

“The Gambling War”

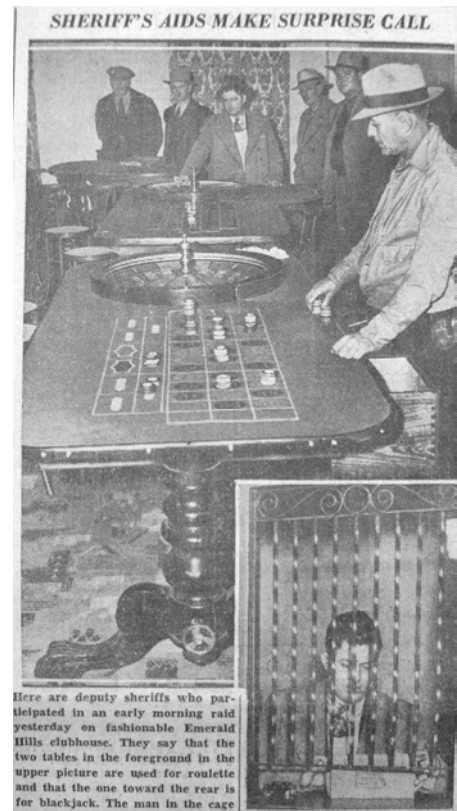
On Monday morning, July 22, 1935, San Diegans opened their morning newspaper to see a stunning headline: “AGUA CALIENTE PADLOCKED.” The enormously popular resort and casino in Tijuana was closed following the order of President Lázaro Cárdenas to end gambling in Mexico.

The closing of the lavish resort sent shudders across the border. Agua Caliente had been massively profitable to the resort’s American owners but also to San Diego merchants, who earned an estimated \$300,000 monthly supplying goods and services. Public officials voiced concern about the end of gambling in Tijuana. Would illegal gaming now grow in San Diego? Police Chief George Sears assured the public that “the gambling lid was on.”

But the “lid” was teetering. Long known as an “open town,” officials often turned a blind eye to illicit activities that boosted the city’s reputation as a mecca for tourists and the military. Despite occasional vice raids to clean up the town “once and for all,” gambling and prostitution flourished north of the border.

San Diego was also viewed as a region where public officials could be “bought.” Abe Sauer, the cynical newspaper publisher of the local *Herald*, railed weekly against officials he judged corrupt. But Sauer recognized that vice could also be means for favorable publicity, noting that “whenever a chief of police or a district attorney or a sheriff wanted to land on the front pages of the local papers he staged a gambling raid.”

Sauer then was not surprised on October 16, 1935, when the newspapers heralded one of the biggest raids in several years. Storming a “palatial residence” near Imperial Beach, sheriffs’ deputies arrested several men, and confiscated \$15,500 worth of gambling paraphernalia that appeared remarkably similar to equipment recently used in the now closed Agua Caliente casino.



Raid in the Emerald Hills, *Union*, Nov. 16, 1935.

The entire house was fitted out as a casino, with each room set up for a specific game: blackjack in one room, poker or roulette in other rooms. The deputies found a large kitchen stocked with sandwiches and liquor, and rooms decorated with antiques and hand-carved furniture. Heavy velvet drapes hung from the walls to cut down on noise.

Outside the house a tall pole stood on a corner of the lot with a blue light on top. Visible for two miles, the light burned brightly on nights that gaming was underway. Four “owners” of the house were eventually convicted of gaming charges with sentences ranging from ten to twenty days.

City police had their turn for glory on November 13, with a raid on the San Diego Club at 1250 6th Avenue. The police gathered up slot machines, roulette wheels, and Club “script.” Gamblers

escorted out by police included a former city councilman, a county grand juror, and several prominent businessmen. Only the day before County Assessor James Hervey Johnson--in a luncheon speech at the U.S. Grant Hotel--had declared the "tentacles of San Diego's underworld reach right up to officialdom."

The following week, Police Chief Sears threw a surprise blockade on a dozen bookmaking venues, and closed several gambling clubs and "all known houses of prostitution." The Saturday night raid also stopped the biggest gaming "joint" in town: the Hercules Club at 752 5th Street. "The raid was spectacular in the extreme," reported an amused Abe Sauer. Hundreds of people watched from the sidewalk as 47 men were arrested and trucks were loaded up with gambling equipment.

San Diego's showy war on gambling reached a climax with a Christmas time raid on the Emerald Hills golf course in southeast San Diego. From the clubhouse, located on hill just beyond the city's eastern limits, lookouts could spot the headlights of approaching cars. But the watchers missed the arrival of sheriffs' deputies in the early morning hours of Sunday, December 8. The raiders broke in to surprise nearly 100 men and women in formal attire, sipping champagne and playing roulette and blackjack.

Panicked women gathered up their trailing gowns and tried to flee through the doors, only to be turned back by deputies stationed at all the exits. One elderly man attempted to leap from a window but was grabbed by the heels and dragged back inside. A deputy broke a kneecap as he wrestled with "prominent local banker."

The deputies made only two arrests and allowed the rest of the gamblers to leave after taking their names. They confiscated 2000 chips, 40 money bags, and hundreds of dollars in cash, checks, and IOUs abandoned at the gaming tables. The seized club roster resembled a social register of San Diego, with scores of well-known names.

Smaller raids came in 1936 and the year would end with Sheriff Ernest Dort declaring the county free of gambling and "clean as a bone." But more pragmatic minds were at work when the city council decided that rather than shut down all gambling it was time for government to take its fair share of the proceeds.

In November they approved the licensing of "pin-marble" game machines and began collecting monthly rent from the gambling equipment. State Senator Ed Fletcher followed the next year with a bill to collect income taxes from gambling, though he took pains to stress: "nothing in this act shall sanction any form of gambling which is prohibited by law."

The Agua Caliente resort never reopened. The Mexican government opened a state-run school at the site, the Instituto Tecnológico de Tijuana, in October 1939. It remains a school today but the elegant buildings designed by Los Angeles architect Wayne McAllister have mostly disappeared.

Originally published as "WHEN GAMBLING WAS IN FULL SWAY Mexico's closure of Agua Caliente led to illicit gaming springing up in the county," by Richard Crawford, in the *San Diego Union-Tribune*, May 5, 2011.