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The Birth Of American Alcohol Control: Prohibition, the Power Elite, and the Problem of Lawlessness

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Preface

The first two decades of the twentieth century in the United States are commonly referred to as the Progressive era. The name derives, in part, from a political perspective shared by much of the new professional middle class, the old entrepreneurial and small-business middle class, and the new, growing corporate elite. Progressivism declared that local, state, and federal governments should regulate, control, and administer economic and social activity so as to make new, industrial, twentieth-century America a more economically prosperous, healthy, and orderly nation. Progressivism signaled the end of laissez-faire as the dominant political vision of American government.

In the early twentieth century, reformers concerned with what the nineteenth century had called the "liquor problem" developed two political and policy programs in accordance with progressivist principles. The first and triumphant approach was prohibitionism. The nineteenth-century temperance movement, which Progressive-era prohibitionism replaced, had been a broad and assimilationist movement to get people to give up alcohol and stay off it. The Progressive era prohibitionists created a single-issue campaign to pass laws restricting or eliminating the production and sale of alcoholic beverages. Prohibitionists argued that the new needs and conditions of twentieth-century industrial society – efficiency, rationality, order, and progress – required totally banning alcoholic drink.

The second new twentieth-century progressivist approach to the liquor question was alcohol control – sophisticated regulatory systems for the legal sale of alcoholic drink. The advocates of alcohol control shared many of the concerns and assumptions of prohibitionists, but they disagreed on one fundamental point: they did not believe that prohibition could ever be enforced, and they maintained that the ensuing law violation, public disrespect for the law, and corruption of the legal and criminal justice system were extremely damaging and dangerous. Though proposals for alcohol control systems were formulated by important reformers, professionals, scientists, and representatives of the corporate elite, and were being adopted by

some European countries, alcohol control was almost totally ignored in the United States until about the mid-1920s – until national constitutional prohibition proved to be unenforceable.

This article is the second half of a larger work which discusses the political, ideological, and policy concerns of prohibitionists and of proponents of alcohol control policy in the United States from the turn of the century to the mid-1930s. The main points made in the first half of that paper can be summarized as follows.

1. In the early twentieth century, an upper-class-sponsored policy organization called the Committee of Fifty to Investigate the Liquor Problem had published five books and had articulated a new, distinct twentieth-century perspective on the liquor question. The Committee of Fifty argued that in most of the United States, prohibition could never be enforced. They proposed, instead, flexibly designed and administered governmental programs to reshape and reorganize public drinking and to eliminate the saloon from working-class life. Their ideas were almost totally ignored from 1900 to 1920 (Levine 1983).

2. Prohibitionism triumphed partly because it successfully persuaded many middle-class Americans that banning alcohol would eliminate or significantly reduce the major social problems in the country. The temperance movement in the nineteenth century had based its appeals on the concerns of the old middle class: protecting the family, aiding personal success, reducing or eliminating crime and poverty. The twentieth-century prohibitionists added a new series of concerns: prohibition was justified in terms of the needs of a new, complex, heterogeneous, class-stratified, industrial, efficiency-oriented society. In 1919, on the day that national constitutional prohibition went into effect, the famous preacher, Billy Sunday, repeated before 10,000 people and a radio audience the central fantasy of the temperance and prohibition campaigns: “The reign of tears is over. The slums will soon be a memory. We will turn our prisons into factories and our jails into storehouses and corncribs. Men will walk upright now, women will smile and the children will laugh. Hell will be forever for rent” (quoted in Kohler 1973, p. 12). In short, prohibition was offered as a panacea for real social and economic problems.

Prohibitionism also triumphed for organizational and political reasons. The twentieth-century prohibition campaign was led by one organization – the Anti-Saloon League of America – the prototype of the modern political pressure organization. The Anti-Saloon League had paid organizers, backed candidates of either party who would vote as they wished, and drafted laws for their legislators to pass. The Anti-Saloon League successfully mobilized Protestant churches and, most significantly, received substantial support from businessmen and especially from the corporate elite. Although big business only turned strongly to prohibition after about 1913, its intervention made a decisive difference. If substantial elements of the corporate elite had opposed constitutional prohibition, it probably would never have passed. As the historian, James Timberlake (1970, p. 80), has noted, without the support of business, “national prohibition could never have attained such power and sweep.” Shortly after ratification, the Reverend Harry Emerson Fosdick, pastor of the prestigious and wealthy Riverside Church in New York City, observed that prohibitionists “could never have put the law on the statute books had not the business motive become involved.” “One of the basic facts necessary to understand the prohibitory campaign,” he said, “is that American business found it impossible to run modern

machines with drink-befuddled brains.... Canny, shrewd, businesslike America, knew that it would be a good financial bargain” (Timberlake p. 81).

3. After the Eighteenth Amendment to the Constitution and its enabling legislation, the Volstead Act, went into effect in 1920, the major utilitarian or instrumentalist criticism of prohibition was it was unenforceable. Tens of millions of people did not respect alcohol prohibition, refused to obey it, and there was in truth nothing effective that the federal or state governments could do to force obedience. Juries would often not convict bootleggers. Even if a huge force of federal agents had been hired, there never could have been enough to police every border, city, and town. And the agents could never have been paid so much that it would not have been profitable for them to look the other way at the crucial moment. All major cities in the United States, and a great many small cities and towns, flagrantly violated prohibition – drinking places were open all day and all night, drinking was common, and alcohol was plentiful.

4. Critics of prohibition argued that because prohibition was unenforceable it produced two extremely bad results: first, prohibition was an enormous financial drain in lost tax revenues; and second, mass violations of prohibition engendered widespread disrespect for all law – a condition usually termed “lawlessness.” These two issues, the loss of tax revenues and lawlessness were the major ones in undermining support for prohibition among the corporate and political elite as well as among the middle class. The following discussion focuses on the issue of lawlessness, partly because lawlessness has usually been ignored or misinterpreted. But, more importantly, the problem of mounting disrespect for law was very much on the minds of those who proposed and designed the systems of alcohol control which replaced prohibition in 1933.¹

5. During the 1920s, law enforcement, law obedience, and lawlessness were the major preoccupations of prohibitionists. They held conferences, enlisted the support of politicians including all three U.S. presidents, and argued that because prohibition was part of the Constitution, the most sacred law in the land, national survival required it be obeyed. The increasing disrespect for all law resulting from disrespect for prohibition law, they warned, could lead to anarchy and communism. Many prominent officials also warned about the consequences of lawlessness. For example, in 1928 Herbert Hoover made the issue of lawlessness central in his campaign for president. He promised to appoint a commission – a “National Commission on Law Observance and Enforcement” – to fully investigate prohibition. In his inaugural speech Hoover declared: “Our whole system of self-government will crumble either if officials elect what laws they will enforce or if citizens elect what laws they will support. The worst evil of disregard for some law is that it destroys respect for all law.” In July 1929, on the eve of the Great Depression, one news magazine (*Review of Reviews*, p. 64) summarized Hoover’s position, noting that “He has sought to impress on the nation that disobedience of the law is the most malign danger that faces the United States today.”

6. Just as one organization, the Anti-Saloon League, had dominated the making of prohibition, so did only one organization – the Association Against the Prohibition Amendment (the AAPA) – dominate the making of repeal. Not usually understood is that the AAPA was led, organized, and financed by some of the wealthiest and most conservative men in America. Headed by Pierre du Pont of du Pont Chemicals, and John J. Raskob of General Motors, the board of directors of the AAPA included the presidents and chairmen of the boards of many major

corporations. It was commonly referred to at the time as a committee of “millionaires.” There are two main reasons these men led the campaign for repeal. The original reason was economic: they believed that if liquor taxes were restored, their business and personal income taxes would be significantly reduced. A second reason the corporate rich turned against prohibition was their growing fear that disrespect for prohibition was producing widespread disrespect for all law, including property law. First pushed by prohibitionists, the argument that the widespread violation of prohibition law would lead to disrespect for all law was gradually adopted by those opposed to prohibition. By the end of the 1920s it had become part of the argument for modification of the Volstead Act, and for repeal.

I. THE COLLAPSE OF PROHIBITION

By 1929, prohibition was becoming undone. Its unenforceability had become a national scandal. William Randolph Hearst, who had editorially crusaded for passage of the Eighteenth Amendment and who had supported prohibition, changed his mind by the late 1920s. He sponsored an essay contest on the question of what could be done. The prize of \$25,000 was awarded to a New York judge who proposed modifying the Volstead Act to allow sale of beer and wine. Hearst came out for complete repeal shortly thereafter. In April 1929, in his newspapers around the country, and then in a book (Tietsort 1929), Hearst denounced Hoover and prohibition. “Of course, law enforcement machinery should be respected,” he said. “Of course there should be respect for law in the abstract.” But, he declared, “first there should be laws which deserve respect.”

Hearst’s defection from prohibition marked an important turning point: the argument that prohibition undermined respect for law had now fully become part of the argument for repeal. During the prosperous and relatively calm period of the 1920s, the threat of wider breakdowns of order, and of rebellion and revolt, was as Hearst said an “abstract” or theoretical issue. With the coming of the depression, however, it became a much more concrete problem.

During the 1920s, when prohibitionists warned about the consequences of widespread lack of respect for law, they would sometimes explicitly mention (and often hint about) Communists, anarchists, and industrial workers. During the first two decades of the twentieth century, socialists and radicals had become active in American politics and in union organizing; a number of them were jailed for opposing U.S. participation in World War I. The Russian Revolution, a wave of bombings in 1919, and a number of militant strikes, including a police strike in Boston (successfully broken by then-Governor Calvin Coolidge), further stimulated upper- and middle-class fears of working-class revolt. However, for most of the 1920s, the danger of revolt was more hypothetical than real. The Great Depression made communism, working-class revolt, and mass disobedience to law relevant and significant issues again.

