here, this kind of behavior draws notice. Still, when the pair, £100,000 to the good, left the casino that night, nobody, least of all the expensive Hungarian blonde they had in tow, could complain that London was an unfriendly and snobbish town. The trouble was, on the two nights that followed, they took the Ritz for another £1.2 million.

Fortune, says the old Scottish proverb,

laughs with one eye and weeps with the other. (For those who think it is actually Serbian, see Shakespeare’s *Hamlet* I.ii.11.) The winners were given £300,000 in cash and a check for £900,000, whereupon the management stopped the check and called in Scotland Yard. A week later, a full-page article in the *London Times* announced that the pair “were alleged to have used a computerised scanner to predict the outcome of every spin of the wheel.”

“The device, concealed in a mobile phone,” the report continued,

measured the speed of the ball and calculated which numbers it was most likely to rest upon. The possible existence of such a machine, which could reduce the odds of winning from 37-1 to just 6-1, has sent shock waves through the gambling world.

Now that I think of it, the Serbs *did* spend a lot of time fiddling with their mobiles. “The laser scanner measures the speed of the ball as the croupier releases it and beams the information to a microcomputer,” surmised the *Times*. “The device is not able to predict the exact number on which the ball will come to rest, but instead identifies a particular group of neighbouring numbers.”

Exactly a year ago, I wrote in this space that “the rational component at work in the physical apparatus of the roulette wheel is so absurdly self-evident” that, in 1966, it led a man called Ed Thorp,

with a team of enthusiasts calling themselves the Eudaemonic Enterprises, to design a ‘wearable computer’ that would correctly predict the neighbors section of the wheel where the ball was likely to land on the basis of measurements of its initial speed.

So, neither the *Times* nor its “gambling world” seems to know that the trick in question is almost 40 years old. As is the trick of counting cards in games like blackjack, which had been regarded as a maniacal fantasy for some 300 years pre-

viously, until the American casinos started turning out of doors the undesirables whom their managers identified as card counters.

The visitors are not going to get their money, of course. They will be lucky to see the Danube again. The episode poses a larger question, however. If the physical component at work in roulette is as substantial—and hence open to scientific inquiry—as its mathematical counterpart in card games, are we not idiots for becoming obsessed with roulette? The question, my astute readers will appreciate, is a wholesale inversion of what passes for conventional wisdom, which holds that those who throw good money after bad at the gambling tables are idiots because the games they play are unpredictable, the house has the edge, and there is no glory in being a statistic. Indeed, it is quite obvious to me that anyone who, night after night, like so many people I know, sits in a casino playing blackjack, wastes time and money. For, unless he is a trained card counter, he is a ridiculous fool. Am I to conclude, then, that anyone who plays roulette without a microcomputer in his *Get Smart* shoe phone, or a *Gilligan’s Island* receiver in his eyetooth, is a ridiculous fool as well?

Not in the least. Perhaps unbeknown to the Serbian adventurer who has now set the gambling world alight, roulette is not about walking away with the loot. The adrenaline rush, in that mysterious transfiguration which is the player’s nirvana, is set in motion by his being proved right, if only just once, not by his having more money in his wallet than he came with. Like the internecine strife in his native Balkans, it is about winning individual battles, not the whole war, for what military commander worth his gunpowder cares about the final outcome? *That* is something for politicians to bungle. • c



To Subscribe:  
(800) 877-5459