

Mexico & Gambling Once Upon a Time

by Howard W. Herz

My first trip to Tijuana occurred in the 1960's when I visited San Diego and had a day of leisure. I took the trip to what so many had described as a "sight to see - but be prepared for a shock." A bus deposited me at the border and I walked along the causeway to the city. Card board shacks littered the area between the border and the city of Tijuana - slums of the worst condition. I was not prepared for some of the poverty that I saw on the way into the city. It seemed to be a wide open town. Hawkers littered each block and offered a variety of items from merchandise - to bars - to floor shows. As a beginning chip collector I did ask if there was gambling - the answer was NO!

When I returned to Lake Tahoe I asked some friends in the gaming business why Mexico did not have gaming. "Las Vegas takes care of that", they knowingly replied, "and they take care of Southern California too!" They did have gaming in the 1930's, I was told, but not now. For a number of years I gave little thought to Mexican gaming history - until I ran into some.



The initials AC have a great significance in the history of Baja California. Agua Caliente (translated literally Hot Water) was one of the hot spots of what we refer to today as the Mexican Riviera. Located in Tijuana, B.C. Mexico the operation included a race track and a casino. It drew heavily on the population of Southern California and was one of the spots where you could find movie stars and the rich and famous. The casino was not a public affair.

Mexican gaming was only for the rich and famous and the locals could not participate - unless they qualified as Special members of the upper class. Agua Caliente was built for those who could afford the luxury of the race track and the risk of the casino.



If the races at AC were not enough of an attraction for the patrons from Southern California - a new resort was just opening in 1930 in the town of Ensenada. The Playa Resort and Casino was built in 1930 in the port city of Ensenada. Built in the Spanish style with a tile roof and a number of grand rooms, the casino was located in a large octagon room complete with a massive chandelier. An ornate wood carved cashiers cage was off the main casino floor to one side and a bar was featured on the other side.

Operating until 1938, the casino played host to a number of Mexican and United States dignitaries. Desi Arnez, Lucille Ball, Marion Davies, William Randolph Hurst and Jack Dempsey are memorialized on tiles in the main hallway as patrons of the Playa Resort. Today this majestic building serves as a civic center and museum. Take a Carnival cruise down the Mexican Riviera and you can visit the Hotel Playa and stroll through this magnificent building.

Several year ago I purchased a single check from the Foreign Club - Tijuana, Mexico. This black check with a large crown mold is the only example that I have seen from this casino. Gambling in Mexico was in full swing until the late 1930's when a new president outlawed casino gambling. Baja California was beginning to be significant competition to Nevada in the 1930's and also offered liquor, a forbidden fruit of the prohibition era. I have not been able to find out exactly what influenced the Mexican government to outlaw casino gaming, but sources in the gaming industry indicate that American gamblers in Nevada did not cry when it happened.

So Mexico outlawed gaming - is that the end of the story? Not by a long shot. It seems that some enterprising brothers from La Jolla in California found the right formula for an enterprise in Rosarito Beach - for a short time! I often wondered where the Club Deportivo Panamericano was located. The check order card from the Mason Company files in Chicago suggested California - but 8,000 chips is a large order for a card room in La Jolla. Dr. Ken Craig called me one day after I had put a chip from the Deportivo in an auction and . . .



The Raid at Rosarito Beach

Gambling in Mexico has always been an enigma to me. In a country that seems to tolerate almost anything in the minds of those who have seen Tijuana, why not gambling? For years I was told that the boys in Vegas took care to be sure that Tijuana did not prey upon the rich pool of players from the Southern California area and specifically San Diego.

I often wondered if the presence of the Navy and the Marine bases in the area kept a tight lid on the local action. Agua Caliente played to the crowds in the 1930's. The Casino at Ensenada also gained fame with the rich and famous as prohibition played on in the U.S. Sometime in the late 1930's it seems that Mexico decided not to expand the gaming industry and in fact proceeded to shut it down tight.

Southern California has always had its own crime families and they have been proud of their independence from the "Eastern" mob. In the early 1950's the boys from the east had their action in Vegas. The threat of competition from Mexico and the fact that it would probably be in the hands of the California boys did not excite the powers of Las Vegas. For several months the papers of San Diego were covering the investigation of the large amount of gaming equipment that seemed to be going over the border to Tijuana. Just what was going on down there in Old Mexico?

There is nothing quite as interesting as an up close and personal look at history - so let us be taken by the hand for a guided tour of an evening in 1959. Our hero, claims to have gained a few street smarts in bars that ranged from the California Coast to the Far East. "I always looked for an exit" from any joint that he went into. It seems that in some of the places that he had visited "it was never a question of IF there would be a fight, only WHEN" - and thus was the reason that our hero of the evening took the time to visit the bathroom of the Club Deportivo Panamericano in Rosarito Beach. Luck was also on his side as he and a friend had arrived later in the evening and had to park quite a long distance from the private club.

Having checked out that the bathroom did not have bars on the window that opened onto a court yard, our hero and friend ventured into the middle of the gaming activity. Craps, roulette and almost every type of gaming was flourishing in the middle of this private club located behind the Rosarito Beach Hotel.

Later in the evening of January 25, 1959 some uninvited guests arrived at the front door. They were the Mexican Federal police from Mexico City. "They came in with Thompson sub-machine guns and automatic carbines and it was clear from the start that they were not here for cocktails. My friend and I had a sudden need to go to the bathroom. We went out the window and into the court yard. Fortunately when the raid started the other police outside the club had not yet surrounded the hotel property and we were able to get the the beach and back to our car."

The rest of the evening is well described in the reports of the San Diego papers. A large number of Americans were held at the casino. Clearly the Federal Police wanted to sort things out and send out the message that gambling was not allowed in Mexico. After several days those arrested were released and the San Diego papers listed those who had been detained. The manager of the hotel, of course, did not know that there was gambling in the private house behind the hotel and appeared to be appropriately indignant.

Mexico may have its gaming operations today, but they continue to be closely guarded and are very "private" clubs. As for our friend - he probably still looks for an exit when he goes into a "joint"----

Thank you for your tour of history - Mr. Edward F. Cornett!!

CLUB DEPORTIVO PANAMERICANO			M 0579 9/9/54
C/O EDWARD NEALIS 621 MIRA MONTE LA JOLLA, CALIF.			
8000	89 HUB CHECKS		
	500 WHITE MONO 100.00 1 SIDE	\$100	
	2000 GREEN MONO 25.00 1 SIDE	\$10000	
	3000 BLUE MONO 5.00 1 SIDE		
	2500 RED MONO 1.00 1 SIDE		
	SPECIAL MONO CLUB DEPORTIVO PANAMERICANO		
	REVERSE SIDE ALL CHECKS ALL MONOGRAMS IN GOLD		
		\$500	

EDWARD NEALIS 621 MIRA MONTE LA JOLLA, CALIF.			M 0580 9/9/54
200	89 HUB CHECKS		
	100 WHITE MONO 100.00 1 SIDE		
	100 GREEN MONO 25.00 1 SIDE	\$2500	
	MONO REVERSE SIDE ALL CHECKS		
	CLUB DEPORTIVO PANAMERICANO ALL MONOGRAMS IN GOLD		