The Great Depression: real lawlessness comes to America

Though the depression and its effects on mass consciousness and politics were not usually mentioned directly in discussions and debate about prohibition and alcohol policy, the real political context of the depression provided the unavoidable backdrop to all concerns about alcohol policy. It is important, therefore, to briefly review the depression and its effects on American society to understand the full concerns of politicians, policy makers, and the corporate rich as they decided on repealing prohibition and on the policies which would replace prohibition.

From 1930 on, destitution, impoverishment, and homelessness were no longer marginal phenomena but inescapable and terrible facts of life for millions. In *The Perils of Prosperity 1914-32*, William Leuchtenburg (1958) described some of the consequences of what he called the “Smashup.”

A year after the crash, six million men walked the streets looking for work. By 1932, there were 666,000 jobless in Chicago, a million in New York City.... In Cleveland 50 percent were jobless, in Akron 60 percent, in Toledo 80 percent. In Donora, Pennsylvania, only 277 of 13,900 workers held regular jobs. In the three years after the crash, 100,000 workers were fired on the average every week (p. 247).

In the 1920s, wealthy businessmen had often claimed credit for the prosperity. Now they were blamed for the depression. “Many Americans who had never had a ‘radical’ thought before in their lives” came to question and distrust the entire capitalist system. The head of the Farmers’ Union of Wisconsin told a Senate committee:

They are just ready to do anything.... The farmer is naturally a conservative individual, but you cannot find a conservative farmer today.... I am as conservative as any man could be, but any economic system that has in its power to set me and my wife in the streets at my age – what can I see but red” (Leuchtenburg 1958, p. 262).

The breakdown of order and the possibility of revolt were no longer theoretical issues. Leuchtenburg points out that “as the bread lines lengthened the mood of the country became uglier,” and “for the first time in history Lloyd’s of London sold large sums of ‘riot and civil commotion insurance’ to Americans.”

In July, 1931, 300 unemployed men stormed the food shops of Henryetta, Oklahoma. An army of 15,000 pickets marched on Taylorville, Illinois, and stopped operations at the Christian County Mines in 1932. In Washington, D.C., 3,000 Communist “hunger marchers” paraded From Bucks County, Pennsylvania, to Antelope County, Nebraska, farmers banded together to prevent banks and insurance companies from foreclosing mortgages. When sheriffs attempted to carry out foreclosures, mobs of farmers, brandishing pitchforks and dangling hangman’s nooses, persuaded the sheriffs to retreat.... In a national radio broadcast, John A. Simpson, president of the National Farmers’ Union, denounced the wealthy as “cannibals that eat each other and who live on the labor of the workers” (pp. 261-62).

By 1932 the United States was in the midst of an epidemic of “lawlessness” that seemed like the nightmares of the 1920s come true. With more than 15 million men out of work, riots, revolts, and the use of the armed forces to control hungry and angry men and women were becoming common (Leuchtenburg 1958, p. 32; Manchester 1974, p. 10). In Manchester’s words, “the sound of famished men on the march was heard from coast to coast.”

In New York, thirty-five thousand men and women packed Union Square to hear Communist party orators. Crowds in Oklahoma City, Minneapolis, and St. Paul broke into groceries and meat markets to rifle shelves.... In Lincoln, Nebraska, four thousand men occupied the State House, another five thousand took over Seattle’s ten story County-City building, and five thousand Chicago teachers, tormented beyond endurance, stormed the city’s banks. The sense of institutions, authority, and private property ... was showing signs of disintegration.... [There was] scattered aimless rioting in Detroit, where relief had simply stopped.... Here and there the starving were muttering violence. The

mayor of a Massachusetts town, watching two thousand idle men milling around his city hall, wrote that “a spark might change them into a mob.” Governor O. Max Gardner of North Carolina warned of the danger of “violent social and political revolution.” Mayor Anton Cermak of Chicago, faced with the state’s reluctance to appropriate funds for the city’s six hundred thousand out of work men, told the legislature, “Call out the troops before you close the relief stations” (Manchester 1974, pp. 10-11).

The possibility that American citizens might take not only the law into their own hands, but also property and government, was not lost on the upper class. As Manchester put it, “the well-fed were edgy.” Henry Ford, for example, “had always been a pacifist. Now he carried a gun.” In some cities, businessmen formed committees to take control “should railroad and telephone lines be cut and surrounding highways blocked.” New York hotels found that “wealthy guests who usually leased suites for the winter were holing up in their country homes.” Some had machine guns mounted on their roofs. A number of observers at the time concluded that the fears of the wealthy were justified—revolution seemed a real possibility. The dean of the Harvard Business School, for example, declared that “Capitalism is on trial and on the issue of this trial may depend the whole future of Western civilization.” The imminence of revolt was also debated by articles in *Yale Review*, *Scribner’s*, *Harper’s*, and *Atlantic* (Manchester 1974, p. 66).

The collapse of upper-class support for prohibition

The depression had two major consequences for the debate about prohibition and repeal. Both were crucial in undermining support for the Eighteenth Amendment. First, the depression destroyed any credibility for the long-standing prohibitionist claim that prohibition brought prosperity, and it fueled the new fantasy that repeal would end the depression by putting men back to work by stimulating the economy. In fact, the same kind of panacea-seeking that had long been a part of prohibitionist arguments now became part of the repeal case. Congressman Linthicum, for example, claimed that with prohibition repealed, the “depression will fade away like the mists before the noonday sun” (quoted in Sinclair 1964, p. 398).²

Second, the depression intensified anxieties about prohibition undermining the legitimacy of all law. Speakers and writers now also linked discontent about prohibition with the rise of radicalism. In 1930, Congressman Robert Clancy warned the House Judiciary Committee that “this is a rather dangerous time, with the people in the cities, which hold 60 percent of the population, in great discontent because of prohibition, and also in great discontent because of the employment situation.” Clancy reported that a few days before in Cleveland a mob of unemployed had attacked city hall and battled police. He said that “red” workers, socialists, and Communists were “taking advantage of the unemployment situation” in Cleveland and Detroit. Clancy warned that this was extremely dangerous, “because in my city 80 percent of the population are dissatisfied with the government because of its stand on the dry question, and that is true ... as you know, in the large cities of the United States, and there is also quite a bit of discontent in the rural communities” (quoted in Englemann 1979, p. 187). In 1931, Matthew Woll, vice-president of the American Federation of Labor (AFL) and the sole labor member of the AAPA board, told the Wickersham Commission that workers were losing faith in the

government's willingness to help them, and that prohibition was causing them to further distrust and resent government.

By 1932 a number of leaders and commentators were privately concluding, and some were publicly stating, that legalized beer would make workers feel better about the government and take their minds off their troubles. One AFL leader was quoted to Senate hearings in January 1932 as saying: "Beer would have a decidedly soothing tendency on the present day mental attitude of the working men.... It would do a great deal to change their mental attitude on economic conditions" (quoted in Gordon 1943, p. 104). And by the end of that year, Walter Lippman argued that "Beer would be a great help in fighting off the mental depression which afflicts great multitudes" (quoted in Gordon 1943, p. 104). At Senate hearings on prohibition in 1932, Matthew Woll again blamed the growth of radicalism in the United States on prohibition, and former Michigan Governor Fred Green argued that the survival of the American government depended on immediate repeal (Englemann 1979, p. 187).

The enormous discontent engendered by the depression shaped the political environment in which decisions about repeal and about alcohol policy were debated and ultimately decided. Some speakers and writers explicitly mentioned the riots and marches making headline news. Most others just assumed them. No one wanted to say too often or too explicitly that legalizing alcohol would reduce discontent, but clearly many people thought it.

The Wickersham Commission

The report of Hoover's National Commission on Law Observance and Enforcement played a significant role in the collapse of both elite support and public legitimacy of prohibition. Headed by George Wickersham, the U.S. Attorney General under William Taft, the commission was composed of trustworthy establishment representatives including "a former Secretary of War, a former state Chief Justice, a Circuit Judge, two District Judges, three practicing lawyers, the Dean of the Harvard Law School and the President of Radcliff" (Sinclair 1964). On January 20, 1931, Hoover released the report, announcing with approval that "the commission, by a large majority, does not favor the repeal of the Eighteenth Amendment.... I am in accord with this view." A two-page summary of conclusions signed by ten of the eleven commissioners did, in fact, oppose repeal and oppose legalizing beer and wine, or creating government beer monopolies. However, the report's conclusions also said that some commissioners "are not convinced that prohibition under the Eighteenth Amendment is enforceable."

In contradiction to the two-page summary, the report found widespread disobedience to prohibition and seemed to conclude that national prohibition could never be enforced. In their personal statements attached to the report, most of the commissioners also expressed little hope that the Eighteenth Amendment could be enforced. Two of them wanted immediate repeal and return of liquor control to the states. Four favored a government monopoly based on the Swedish example, as proposed by Henry Anderson. Two more favored Anderson's plan if further enforcement attempts failed. George Wickersham wanted the Eighteenth Amendment resubmitted, and if repealed he favored the Anderson plan. Only one commissioner seemed to still support prohibition in the hope that public support could eventually be generated.

