

California's Legal History

GAMBLING SHIPS IN SANTA MONICA BAY

By John S. Caragozian

On August 1, 1939, 250 state and local law enforcement officers, on a hodge-podge of boats, raided four gambling ships anchored three miles off the southern California coast. California's attorney general Earl Warren supervised the raids from the beach. He had kept the officers ignorant of their destinations until the last minute, lest the officers alert the ships. Three of the ships immediately surrendered, and the raiders smashed or threw into the sea roulette wheels, slot machines, craps tables, and other gambling paraphernalia.

The fourth ship, the *Rex* — with owner Anthony Cornero Stralla aboard — refused to surrender. Lacking an engine, the *Rex* could not flee. Instead, it turned high-pressure water hoses on the raiding boats, and they stood by out of range. Later that day, Stralla allowed the *Rex*'s customers to depart, but he and his crew stayed, claiming to have plenty of provisions. Eight days later, however, Stralla surrendered (he claimed to need a haircut), thus ending what became known as the "Battle of Santa Monica Bay." See generally, Michael LaPointe, "Dice Roll: Gambling on the High Seas," *Paris Review*, May 7, 2019.

In the 1920s, Stralla had become rich from Prohibition, running liquor from Canada and Mexico to the U. S. He would load an oceangoing ship with booze and then offload it onto small boats for remote beach and cove landings. A favorite destination was Malibu, which had the twin advantages of being lightly populated but close to thirsty Los Angeles. In 1926, Stralla was caught off San Pedro with 1,000 cases of whiskey, but escaped from custody. He surrendered in 1928 and was imprisoned for two years.

In the meantime, beginning in 1928, gambling ships appeared off southern California. Being three miles offshore, the ships claimed to be outside federal and state jurisdiction and featured onboard drinking and gambling. During Los Angeles' 1932 Olympics, visitors — many of them foreigners unaccustomed to Prohibition — thronged the ships.

Upon his 1930 release from prison, Stralla became involved with several ships. Even after Prohibition's 1933 end, they remained popular by having casino gambling, which was illegal in California.

By 1938, Stralla acquired his own ship. It had been launched in 1887 as a cargo ship, but refitted in luxurious style and renamed the *Rex*.

The *Rex* was anchored three miles offshore from Santa Monica beach and offered drinking, dancing, entertainment and gambling. It advertised via newspapers, skywriting and neon lights that could be seen from up and down the coast. The *Rex* was open 24 hours and could accommodate 3,000 customers at once. They arrived by a 10-minute water taxi ride from the Santa Monica Pier for 25 cents round trip.

The *Rex* became hugely popular, earning \$200,000 per month (or almost \$4 million today). The gambling ships were also a major source of corruption in Los Angeles. Cash was funneled to police, prosecutors, judges and elected officials. The result was that L. A. was notorious for its open vice, onshore and off.

Enter Earl Warren. As Alameda County's district attorney, he crusaded against gambling and other vice. In 1938, he was elected state attorney general in a landslide after winning both the Republican and Democratic primaries.

He focused on the gambling ships, partly because they were such a visible flouting of anti-gambling laws and partly because they were an integral part of local corruption.

Even before Warren's election, Stralla had been indicted for maintaining a gambling establishment, but had always avoided conviction on the ground that the *Rex* was beyond California's jurisdiction.

Jurisdiction, though, depended on whether the *Rex* was anchored far enough offshore. Under California's constitution, the state's boundaries included "all the ... bays along and adjacent to the coast" and extended three miles from those boundaries into the Pacific Ocean. To be sure, the *Rex* was more than three miles from land. However, depending on if Santa Monica Bay was classified as a "bay," the *Rex* could be within California's jurisdiction.

In March, 1939, the California District Court of Appeal ruled that California lacked jurisdiction. *People v. Stralla*, 88 P.2d 736. The Court of Appeal reasoned that a bay must be at least partially surrounded by land and afford wind protection. Santa Monica Bay failed on both of these criteria. Because the California constitution failed to include such bodies of water within the state's boundaries and because the *Rex* was more than three miles from land, the Court of Appeal dismissed the indictments. *Id.* at 738-42.

Warren appealed to the California Supreme Court. His argument was twofold. First, California's waters included all of Santa Monica Bay, defined by a line running from Point Dume in Malibu to Point Vicente in Palos Verdes, which was almost 12 miles off the Santa Monica coast. Second, the three-mile limit

began outward from that line, not from the land, so California's jurisdiction there extended almost 15 miles offshore. Accordingly, the *Rex* was within California's jurisdiction.

On November 20, 1939, the Supreme Court unanimously agreed with Warren and reversed the District Court of Appeal. *People v. Stralla*, 14 Cal.2d 617. The Supreme Court began by stating that the only question was whether Santa Monica Bay was within California's territory, such that the three-mile limit began at the Point Dume-Point Vicente line. The court sifted through California's history, noting that two early Spanish explorers, Cabrillo in 1542 and Viscaïno in 1603, referred to Santa Monica as an "Ensenada," or bay. Later historians also referred to it as a bay. *Id.* at 621.

Further, the Supreme Court opined that Santa Monica Bay provided some protection from winds. Indeed, that the *Rex* had anchored it in its present location for years and had its engine removed proved that Santa Monica Bay offered protection. With Santa Monica Bay meeting the historical and legal definition of a bay, the prosecution of Stralla could proceed. *Id.* at 624-25, 627, 632-33.

Warren had not waited for the Supreme Court. Four months earlier, on July 28, 1939, he had four gambling ships, including the *Rex*, served with civil cease-and-desist notices on the grounds that they constituted a public nuisance. When the ships ignored the notices, he launched the successful August raids.

In theory, gambling ships could have avoided California's jurisdiction by locating 15 miles offshore, but the long ride and the rough seas at such an anchorage were practical barriers. Legal barriers arose, too. Based on Warren's civil nuisance claims, the Superior Court enjoined water taxis' operations, *People v. Stralla*, 1939 WL 73436, and later federal legislation banned the taxis.

As for Stralla, he settled the civil proceedings, paying a fine and ceding the *Rex* for unpaid taxes. He left town and in 1944 opened a casino in Las Vegas. Two years later, he tried another gambling ship, but was legally thwarted again. In 1948, he was seriously wounded in an unsolved assassination attempt at his Beverly Hills home. Stralla died in 1955, two weeks before his latest gambling venture, Las Vegas's Stardust, opened.

The raids affected California's history in major ways. First, they helped Warren's political ascent. In 1942, Warren cited the raids in his successful campaign for governor. He was overwhelmingly re-elected governor in 1946, was the Republican nominee for vice president of the United States in 1948, and was

again overwhelmingly re-elected governor in 1950. Warren became chief justice of the U. S. Supreme Court in 1953.

Second, the gambling ships' demise reduced the flow of corrupting cash to Los Angeles law enforcement and government. By 1950s, open vice began to ebb, and L. A. entered a new era.

The *Rex* itself was converted back to a cargo ship during World War II. Its end, to paraphrase poet T. S. Eliot, was with a bang and a whimper: A German U-boat sunk the *Rex* off the African coast.

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