



The *Rex* gambling boat resists boarding from California Fish and Game Commission's smaller boat, *Bonita*, off Santa Monica. (*Los Angeles Daily News*, 1939, *Library Special Collections*, Charles E. Young Research Library, UCLA.)

The Demise of 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 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 vessels 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, the crew turned the vessel's high-pressure water hoses on the raiding boats, and the boats stood by out of range. Later that day, Stralla allowed the *Rex*'s customers to depart, but he and his crew stayed, insisting the ship had 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."¹

In the 1920s, Stralla had become rich during 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, was convicted of federal Prohibition and tariff violations, and was imprisoned for two years at the McNeil Island, Washington federal penitentiary.²

In the meantime, in 1928, gambling ships began to appear off southern California. Because they were anchored three miles offshore, the vessels 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.³

Upon his 1930 release from prison, Stralla invested in one or more of the vessels.⁴ Even after Prohibition's 1933 end, the ships remained popular because they featured casino gambling, which was illegal in California.

By 1938, Stralla acquired his own vessel. It had been launched in 1887 as a four-masted cargo ship, but Stralla refitted it in luxurious style and renamed it the *Rex*.⁵

The *Rex* was anchored three miles offshore from Santa Monica beach and offered drinking, dancing, entertainment and gambling. It advertised via newspapers, skywriting and shipboard neon lights that could be seen up and down the coast. The *Rex* was open 24 hours and could accommodate 3,000 customers at once. They

1. See generally, Michael LaPointe, "Dice Roll: Gambling on the High Seas" (May 7, 2019) *Paris Review*, <https://www.theparisreview.org/blog/2019/05/07/dice-roll-gambling-on-the-high-seas/> (as of Aug. 22, 2021). Stralla was popularly known as Tony Cornero, but officially remained Anthony Stralla, which was the name used in legal proceedings. For consistency, this article will refer to him as Stralla.

2. See Ernest Marquez, *Noir Afloat: Tony Cornero and the Notorious Gambling Ships of Southern California*, Los Angeles: Angel City Press, 2011, 20–24; Jeer Witter, "Tony Cornero And The S.S. Rex" (March 1965) *Los Angeles Magazine*, <https://www.lamag.com/askchris/tony-cornero-and-the-ss-rex/> (as of Aug. 22, 2021).

3. See, e.g., Joe Ditley, "Shipwreck Monte Carlo Visible — New History Comes To Light," *Coronado Times*, Mar. 3, 2014, <https://coronadotimes.com/news/2014/03/10/shipwreck-monte-carlo-visible-new-history-comes-to-light/> (as of Aug. 24, 2021).

4. Ernest Marquez, *Noir Afloat*, 37–39.

5. *Id.* 40–43.

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 \$3.9 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 so brazenly flouted anti-gambling laws and partly because they were an integral aspect of local corruption.

Even before Warren's election, Stralla had been indicted for the crime of maintaining a gambling establishment, but had avoided conviction on the ground that the *Rex* was beyond California's jurisdiction.⁶

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, if Santa Monica Bay was classified as a "bay," the *Rex* could be within California's jurisdiction.

In March 1939, the California Court of Appeal ruled that California lacked jurisdiction in such situations.⁷ The court reasoned that a bay must be at least partially surrounded by land and afford wind protection. Santa Monica Bay failed to meet both of these criteria. Because the California Constitution did not include such bodies of water within the state's boundaries and because the *Rex* was more than three miles from land, the court dismissed the indictments.⁸

Warren petitioned 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, and Stralla could be criminally prosecuted.

In November 1939, the Supreme Court unanimously agreed with Warren and reversed the Court of Appeal.⁹ 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



State Attorney General Earl Warren authorized a series of raids on the *Rex* to shut down Cornero's gambling operations. Police destroyed, burned and threw gambling equipment into the water. (*Herald Examiner Collection, Los Angeles Public Library*).

at the Point Dume–Point Vicente line. The court sifted through California's history, noting that two early Spanish explorers, Juan Rodriguez Cabrillo in 1542 and Sebastián Viscaíno in 1603, referred to Santa Monica as an "Ensenada," or bay. Later historians also referred to it as a bay.¹⁰

Further, the Supreme Court opined that Santa Monica Bay provided some protection from winds. Indeed, the fact that the *Rex* had anchored in its present location for years and lacked an engine 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.¹¹

Warren had not waited for the Supreme Court's decision on the criminal indictments. 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 public nuisances even if the ships were anchored outside California waters.¹² When the ships ignored the notices, he launched the successful August raids under his civil authority.

In theory, after the Supreme Court decision, gambling ships could have avoided California's jurisdiction by locating 15 miles offshore, but the long water taxi ride and the rough seas at such a distant anchorage were practical barriers. Legal barriers arose, too. Based on Warren's civil nuisance claims, the Los Angeles County

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6. See generally *id.* 60–69.

7. *People v. Stralla* (1939) 88 P.2d 736.

8. *Id.* 738–42.

9. *People v. Stralla* (1939) 14 Cal.2d 617.

10. *Id.* 621–22.

11. *Id.* 624–25, 627, 632–33.

12. See *People v. Stralla*, 1939 WL 73436 (L.A. Co. Super. Ct. Oct. 18, 1939) ("Whether the [*Rex*] is within or without the territorial limits of California it is a public nuisance which affects and operates directly upon the state and its inhabitants, and having obtained jurisdiction of the persons maintaining the [*Rex*] and operating the water taxis by personal service of process upon them within the state, the court has power to abate the nuisance").

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Superior Court enjoined water taxis' operations¹³ and later federal legislation banned the taxis.¹⁴

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.¹⁵ In 1948, he was seriously wounded in a never-solved assassination attempt at his Beverly Hills home. Stralla died in 1955, two weeks before his last gambling venture, Las Vegas' Stardust casino and hotel, 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

13. *See id.*

14. 18 U.S.C. § 1083. Ironically, this legislation's sponsor, U.S. Senator William Knowland of California, later became a gambling addict and apparently worried about organized crime pressuring him to repay gambling debts. *See* Gayle Montgomery, James Johnson and Paul G. Manolis, *One Step from the White House: The Rise and Fall of Senator William F. Knowland*, Berkeley: Univ. of Calif. Press, 1998, 282, 286–87, 295.

15. In addition to the federal water taxi ban, several municipalities enacted their own ordinances banning water taxis, and the federal government asserted other maritime violations regarding Stralla's new ship. *See* Ernest Marquez, *Noir Afloat*, 106–13.

the United States in 1948, and was again overwhelmingly re-elected governor in 1950. Warren became chief justice of the United States Supreme Court in 1953.

Second, the demise of the gambling ships 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.¹⁶

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 sank the *Rex* off the African coast.¹⁷ ★

JOHN S. CARAGOZIAN is a Los Angeles lawyer and on the board of the California Supreme Court Historical Society. He thanks Donald Warner and Emma Caragozian for their contributions to this article. A version of this article appeared in the *Daily Journal* on March 26, 2021 and is reprinted here with permission. The author welcomes ideas for future columns concerning California's legal history at jcaragozian@sunkistgrowers.com.

16. *See generally*, Mark Isaac and Douglas Norton, "Just the Facts Ma'am: A Case Study of the Reversal of Corruption in the Los Angeles Police Department" (2011) 16–17, 32–34, https://lcss.fsu.edu/lecompapers/wupaper/wp2011_08_01.pdf (as of Aug. 24, 2021).

17. *See* Michael LaPointe, *supra* "Dice Roll" (May 7, 2019) *Paris Review*; Ernest Marquez, *Noir Afloat*, 97.