The Wickersham Commission report was immediately attacked by newspapers and critics, who pointed out the contradictions between the facts described in the body of the report and the summary which Hoover signed. Walter Lippman charged that Hoover and the commission had evaded “a direct, explicit official confession that federal prohibition is a hopeless failure” (quoted in Kyvig 1979a, p. 114). A columnist in the *New York World* wrote an often-quoted satirical poem called “The Wickersham Report,” summing up a common view of the report’s conclusions:

*Prohibition is an awful flop.
We like it.
It can't stop what it's meant to stop.
We like it.
It's left a trail of graft and slime
It don't prohibit worth a dime
It's filled our land with vice and crime,
Nevertheless, we're for it. (Quoted in Sinclair 1964, p. 336.)*

The text of the commission’s report focused on the issue of law obedience and enforcement, and it was indeed very critical of prohibition. The commission warned of “the injury to our legal and political institutions” resulting from disobedience to prohibition. Arguing that it is “axiomatic” that “a law will be observed and may be enforced only where and to the extent that it reflects or is an expression of the general opinion of the normally law-abiding elements of the community,” the commission concluded:

“It is therefore a serious impairment of the legal order to have a national law upon the books theoretically governing the whole land, and announcing a policy for the whole land which public opinion in many important centers will not enforce” (p. 49).

The commission also warned that the “widespread and scarcely or not at all concealed contempt for the policy of the National Prohibition Act” was having a serious, detrimental effect on the attitude and consciousness of the working class. Under the heading “other sources of resentment and irritation,” the commission pointed out explicitly the class character of the resentment produced by prohibition:

In the nature of things it is easier to shut up the open drinking places and stop the sale of beer, which was drunk chiefly by working men, than to prevent the wealthy from having and using liquor in their homes and clubs. Naturally ... laboring men resent the insistence of employers who drink that their employees be kept from temptation. Thus the law may be made to appear as aimed at and enforced against the insignificant while the wealthy enjoy immunity. This feeling is reinforced when it is seen that the wealthy are generally able to procure pure liquors, while those with less means may run the risk of poisoning. Moreover, searches of homes, especially under state laws, have necessarily seemed to bear more upon people of moderate means than upon those of wealth or influence (pp. 54-55).

In their individual statements, some of the commissioners expressed concern about the consequences if this condition should continue. The strongest personal statement on this point was from William S. Kenyon, who worried about the effect on the general public of disobedience by “the ‘upper crust’ of society, meaning that portion of the very rich people of the nation constituting so-called fashionable society.” Kenyon said:

It has been frankly stated before out commission that many of these people of great wealth and prominence will not obey the prohibition laws, do not intend to, and boast of that fact that they will not.... If that is to be the standard of law observance, our government will fail. The forger and the bank robber, the highwayman and the embezzler, do not believe in laws that restrain them. There is no more reason why what is termed the “upper crust” of society should choose the laws they will obey than the same privilege should extend to the “under crust” (p. 132).

In the midst of the depression, Kenyon explicitly reminded the wealthy that they need law obedience more than most people: “This government will continue to be a government of law” he said, “or it will cease to be a government at all.” He continued:

“The day may come in this country when representatives of great property interests will realize they need protection of the law for the properties they represent more than other people need it” (pp. 132- 33).

A year and a half later, in the worst year of the depression, as a tent city was created in Washington, D.C., by World War I veterans called the Bonus Marchers who were demanding their long-overdue bonus payment, and as scattered riots occurred throughout the country, one prominent member of the upper crust finally concluded that enough was enough.

Rockefeller’s announcement

On June 7, 1932, John D. Rockefeller Jr. made headline news across the country. On the eve of the Republican convention, Rockefeller released to the press a letter he had sent to Nicholas Murray Butler supporting repeal of the Eighteenth Amendment. “I was born a teetotaler,” wrote Rockefeller. “All my life I have been a teetotaler on principle. Neither my father nor his father ever tasted a drop of intoxicating liquor, nor have I.”

He also repeated the well-known fact that “with my father, I for years supported the Anti-Saloon League in both state and national work;” contributing \$350,000 from 1900 to the passage of the Eighteenth Amendment in 1919. He did not say, mainly because the extent of his contributions had become so controversial, that he and his father had contributed an additional \$487,000 between 1919 and 1929 (Memo to R. Fosdick, June 4, 1932, Box 52, Rockefeller Archives).³ After all these years of support, Rockefeller said that he had “slowly and reluctantly come to believe” that the benefits brought by prohibition “are more than outweighed by the evils that have developed and flourished since its adoption.” Prohibition, therefore, should now be repealed.

Rockefeller's announcement was a bombshell. The *New York Times*, in one report from Washington, D.C., said that it "caused the greatest political sensation in the capital in years" (June 7, 1932, p. 1). Another *Times* article identified it "as perhaps the most dramatic single event bearing on the liquor question since the adoption of prohibition" (p. 12). Other stories reported "Drys are Resentful; Wet Chiefs Jubilant." The *Times* reported that "The wet forces generally accepted the conversion of Mr. Rockefeller as the greatest support that had been given to the repeal movement" (p. 1). *The New York Times*, like many other papers, carried the full text of the letter and for a number of days had major stories discussing reactions and consequences and quoting responses from other newspapers and prominent individuals around the country – most of which were extremely positive. Many people cited his courage and called on others to heed his advice. Governor Franklin D. Roosevelt hailed Rockefeller's statement; William Randolph Hearst declared that "this letter will do more than any document which has appeared in the whole discussion of the prohibition question" (*New York Times*, June 8, 1932, p. 1). In a long article on "The Rise and Fall of Prohibition" in *Current History*, the political scientist Louis Hacker (1932, p. 672) summarized the impact of Rockefeller's announcement:

The statement by John D. Rockefeller Jr., practically on the eve of the meeting of the Republican National Convention appeared exactly at the right psychological moment.... There can be no question of the influence Mr. Rockefeller's declaration had on the American public; that it must have borne real weight with the Republican and Democratic platform makers it is also hard to doubt.

Rockefeller based his case against prohibition on the problem of "lawlessness." He claimed that drinking and drinking places had increased under prohibition, and that temperance had not been furthered. He did not, however, mention the tax revenues to be gained from legalizing liquor, nor the idea that a revived liquor industry would put men back to work and stimulate the economy. For Rockefeller, the central issue was lawlessness. "When the Eighteenth Amendment was passed," he wrote, "I earnestly hoped with a host of advocates of temperance, that it would be generally supported by public opinion." But, he explained:

This has not been the result, but rather ... that a vast army of lawbreakers has been recruited and financed on a colossal scale; that many of our best citizens, piqued at what they regarded as an infringement of their private rights, have openly and unabashedly disregarded the Eighteenth Amendment; that as an inevitable result respect for all law has greatly lessened; that crime has increased to an unprecedented degree – I have slowly and reluctantly come to believe.

Rockefeller noted that he was not "unmindful" of the "benefits that have resulted" from prohibition. But, he warned darkly: "It is my profound conviction, however, that these benefits ... are more than outweighed by the evils that have developed and flourished since its adoption, evils which unless promptly checked are likely to lead to conditions unspeakably worse than those which prevailed before." Although he did not discuss any alcohol control policies, he implied their importance by noting that repeal of the Eighteenth Amendment will not by itself "end all these evils and restore public respect for law." However, he concluded, "repeal is a prerequisite to the attainment of that goal."

The main thrust of Rockefeller's argument about lawlessness was well understood. *The New York Times*, under the heading "For Obedience to Law," quoted previous statements he had made on the topic. The *Times* linked these previous concerns of Rockefeller's with his announcement, by noting: "In conformity with this view, Mr. Rockefeller in his letter to Doctor Butler declared that while the Eighteenth Amendment remains upon the statute books it should be obeyed" (June 7, 1932, p. 1).

On June 8, the day following Rockefeller's announcement, *The New York Times*' headline read: "Leaders of 2,500,000 Wets Unite to Fight for Repeal; Spurred by Rockefeller." A new organization, The United Repeal Council, with Pierre du Pont as chairman, was created to lead the fight. The *Times* also reported on that day that E. W. Edwards, a Republican delegate and president of "one of the largest banks in the Middle West followed John D. Rockefeller Jr. today in changing his viewpoint on prohibition." Like Rockefeller, Edwards had concluded that "this experiment in moral legislation has done more evil than good" (*New York Times*, June 8, 1932, p. 1). On the day after that, the *Times*' headline announced that Dr. John Mott, the world head of the YMCA, had come out for resubmission of prohibition to the states. Mott said he had made his announcement out of respect to the "many good men' like John D. Rockefeller Jr. who have changed their opinions on the issue." Later in June, another long-time prohibitionist, Alfred P. Sloan Jr., the powerful head of General Motors, came out for repeal. "It is my belief," said Sloan, "that our whole social and economic structure will in this manner be greatly strengthened." Sloan was now convinced that "the road toward greater temperance with a resulting better standard of ethics in our country is through repeal" (quoted in Englemann 1979, p. 187).

Repeal

In June 1932, a week after Rockefeller's announcement, the Republican party convention adopted what some critics called a "wet- moist-dry" plank, favoring resubmission of prohibition to the states and, if repealed, retention of liquor control by the federal government. The Democratic party convention, meeting two weeks later, endorsed repeal and return of liquor control to the states. Franklin Roosevelt's backers had actually fought for a weaker statement, hoping not to alienate some dry supporters. But when Roosevelt made his acceptance speech he endorsed repeal. Roosevelt, however, did not make prohibition a major issue in the election; he campaigned on a relatively conservative program, promising to balance the budget and ensure fiscal integrity. There was during the campaign little hint of the dramatic changes Roosevelt would introduce and the hopefulness he would generate. In 1932 the U.S. was still in the absolute darkness of the depression.

In December 1932 the lame-duck Seventy-second Congress reconvened. Representatives of the AAPA and its women's affiliate, the Women's Organization for National Prohibition Reform (WONPR), visited almost every senator, urging adoption of a repeal resolution. If Congress did not act now, they said, it would be a year until the new Congress convened. Further, over 40 state legislatures were still in session, but most of them would also not meet for a year or more. The leaders of the repeal forces argued that if a repeal resolution was submitted to the states by February, in time for the state legislatures to act, two years could be saved (Kyvig

1979a). On November 16, 1933, the Senate voted to submit the Twenty- first Amendment to state conventions for ratification. The House approved it on February 20.

Just the promise of repeal seemed to take people’s minds off the depression. Roosevelt was sworn in as president on March 4, 1933. On March 13, he asked Congress to modify the Volstead Act to legalize 3.2 percent alcohol beer, stressing the need for additional tax revenue. Congress quickly responded and on April 7 beer was legal in most of the country.

“A shiny new beer truck bearing a huge sign, ‘President Roosevelt, the first real beer is yours,’ delivered two cases to the White House at 12:04 A.M. on the morning of the seventh while a crowd of eight hundred cheered outside the gates.” This was a striking contrast to the scene ten months earlier, when the White House gates had been chained shut against the thousands of protesting Bonus Marchers. Now there were celebrations in cities and towns throughout the country. *The New York Times* reported that “Everywhere one went, in hotels, restaurants, clubs, homes, even in some speakeasies, people were drinking the new beer and smiling” (quotes from Kyvig 1979a, p. 177). In the middle of the depression it had begun to seem, as the campaign song had promised, that “Happy Days Are Here Again.”

Michigan voted repeal on April 3, and by the end of June, 16 states had passed repeal. By the end of October, 14 more states ratified, including several traditional prohibition strongholds. On December 5, 1933, Utah became the thirty sixth state to pass the Twenty-first Amendment. The Eighteenth Amendment was repealed.

II. DESIGNING ALCOHOL CONTROL: THE ROCKEFELLER REPORTS

In the months preceding and following repeal, the question facing the political elite was: What types of political and economic structures should be established to replace the Eighteenth Amendment? In the years before prohibition in the U.S., there had never been systematic control of the liquor industry. And the Eighteenth Amendment has not eliminated the industry, of course, but rather had profoundly altered its shape and constitution. In 1933 a huge, sprawling, and illegal industry for producing and distributing alcoholic beverages already existed. Composed of uncountable numbers of small, independent distributors and producers, and some larger ones, for 14 years this industry had, as everyone noted, kept the U.S. well supplied with alcohol. It was precisely the mass patronage of this industry – and the political and economic implications of that patronage – that had convinced prominent supporters of prohibition like Rockefeller of the necessity of repeal. Prohibitionists had always argued that unlike other industries, the liquor business was inherently unregulatable. Now the task was to show that was not true and to create structures to make the industry yield taxes and obey laws. In short, repeal posed a massive problem in social engineering and control.

During the 1920s and early 1930s, the AAPA and other opponents of prohibition had cited Canada and certain European countries, especially Sweden and England, as examples of control systems that worked. Many systems relied on government monopolies over retail sale. The AAPA in a number of publications seemed to support some version of this, but the problem remained how to transplant these foreign systems into American free-enterprise soil. There was also the additional difficulty of not establishing a system so restrictive that it too invited disobedience. Americans, after all, were by now quite used to disobeying liquor laws. The task, as the catchall title for all alternatives to prohibition stated, was “liquor control” – in the fullest sense of the term.

Rockefeller plans a report

In January 1933, a month before Congress sent to the states the proposed Twenty-third Amendment, John D. Rockefeller Jr. made another important decision. Governor Lehman of New York asked Rockefeller to serve on a committee to plan liquor legislation in the event of repeal. After discussing the matter with advisors, Rockefeller decided not to participate because the committee might be, in his words, “more or less political, that it might have on it members representing brewers, etc.” Rockefeller, however, came up with a better idea, as he wrote enthusiastically to Raymond Fosdick at the time:

I should myself undertake through various competent associates a thorough and complete study of the various methods which have been tried in various countries, looking toward the control of the use of alcoholic beverages, bring together this information in a printed volume, giving the points in favor of and against each method, and seeking in conclusion to offer certain concrete suggestions as to what might seem to be the wisest method to adopt (Letter to R. Fosdick, January 19, 1933, Rockefeller Archives).

Rockefeller wrote to Fosdick (who was in Europe) to ask him to head up this study. “I am enthusiastic about this matter,” said Rockefeller. “That I should sponsor something of this kind,

following my letter to President Butler last spring, seems natural and to be expected, and the least that I can do to help make effective for good the outcome which that letter advocated.” In fact, when Rockefeller came out for repeal, the strongest criticism he had received was that he had offered no plan to replace prohibition. He was now about to remedy that.

The man Rockefeller turned to, Raymond Fosdick, was tailor-made for the job. He was an attorney with a long interest in government policy. As a student of Woodrow Wilson’s at Princeton, he had been influenced by Wilson’s progressivist vision of public administration working closely with business. Fosdick met Rockefeller in 1915 as a staff member of a prostitution study of which Rockefeller was a board member. Rockefeller then commissioned Fosdick to research European police systems and to write two books showing what the United States could learn from them. Fosdick’s books, still classics and recently reprinted, compared the sloppy and politically controlled American police to the trained professional European police. Fosdick then helped design and administer the American boot camps for soldiers during the First World War – a major problem of social planning and control. During the 1920s, Fosdick regularly advised Rockefeller on his donations and relations to prohibitionists, and he probably drafted the famous letter to Nicholas Murray Butler. By 1933, Fosdick was on the boards of several Rockefeller family organizations; he was soon to become the head of the Rockefeller Foundation, a position he would hold for many years; and he would eventually write both the history of the Rockefeller Foundation and what is still the only biography of John D. Rockefeller Jr. Raymond Fosdick was truly Rockefeller’s trusted advisor.

Fosdick himself immediately asked Luther Gulick, the head of the Institute for Public Administration (IPA), to help *him*. The IPA, a Progressive-era research organization, had been short of funds in the 1920s and Fosdick, who was on the board of directors, had convinced Rockefeller to endow it. Luther Gulick, in part because of his relationship with Fosdick, was also tailor-made for the job. Gulick was soon to become a major figure in the field of public administration. Dwight Waldo, the intellectual historian of the field of public administration, has called Gulick’s approach “the classic theory” of public administration. Waldo summarized it as “the theory that, taking efficiency as the objective, views administration as a technical problem concerned basically with the division of labor and the specialization of function.” Writing about the classic theory, Waldo (1966) said that since its major statement in 1937,

a generation of young students have demolished the classical theory, again and again; they have uprooted it, thrashed it, thrown most of it away. By and large, the criticisms of the new generation have been well-founded. In many ways the classic theory was crude, presumptuous, incomplete, wrong in some of its conclusions, naive in its scientific methodology, parochial in its outlook. In many ways it was the end of a movement, not the foundation for a science. Nevertheless, not only is the classical theory still today the formal working theory of large numbers of persons technically concerned with administrative-organizational matters, both in the public and the private spheres, but I expect that it will be around a long, long, time (p. 37).

This conception of public administration, which Gulick wrote, which Fosdick supported, and which Rockefeller financed, was the one which shaped contemporary alcohol control policy. Gulick assigned two IPA staff members, Leonard Harrison and Elizabeth Laine, to research liquor control. Rockefeller also asked Albert Scott, an engineer and a friend who had worked

with him on a large missionary project, to head the study along with Fosdick. This constituted the core of what was called The Liquor Study Committee.

Toward Liquor Control

In the summer of 1933, the group assembled near the Rockefeller summer retreat in Maine to draft the report. Gulick, who came up late, explained what happened.

I soon sized up the situation. The Committee had already arrived at its conclusion before the study was started; the research was mostly window dressing to prove its case; what was needed was a good solid program to set up a new national system of liquor control to take the place of prohibition, and a report presenting the next steps in a clear and convincing form.

The first draft “had to be done by one man, with staff help at some minor points of course,” felt Gulick.

Fosdick naturally agreed and asked me to undertake the job. Of course, I had to say yes, but did so only with a promise from him to really put some time himself on the final task after I had a skeleton in hand.

So I drew up first a set of major program points based on my talks with Fosdick, Scott, Harrison and Miss Laine.... Next I designed a “report” using pieces from various staff memoranda.

This framework was approved by Scott and RBF [Fosdick]. Harrison, Laine, and I then went to work writing up the result. Finally, RBF went off by himself for a week and with a good deal of material which he then wrote, gave the report in its final form and life. The real style of the document and its statesmanlike quality is due to him. (Letter from Luther Gulick to Richard S. Childs, May 2, 1977, Rockefeller Archives.)

On October 6, 1933, two months before the final state would ratify repeal, Rockefeller again made front-page news, announcing the release of *Toward Liquor Control* by Raymond Fosdick and Albert Scott. That day’s press release contained the full text of Rockefeller’s introduction to the book.

Rockefeller’s statement began by reiterating his belief that total abstinence was best for the individual and society, and his conclusion that the attempt to enforce abstinence through the Eighteenth Amendment had been a “regrettable failure.” Because of that failure, said Rockefeller, “*an evil even greater than intemperance resulted – namely, a nation-wide disregard for the law, with all the attendant abuses that followed in its train.*” As a result, Rockefeller’s judgment was “[t]hat this intolerable situation should be done away with” and this task was “even more important for the moment than the promotion of temperance.” He reminded people that “It was for that reason that I took a position more than a year ago in favor of the repeal of the Eighteenth Amendment.” But repeal was only the first step in dealing with the problem. Therefore, he had commissioned Fosdick and Scott to study the question in order to develop

“carefully laid plans of control.” Rockefeller explained: “Rightly, *the first objective is the abolition of lawlessness*. Any program offered in lieu of the Eighteenth Amendment must make that its chief aim, *even if – and I weigh carefully what I say – the immediate result is temporarily away from temperance*. [Emphasis added.]” In his preface, Rockefeller stressed that generating respect for and obedience to the law should be the overwhelming concern of alcohol policy. “Men cannot be made good by force,” he said. “In the end, intelligent lawmaking rests on the knowledge or estimate of what will be obeyed.”

As Rockefeller indicated, the text of *Toward Liquor Control* made law obedience the central issue. In their recommendations, the authors declared that the first agenda was to rid the country of “the defiance of law that has grown up in the last fourteen years, the hypocrisy, the break-down in government machinery, the demoralization in public and private life, ... [and to] reestablish the integrity and dignity of the law” (p. 15). The introduction and conclusion to the book, both probably written by Fosdick, analyzed in some detail the issues involved in maintaining the legitimacy of the law. Under the heading, “The Limitations of the Law,” it was observed:

Law does not enforce itself. Its machinery must be set in motion and kept in motion by human beings. As Dean Pound of Harvard has pointed out, there must be something more than the abstract content of the legal precept to move human beings to act. Certainly the only standard which the law has any hope of enforcing is the standard prevailing in the community as a whole.... In brief, to use the blunt phrase of “Golden Rule” Jones, former Mayor of Toledo: “Law in America is what the people will back up.” Its authority is social acquiescence. Its life is in its enforcement. Victorious upon paper, it is powerless elsewhere. The test of its validity is the strength of the social reaction which supports it (p. 8).

The last pages of the book warned that law must be continually adjusted to the changing demands and customs of the population which it regulates and controls. “We need to be on our guard against any system of control that has outlived its usefulness and that no longer represents the prevalent ideas and attitudes of the community,” wrote Fosdick and Scott.

In the last analysis, there is but one fundamental rule to be followed – and all other rules are corollaries: If the new system is not rooted in what the people of each state sincerely desire at this moment, it makes no difference how logical and complete it may appear as a statute – it cannot succeed (p. 152).

Though few at the time recognized it, *Toward Liquor Control* had taken as its central conclusions virtually all of the central policy recommendations made by the Committee of Fifty 30 years before. The Committee of Fifty’s summary volume and the Rockefeller report both asserted that the legitimacy of the law must be of primary concern in liquor regulation. The reports agreed that the specific content of the law mattered less – far less – than that it be obeyed. Both reports urged that alcohol regulators adopt a flexible system, continually monitored and adjusted. And both reports advised that, if at all possible, government take over the selling of alcoholic beverages. Fosdick and probably the other study members had read the Committee of Fifty’s books. The Committee was quoted at length on the corruption and lawlessness resulting

from prohibition, now dramatically confirmed by national prohibition, and was listed seven times in the index, more than almost any other single item.

The specific plan for liquor control suggested by Fosdick and Scott, and their most controversial proposal, was that each state take over as a public monopoly the retail sale for off-premises consumption of spirits, fortified wine, and beer above 3.2 percent alcohol. “The primary task of the Authority would be the establishment of a chain of its own retail stores for the sale of the heavier alcoholic beverages by package only.” The government-run outlets of Quebec and other Canadian provinces, Sweden, Norway, Finland, and the Carlisle State Management Scheme in England were cited as working examples of such a plan. This quickly became known as the “Monopoly plan” and was usually called the “Rockefeller plan.”

For those states not willing to establish government liquor stores, Fosdick and Scott proposed a parallel system: “regulation by license.” England was cited as the best example of a working license system. A single, nonpartisan board appointed by the governor would have statewide authority to issue liquor licenses and regulate the industry. There would be no “tied house” permitted, that is, no retail establishment owned directly by a distiller or brewer or under exclusive contract.

For both plans, *Toward Liquor Control* outlined a detailed set of matters over which the state agency would have jurisdiction. These included the power to acquire real estate and other capital by purchase, lease, or condemnation; determine and change prices at will; establish a system of personal identification of purchasers; issue permits for and regulate the use of beer and wine for off-premises consumption and for on-premises consumption in “hotels, restaurants, clubs, railway dining cars, and passenger boats”; require alcohol manufacturers and importers to report on quantities; regulate or eliminate alcoholic beverage advertising; determine the internal design, visibility from the street, hours and days of sale, number, and locations of alcohol outlets.

Although it described guidelines for a licensing plan, *Toward Liquor Control* favored the monopoly plan over private businesses. The possibility of increasing profits, they said, would encourage private businesses to sell more alcohol, buy political influence and lax enforcement, and violate laws. The chief advantage of government- owned liquor stores was explained by Rockefeller in his foreword. “Only as the profit motive is eliminated,” Rockefeller wrote, “is there any hope of controlling the liquor traffic in the interest of a decent society. To approach the problem from any other angle is only to tinker with it and to insure failure. This point cannot be too heavily stressed.” The irony of a Rockefeller speaking about the dangers of the profit motive was not lost on observers at the time. Like others, Rockefeller and his associates had concluded, probably correctly, that government ownership of retail sale brought greater powers to regulate and control behavior, and ensure obedience to the law.

The sophisticated public relations operation run by Ivy Lee, which handled other Rockefeller announcements and projects, made sure that the report received maximum attention. After the October 6 announcement, the book was released in regular portions and sent out to newspapers and magazines as major press releases. Many newspapers, like *The New York Times*, published each portion of the book as it arrived. Two and a half weeks later, the last

installment was released, the book was officially issued, and thousands of copies were sent out to the press, state legislators, policy makers, and influential citizens.

Not surprisingly, the response to *Toward Liquor Control* was very favorable. *The Chicago Daily News* told its readers that the book's conclusions "are well worthy of careful study by law makers. They are the conclusions of enlightened and liberal minds and are based on common sense." *The New York World Telegram* said that it contained "excellent general reminders and guides," and *The Baltimore Sun* reported that "The Rockefeller report has done a service to the country and to the cause of temperance." (All quoted in *Literary Digest*, October 28, 1933.) *The Nation* praised it twice. On November 8, in a full-page, signed editorial, the editor of *The Nation* declared: "John D. Rockefeller, Jr. Does a Fine Job." Rockefeller, he said, had "rendered a public service of great value in sponsoring the book," and "nobody should be allowed to discuss the problem hereafter unless he perused the volume." Two weeks later (on November 22), another article in *The Nation* urged that *Toward Liquor Control* "be placed immediately in the hands of all who will participate in liquor control legislation," and commended Rockefeller, "perhaps the outstanding pillar of the profit system," for recommending that the profit motive be removed from the liquor business. *The Commonwealth* said in November that "few, if any, more timely practically useful acts of public service have ever been performed in the field of social research than the study sponsored by John D. Rockefeller, Jr."

Rockefeller himself received a great deal of mail thanking him for the report. Edgar Allan Poe, Jr., one of the leaders of an antiprohibition organization, the Crusaders, told him that he intended to draw upon it "extensively in some speeches I have been asked to make in the City with relation to our Liquor Control Bill." The governor of Virginia wrote to Rockefeller twice, first to praise him, and then to say he had asked Fosdick and Scott to consult with him about setting up Virginia's liquor control. (All letters are in the Rockefeller Archives.)

The most pertinent letter Rockefeller received (from the point of view of this article) was from Francis Peabody, the former secretary of the Committee of Fifty. Thirty years earlier, in 1904, Peabody had edited *The Liquor Problem*, the summary volume of the committee's conclusions. Now, Peabody, a personal acquaintance of Rockefeller, wrote to express his approval and to say "how much satisfaction I have found in the Report of your agents." Peabody said that he agreed completely with the plan for a government monopoly, and that he thought that the Fosdick and Scott report concurred with the aims of the group that "some thirty years ago I had the privilege of organizing." Peabody had every reason to be gratified: the Committee of Fifty's views had finally triumphed, validated in the most prestigious way imaginable.

The report also received some criticism. *The New York Daily News*, for instance, dismissed it, observing that Rockefeller's "contribution to the Anti-Saloon League did a lot to foist Prohibition on us." The *News* argued that "the people can solve their liquor problems better than John or any other reformed Prohibitionist can" (quoted in *Literary Digest*, October 28, 1933, p. 10). Perhaps the most trenchant criticism of the book was a review in *Christian Century* (November 11, 1933), titled "Fitting the Law to the Lawless," by a moderate prohibitionist (W. E. Garrison). "It seems fair to say," said the reviewer, "that the guiding principle in the report is the desire to construct a system which will be satisfactory to the people who want to buy and

drink liquor that they will not find the legal hindrances annoying.” While the author did not argue with that point, he did draw out some of its broader implications:

In the very foreground of the Rockefeller report's argument is the wish to “reestablish the integrity and dignity of the law:” Yet the assumption is that the people who want to drink alcoholic beverages have firmly determined that they will not respect any law which conflicts with their desire.... I find in all its pages not one glimmer of hope that anybody will obey, or ought to be expected to obey, any law that does not tell him to do what he was going to do anyway. The authors may be right. I am not arguing the point except to say that adjusting the law to the wishes of those who have shown themselves despisers of law (meaning patrons of the bootleggers) does not seem to me a procedure well calculated to “reestablish the integrity and dignity of the law.” There is a story, so old that it may have been forgotten, of a man who orders his dog to go outdoors. Instead, the dog slunk under the bed. “Very well,” he said sternly, “go under the bed. I will be obeyed.”

This reviewer had correctly seen that the Rockefeller Commission's plan for alcohol control was concerned with creating the immediate *illusion* of authority and control. What he had not understood, however, was the importance of that illusion in the short-and long-term process of developing and maintaining real authority and control over the alcohol industry, and over the larger society. The legitimacy and authority of all law required that this alcohol law appear to be effective. For the sake of the whole system of state regulation, as well as the possibility of any future workable alcohol regulation, alcohol law did indeed have to be “fitted” around those who were willing to violate it. It had to be made to seem as if the masses of people were obeying the law.

Alcohol control laws

Fosdick decided that *Toward Liquor Control* would contain detailed guidelines but would not propose model laws. He understood that it was an important task, and he assigned Luther Gulick to write the sample law. Gulick, who eventually became something of an expert in drafting model laws, turned to another progressivist organization, the National Municipal League, to draft a model liquor control law. Gulick gathered what he called “a dozen close friends and members of our IPA board” with ex- governor Frank O. Lowden as chairman, and formed The Committee of Liquor Control Legislation of the National Municipal League. Gulick served as secretary of the committee. On November 11, 1933, a month before repeal went into effect, at the National Municipal League convention, the committee endorsed the Rockefeller report and the Liquor Authority plan.

The National Municipal League Convention also heard an address on the principles of liquor control legislation by Pierre du Pont. As head of the AAPA, du Pont represented the only powerful group speaking on the topic of alcohol control. Besides having led the fight for repeal, the directors of the AAPA were the top executives and board members of many major corporations. Clearly, what they thought about alcohol control would be important. Without explicitly saying so, du Pont overwhelmingly supported the conclusions of *Toward Liquor Control*. In his address he listed what he called “the fundamentals of satisfactory liquor control;”

and the first two points he listed were the central conclusions of the Rockefeller report. First, he declared, “All operations concerning the manufacture, sale, transportation and use of alcoholic liquors must be brought into legal and honorable channels as quickly as possible *in order to restore respect for law* and respect for a national morale that has suffered much under prohibition.” And second, he recommended, “The places and time for sale of alcoholic beverages must conform to popular demand, even though we may deplore the existence of this demand and may be tempted to turn to prohibitory law and forceful methods for its regulation or suppression.” In short, du Pont ringingly seconded the general principles of alcohol control outlined by Fosdick and Scott.

The statement of the committee, the draft of the Model Law for a State Alcohol Authority, and the speeches were published in a supplement to the *National Municipal Review* in January 1934, the first month of Repeal, and widely circulated to legislators throughout the country. State legislators faced with difficult political choices, and with little personal expertise in the subtle question of liquor regulation, turned to the authoritative and virtually unchallenged plans of the Rockefeller commission and the National Municipal League. Gulick estimated that the monopoly law was taken almost verbatim by 15 states, and the licensing law served as the text or draft for many more (Letter from Luther Gulick to Richard S. Childs, May 2, 1977, Rockefeller Archives).

After Repeal

In 1936, a second volume of the Rockefeller-sponsored Liquor Study Committee was issued. Written by Leonard Harrison and Elizabeth Laine, staff researchers on the first book, it included an introduction by Luther Gulick. The book, *After Repeal: A Study of Liquor Control Administration*, analyzed the results of liquor control after “a two year trial,” and described the most important changes and innovations in liquor administration instituted since repeal.⁴

The overall thrust of the report was that, with some understandable exceptions, alcohol control worked extremely well. Still, the last pages of the book emphasized what the authors regarded as the central issue:

In a very real sense the whole administrative task of liquor control is one of law enforcement.... Two decades ago, the public believed that the evils connected with the liquor traffic would not or could not be corrected by public officials and that prohibition was the only remedy. A national revulsion against the breakdown of law enforcement was what caused prohibition's repeal. The liquor issues of the future will be decided, as always before, on the basis of success or failure in enforcement of whatever kind of control is attempted.

III. REGULATING DAILY LIFE: THE ORDER OF ALCOHOL CONTROL

The two Progressive-era liquor reforms, prohibition and alcohol control, shared a common political and economic agenda. Both sought to alter the entire terrain of alcohol production, distribution, and consumption. They agreed that the state and law were appropriate mechanisms for doing that. Both sought centrally directed efforts at transforming the industry and social life associated with drinking. The Anti-Saloon League, on the one hand, and the Committee of Fifty and the Rockefeller reports, on the other hand, rejected laissez-faire models of the state. Unlike the general thrust of nineteenth-century temperance and prohibition crusades which saw social change arising from a broad reformation of the character and morals of the American people as a whole, the Progressive-era efforts sought to impose laws primarily because of people's flawed characters and morals. In Gusfield's terms (1963), whereas the nineteenth-century reformers sought "assimilative" reform, the twentieth-century approach was "coercive" reform.

Because alcohol control has seemed so much more "permissive" than prohibition, alcohol control's coercive and interventionist character has been largely unnoticed – it has seemed "natural" and unproblematic. For example, in his recent study of the AAPA, David Kyvig (1979a) has argued that what really motivated the wealthy men who led the fight for repeal – in addition to reducing taxes and concern for lack of respect for the law – was a deeply felt conservative libertarianism: they were appalled by the intrusion of government, especially the federal government, into so personal a matter of daily life as drinking alcohol. Kyvig argues that the heads of the AAPA, including du Pont, Raskob, Sabin, and others, were motivated by a fear that government was, in effect, becoming an intrusive "big brother" interfering with all aspects of social and economic life. Kyvig's argument makes a certain amount of sense: these wealthy industrialists and bankers strongly disliked some kinds of government regulation. In the 1930s, after winning the fight for repeal, they constituted the core of the big business opposition to Roosevelt. Reorganizing themselves as the Liberty League, they opposed Roosevelt's programs for Social Security, the WPA, and other welfare and social service programs – they even opposed child labor laws (Wolfskill 1962; Kyvig 1979b). However, the leaders and board of the AAPA clearly were not against all government regulation. They were much more class-conscious and self-interested than Kyvig implies, and they sometimes found government intervention useful when it served their interests.

Alcohol control was not, in fact, the diminution of government control over daily life, and it aimed not to reduce government involvement in the production and distribution of alcohol. Rather, alcohol control aimed to substantially strengthen and enhance government power and involvement. The advocates of liquor control proposed to construct and administer a system of regulation far more pervasive, intrusive, and effective than anything before established in the United States. The leaders of the AAPA did not shy away from such government involvement – they welcomed it and encouraged it. After repeal, for example, Pierre du Pont sat on the Liquor Control Board of Delaware for a number of years, as did other leaders of the AAPA and its sister organization, WONPR, in other states. Some of the control systems they advocated, the Swedish model in particular, were remarkably intrusive. The Swedish system, usually known as the Bratt plan, required that each citizen be issued a passbook which would be stamped every time he or she bought alcohol, and each person would be rationed a specific amount each month.

A historical parallel helps to pinpoint the issue. Michel Foucault (1979) has observed that penal reformers at the end of the eighteenth century who sought to eliminate torture as a means of punishment are usually pictured as humanitarians seeking to eliminate the excesses and inhumanities of torture. They were, says Foucault, concerned with these things, but they were concerned with more. The reformers had become convinced that torture no longer worked as a system of control. Its excesses and arbitrariness enraged the very population it was meant to intimidate. Instead of standing in awe in front of the scaffold, angry mobs tore it down. Foucault argues that the penal reformers, middle-class followers of the Enlightenment, had not only a negative aim, the elimination of the excesses and brutalities of torture, but also a positive aim, punishment and correction that really worked. In Foucault's words: "They sought to insert the power to punish deeper into the body politic." Similarly, I am suggesting that the advocates of alcohol control wanted more than the elimination of the problems created by the Eighteenth Amendment. The advocates of alcohol control also sought greater and more effective regulation of the alcohol industry as a way of further controlling a range of everyday behaviors, experiences, and thoughts associated with drinking. They sought to insert the power to regulate deeper into everyday life by intervening into every aspect of the production and distribution of alcoholic drink.

During Prohibition, the liquor business was wide open. Speakeasies closed when they wished or not at all; they sold whatever they wanted, to whomever they wanted, at whatever price they wanted. They decorated as they wished, provided whatever food or entertainment they wished. Producers made alcohol in any strength they wanted, in any way they wanted, using whatever products they wanted. Neither producers nor distributors paid any taxes (except for payments to police and politicians) and they were not regulated by any government agency. During national prohibition the liquor industry was probably the freest big business in American society.

Alcohol control, on the contrary, was premised on massive government intervention into every aspect of the liquor business. Controversial issues, such as whether food must be served, women admitted, music and games banned, bars and barstools allowed, all had to be settled. The number, types, and locations of on-premises and off-premises outlets, and their hours of sale, had to be determined. Producers had to be regulated to ensure that products were safe and of a uniform alcohol content. In order to eliminate untrustworthy or disreputable persons, both producers and distributors had to be screened and licensed, and they had to be made to pay taxes. Moreover, this all had to be done so as not to upset the abstaining portion of the population – about half the adults. And it had to be done without making regulation so tight, or taxes so high, that drinkers preferred to patronize their bootlegger or speakeasy – to return to patterns of law disregard. Constructing alcohol control, in fact, involved issues of government regulation so large as to make some of the classic Progressive-era concerns –regulating meat-packing, for example – seem paltry in comparison. Except for national prohibition, alcohol control is probably the most striking twentieth-century example of government force used to fundamentally reshape an entire industry and the way its products are consumed.

Transformations

Post-repeal regulation transformed the alcohol beverage production industry. Other nations, notably Finland, had nationalized production of spirits, but such proposals were not seriously discussed in the United States. Instead, production was monopolized by a relatively few corporations. Alcohol control transformed production even more dramatically than had prohibition. Before the Eighteenth Amendment, liquor was produced by many small distillers and a number of larger ones. During Prohibition, the distilling industry was further divided: many more small and individual distillers operated profitably. However, within four or five years of repeal, 75 to 90 percent of all distilled liquor in the United States was manufactured by only four corporations (Culver and Thomas 1940). The beer industry, while more diverse nationally because beer required local and quick distribution, was monopolized by region or area. Both federal and state regulatory agencies preferred to deal with a few large corporations – they were easier to police, to make agreements with, and more likely to be concerned with keeping the image of the industry clean and respectable. This pattern of monopolization was not unique, of course: most major American industries – steel, automobiles, soft drinks, chemicals, for example – were increasingly dominated by three or four corporations. Alcohol production was exceptional only in the speed of monopolization.

While production was monopolized, distribution was splintered and scattered. Perhaps the most important long-term innovation in post-Prohibition alcohol regulation was that it distributed the legal selling of alcohol to a wide variety of sites. Before national prohibition the saloon had been a single, all-purpose institution – there one drank beer, wine, or spirits, and there one purchased for off-premises consumption a bottle of spirits or a bucket of beer (beer canning and bottling had not yet developed on a large scale; most pre-Prohibition and Prohibition-era beer was keg beer). After repeal, alcohol control created several different types of establishments to sell alcoholic beverages. In most states special stores were created to sell only distilled liquor – often they could not sell any food at all, or even cigarettes. Beer, on the other hand, was made relatively widely available in bottles and cans – grocery stores and small markets were licensed to sell it. In other words, after Prohibition, alcohol was increasingly separated from the public drinking place; drinking became increasingly privatized. Whether alone or with others, drinking became something more commonly done at home. By 1941, off-premises consumption accounted for the majority of alcohol sales (Kyvig 1979a, p. 189). Finally, distribution was severed from production: “tied house” laws in most states banned or restricted economic connections between producers and retailers.

The character of public drinking was significantly altered by these legal and regulatory changes. A new class of licenses for on-premises consumption of beer only, or of beer and wine, was established and liberally issued to restaurants, diners, cafeterias, and greasy spoons. This separated out the barroom selling distilled liquor and beer as a distinct institution. Many state alcohol control laws made provision for a local option whereby a county government could prohibit specific kinds of liquor selling within its borders. This option has been widely exercised. As late as 1973, of the 3,073 counties in the United States, 672 prohibited sales of distilled liquor by the drink for on-premises consumption, and 545 totally prohibited sales of distilled spirits (Joint Committee of the States 1973).

Under alcohol control, all establishments for on-premises consumption of spirits were specifically restricted and shaped in a multitude of ways. In some areas, spirit sales were limited to bona fide restaurants with laws specifying how many feet of kitchen space and how many food preparation workers there must be. All or most states have restrictions on the following: the number of entrances and their locations – back entrances are usually prohibited; the times of day and days of the week a place selling alcohol may be open; what decorations are prohibited; the degree of visibility of the interior from the street; the numbers and uses of other rooms; distance of the establishment from churches, schools, and other alcohol outlets; whether customers may sit at a long bar – a counter with a foot railing – or whether they must sit at tables; the ratio of chair seating to bar seating. Many states prohibit dancing or live music except under special license. Most gambling or betting is prohibited, and other games are restricted as well – for many years, New York and other states did not allow barrooms to have pinball machines. Many states specifically ban the use of the word “saloon,” others the use of the word “bar,” and some prohibit all words to indicate a drinking place. In California until recently the only sign allowed other than the name was a symbol, a tilted glass with a stirrer.

The effect of all these changes was to eliminate the saloon as it had been. For the Committee of Fifty, the most noxious feature of the saloon was not that it sold drink, but that it was the center of working-class social life – the “workingman’s club.” From this stemmed its subversive character. As the committee explained, “liquor dealers are not the proper persons to have charge of the social life of our American working people.” Because it was the saloon’s “social functions” and not its beverages which were most problematic, the committee did not call for prohibition. Rather, the committee sought what it called bluntly “the legislative repression of the social side of saloon life.” This agenda was shared by prohibitionists, of course: in 1933 wets as well as dries agreed that suppression of the traditional working-class saloon was one of prohibition’s truly valuable achievements. Alcohol control has extended and made permanent the transformation begun during Prohibition. The barroom is no longer *the center* of (male) working-class social life, and working-class leisure has been systematically integrated into traditional middle-class patterns, especially into home life. New amusements and activities, many of which include drinking, have become “substitutes for the saloon” as the Committee of Fifty proposed. The barroom has ceased to be the primary meeting place for union organizers and leftists, and mainstream politicians no longer find it a major recruiting agency. One does not go there to get a job or help from a politician. In certain carefully controlled forms, the working-class *drinking* place remains, but it exists in an entirely different context from the old saloon, and with none of its political and economic functions.

From a pre-Prohibition or Prohibition-era perspective, there are two other surprising characteristics of post-repeal alcohol control. First, virtually all laws and regulations are obeyed. Drinking places, for example, scrupulously stop serving and collect glasses at the required hours; and they observe the regulations about tables, dancing, decorations, signs, entrances, and so on. Overwhelmingly, alcohol law is obeyed.⁵ Second, post-repeal alcohol regulation is usually not perceived as especially restrictive by customers. The many laws and restrictions are rarely noticed or are completely taken for granted.

A third, less surprising characteristic of post-repeal alcohol control is that policy is not aimed at maximizing what nineteenth-century and Progressive-era reformers called “temperance” – meaning, above all, reducing habitual drunkenness or repeated heavy drinking as a way of reducing other social problems, especially poverty, crime, individual failure, family dissolution, violence, and illness. Those are not the aims of alcohol control. In his preface to *Toward Liquor Control*, Rockefeller maintained that such things could not be the concerns of liquor regulation – they would have to be taken up by other agencies and incorporated as part of broader educational efforts. In effect, alcohol control carved out a separate space or a distinct series of tasks, apart from the issue of liquor regulation, for public education and health. And since repeal these tasks have been taken up by a number of independent and government groups, notably Alcoholics Anonymous and the National Council on Alcoholism, various state alcoholism agencies, and in 1970 a federal agency – the National Institute on Alcohol Abuse and Alcoholism. Alcohol control is concerned with public order and not public health.⁶

For nearly 50 years, alcohol control has smoothly, quietly, and effectively organized and managed not only the production, distribution, and sale of alcoholic beverages, but also much of the social life associated with drinking. What once seemed impossible was actually achieved very quickly and efficiently. It is a coercive system, but one designed in a particular way – as the *Christian Century* (Garrison 1933) noted: to some extent regulation has been shaped around the preferences of drinkers and the desires of the alcohol beverage industry. As the Committee of Fifty recommended, alcohol regulation has been concerned above all with promoting “order, quiet, and outward decency” and has sought “all external, visible improvements.” It has successfully done this by working *to keep friction and conflict between individuals and the system to a minimum*. The social environment of drinking – how it is sold, where, when, in what kinds of places – all this has been subject to intense manipulation. Yet unlike the situation under contemporary marijuana prohibition, for example, individual consumers are rarely cited for violating liquor laws: they do not come in conflict with the state; normally they do not even feel it impinge. Alcohol regulation is not a part of everyday consciousness and therefore it does not raise any broader political questions about law or government.

A general, comprehensive set of principles has been articulated from the Committee of Fifty, to both Rockefeller-sponsored books, to the most recent report by the organization of alcohol control administrators (Joint Committee of the States 1973). Since the early twentieth century, all authorities have agreed that the regulation of this particular area of daily life requires minimizing political, ideological, and cultural resistance to the regulatory system while maximizing social control and order. The system is organized so that the task of administrators is to maintain social order and discipline by flexibly using the powers contained in a battery of potential interventions. The image and example of “lawless” unregulated prohibition are available as a sort of rhetorical and ideological resource, and are cited even in present-day publications: “We don’t want to bring back the situation of prohibition when there was no law or regulation” is the warning. The alcohol beverage industry now has much to lose by disorder; the handful of corporations which monopolize production have a major stake in keeping the system functioning without resistance. The underlying logic of alcohol control has become institutionally, ideologically, and administratively hegemonic: the most important tasks are maintaining orderliness, obedience to law, and the acceptance of the broader government system of regulating daily life.

Despite frequent claims to the contrary, alcohol control has of course sought to legislate morality – not the morality of the nineteenth-century Victorian middle class, but the morality of the new business and professional middle class, of the corporate elite, and to some extent of the twentieth-century working class. Production has been monopolized, distribution scattered, and the working-class “saloon” stripped of its political and economic functions. Unlike other “vices” or “pleasures” – prostitution, gambling, marijuana, heroin, or cocaine – alcohol is not an outlawed industry in the hands of independent entrepreneurs paying off police and government officials. The heads of the major alcohol- producing corporations are members of the economic establishment with an investment in maintaining order and obedience to law. All of this happened, I am suggesting in this article, not because people voted for it, or because it was “natural,” but for specific historical and sociological reasons.

IV. CONCLUSION

The passage of the Eighteenth Amendment was not inevitable, nor was the creation of alcohol control when and in the form it was instituted. National prohibition would not have been enacted without a mass movement organized around the idea that alcohol was a destructive and demonic substance. But the existence of that movement, and of the public support it gathered, was not enough to pass an amendment to the Constitution. Many issues with a majority of public support – the recent Equal Rights Amendment, for example – do not get written into the Constitution. The Eighteenth Amendment was ratified in part because no significant elements of the corporate elite opposed it, and a number of important corporations and individuals supported it. Wealthy businessmen supported prohibition because they thought it would reduce crime and other social problems; make workers more efficient, productive, and disciplined; and eliminate the saloon as a center for working-class social and political life. To many businessmen at the time, prohibition seemed like a good deal.

However, the Eighteenth Amendment and the Volstead Act created new problems that members of the corporate elite came to regard as detrimental and threatening to their economic and political interests. Some, notably the leaders of the AAPA, believed that prohibition was costing them a great deal of money because of lost liquor tax revenue. They and others also believed that prohibition was turning the working class and much of the middle class against the government and law. Prohibitionists in the 1920s were the first to argue that mass disobedience to prohibition was creating disrespect for all law, including property rights, and helping the cause of Communists and radicals. Increasing numbers of those opposed to prohibition became convinced of that during the 1920s, but it took the upheavals and devastation of the Great Depression to fully make the threat of mass revolt seem real to significant elements of the political and economic elite.

Respect for capitalism and the legal order it required did indeed appear to be coming undone in the 1930s. To many people, law and government in the United States no longer seemed to be concerned with the interests or the welfare of most people. The Great Depression created the most serious crisis of the legitimacy of the state and of law in twentieth century America, and most establishment observers concluded that prohibition was making things worse. The Wickersham Commission found that prohibition was inducing law disobedience, undermining respect for law and government, and fostering resentment among the working class. In the early 1930s, a number of wealthy businessmen who had originally supported prohibition turned against it because they became convinced that the lack of respect for law generated by prohibition, coupled with the conditions of the depression, had created an explosive situation. As Sinclair (1964) has pointed out:

This lawlessness, spawned by prohibition, now threatened to spread with mass unemployment, and shake the roots of society. The same employers who had supported the Eighteenth Amendment a decade earlier to benefit themselves and their workers now advocated repeal to protect themselves from their workers. They hoped that legal beer would relieve some of the social tensions of the time and lessen class hatred (p. 384).

Nineteen thirty-two was probably the worst year of the depression. There seemed to be nothing that anyone could do to affect the economy: the presidential campaign produced no new economic proposals or program – Roosevelt campaigned on fiscal conservatism and balancing the budget. But significant elements of the elite had concluded that at least something could be done to remove one major source of public resentment. The Repeal Amendment was speeded through Congress and then the states – it was made available for people to vote on – because Rockefeller and the directors of the AAPA, and those they represented, were convinced that something had to be done to restore some degree of public confidence in law and government and to reduce public resentment of government.

The state policy for regulating liquor which was established at that time sought to carve out an area of social life where law was obeyed, where the system worked. As late as 1931, repeal had still seemed impossible. As a result many people, especially representatives of labor, proposed not repeal but modification of the Volstead Act to allow for legal sale of beer and wine. This was unacceptable to Rockefeller and the AAPA because it still left a large area of drinking behavior illegal and thus did not speak to the central issue of developing respect for law. Only by creating a situation where every aspect of drinking could be legal would a fully “lawful” environment be established. And the alcohol control policy which was established did help to affirm the legitimacy of the state and its law. The rebelliousness and discontent associated with liquor restriction were eliminated almost immediately: the taxes were collected and the laws obeyed.

It is important to recognize, however, that the institutionalization of alcohol control was by no means a complete victory for the corporate elite. Many of them, perhaps most, had supported prohibition and only reluctantly gave up on it. Those like Rockefeller who changed their minds in the 1930s had repeal forced upon them by the very population they sought to control. Unable to end the depression, and unwilling to make significant economic changes, they felt obliged to make symbolic and cultural changes – to make it cheaper and easier for working people to drink. Legal sale of alcohol did not, of course, quell riot and revolt. That was largely accomplished by Franklin D. Roosevelt and the symbolic and real measures of the New Deal. But elite and upper-class support for repeal, set in motion before Roosevelt took office, was the first and perhaps final unified response to the depression of nearly the whole capitalist class.

The often-cited lesson of prohibition – that one cannot legislate morality – is actually a way of addressing in a kind of shorthand code a more complicated problem. It is what Rockefeller and Fosdick spoke to directly in *Toward Liquor Control*: the problem of how an elite can regulate society in its interests while obtaining the consent of the governed. Rockefeller and Fosdick were acutely aware that they were attempting to use the state to control a volatile population which could nullify, by individual and collective action, any law – not just alcohol prohibition. However, even during the depression the upper class was not willing to alter fundamental property laws or even change the distribution of wealth. These were the essentials which had to be preserved. But if necessary, concessions could be made on lifestyle and cultural issues.

Alcohol control was a compromise made by the political and economic elite: they found it necessary and desirable to make concessions partly because so many people were willing to

engage in “lawless” behavior. The presumed costs of increased alcohol consumption were no longer as important to them as increases in tax revenue, the continued legitimacy of law and government, and working-class good will. Perhaps the largest specific concession to the working class was making beer widely available – in groceries, delicatessens, and markets of all sorts, as well as in inexpensive restaurants, diners, and cafes. In most places where workers bought food, they could now buy beer. (It is worth noting that the class politics of beer have not changed much since then: in 1982 the Reagan administration, searching desperately for new tax sources, considered and then abandoned the idea of raising taxes on beer – the White House concluded that beer was still the “workingman’s drink” and Reagan did not want to further alienate workers. Fifty years earlier, beer was even more the worker’s drink.) But at least some workers were also whiskey drinkers and besides making off-premises consumption legitimate, most large and medium-sized cities were obliged to legalize the whiskey barroom. After repeal, some places with substantial numbers of industrial workers tried to outlaw on-premises spirits consumption. Most, like Connecticut and San Francisco, for example, when confronted with continued “lawlessness” abandoned the attempt almost immediately.

In short, the political and economic elite’s concern with maintaining the appearance and illusion of voluntary law compliance meant that working-class men and women, in conjunction with the increasing numbers of middle-class drinkers, were able to force the authorities to make alcohol far more available than would otherwise have been the case. Alcohol control laws and regulations were, in effect, codifications of the political, economic, and cultural struggles between the elite and the people they sought to control.

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END NOTES

¹ Virtually every commentator at the time and since has pointed out the importance of the economic argument in winning support for repeal. Davis, writing in 1933, noted that “government is going to need a great deal of money in the next few years,” and that “one of the most powerful arguments in the repeal campaign was the possibility of substituting liquor taxes for others that have proved more burdensome” (p. 284). In an article called “Wall Street Cheers Repeal,” *Business Week* claimed in 1933 that “the promise of tax revenue more than anything else turned the country toward repeal,” and concluded that “there is dancing and singing in The Street.” Hacker (1932) noted the “widely expressed belief that the revival of liquor manufacturing under proper restraints would provide the necessary new opportunities for the investment of capital and the employment of labor” and that “liquor would provide new sources of tax revenue.” Jones (1961) concluded that in the thirties, “government finances and respect for the law, either singly or in combination, became the pervasive arguments for repeal” (p. 275).

In this article, I have concentrated on the concern with lawlessness, as I say in the text, because the economic argument has been mentioned frequently, because the concern with law legitimacy was neglected or misinterpreted, and because the concern about lawlessness was absolutely central to the construction of alcohol control policy. For discussion of the economic arguments for repeal and the economic interests in it, see Dobyns (1974); Jones (1961); Englemann (1979); and Gordon (1943).

² From the mid-1920s on, the leaders of the AAPA had argued that liquor taxes could virtually replace personal and corporate income taxes. The AAPA issued and widely distributed pamphlets arguing that liquor taxes could generate one billion dollars a year and could, for example, pay the entire federal deficit. In the 1930s they found a new constituency for their economic arguments. State and local elected officials, among others, faced with severe drops in tax revenue, and huge demands for services, found the economic arguments very attractive. Further, during the depression many people claimed that the revived liquor industry would put men back to work and stimulate the economy.

³ This and other correspondence to and from John D. Rockefeller Jr., his father, and his close advisors, cited or drawn upon for this article, is from the Rockefeller Family Archives, Rockefeller Center, New York.

⁴ *After Repeal* reported that “Chief among these” post-prohibition regulatory innovations were:

1) The generally adopted practice of separating the package sale of liquor from sale for consumption on the premises;

2) The arrangement for the sale of non-intoxicating beer on a different basis from that governing the sale of wines and spirits;

3) The provision that the on-premises sale of the heavier alcoholic beverages be limited to bona fide restaurants and hotels,

4) The requirement that licensed places be open to the view of the public without the screening devices common to the saloons of pre-prohibition days and to the speak-easies which later took their place;

5) The recognition of the state's responsibility for supervising the sale of liquor as contrasted to the earlier practice of placing the entire responsibility in the hands of municipal and county officials." In addition, they reported that 15 states had already adopted public monopolies for the sale of liquor, and another 25 had established central licensing and regulating authorities.

By and large, this is achieved through careful policing coupled with the power to revoke or suspend licenses. Operating a liquor-selling business is usually quite profitable, compared to other kinds of retail establishments, and owners guard their money-making licenses carefully. The one obvious, flagrant exception to the usual successful enforcement of and obedience to liquor regulation is on minimum drinking age laws – which, it should be noted, are one of the remaining forms of prohibition.

6. Though some state alcohol control laws composed around 1934 paid lip service to furthering "temperance," alcohol control systems have never pursued such an aim. Indeed, it is not even clear whether state alcoholic beverage control agencies (ABCs) are capable of incorporating public health concerns in any way but as an issue of business regulation. The system turns all questions into administrative matters with a focus on public order. The Rockefeller reports discouraged earmarking any alcohol tax revenues for educational or public health purposes, especially alcohol-related ones, and nearly all state legislatures took the advice. Further, the alcohol beverage industry, led by the corporate manufacturers which support the trade organizations, exercises substantial power in state governments and in Washington. Thus, for example, the industry has been able to stop all efforts to place warnings on bottles, or even to get producers to list ingredients.

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