

## Why Study Prohibitions in a course on Crime?

1. In a free society it is an often important and enduring limitation on freedom of choice and as a matter of political philosophy it garners our interest.
2. Typically these prohibitions are of one or another of several “sins”.
  - a. Alcohol – probably the most important and certainly so for our purposes as it describes the Great Experiment that took place in the US in the 1920s.
  - b. Gambling
  - c. Drugs: opium, heroin, cocaine, marijuana, LSD, methamphetamine, etc.
    - i. 16th Century Coffee banned in Egypt and supplies of coffee burned - use spreads rapidly
    - ii. 17th Century: The Tsar of Russia executes tobacco users
    - iii. c.1650 Tobacco prohibited in Bavaria, Saxony, Zurich;
    - iv. Ottoman sultan executes smokers
    - v. 1736 The Gin Act fails to halt consumption in England.
    - vi. 1845 New York bans the public sale of liquor - repeals law two years later.
    - vii. 1875-1914 27 states and cities ban opium smoking-consumption increases sevenfold.
    - viii. 1914 U.S. Congress passes Harrison Narcotics Act controlling opium and coca derivatives.
    - ix. 1937 marijuana made illegal
    - x. 1967 LSD made illegal in California in 1966 etc.
  - d. Prostitution – white slave trade
  - e. Tobacco – sort of
3. At least in recent memory the prohibition movement is frequently linked to broader social movements in both Canada and the US
  - a. Women’s Temperance movement
  - b. Women’s Suffrage movement
  - c. Religion: especially Protestant evangelical Christian movement in the case of alcohol prohibition
  - d. Immigration: although not a ‘movement’, it was a powerful social phenomenon associated, too with urbanization.
  - e. Interestingly although the anti-slavery movement was powerful in the US, and was also linked to some of the evangelical Christian movements, it was not part of the same reform although there may be links that I have not seen. It also tended to be during an earlier period.
4. Need some good economic theory to link these issues systematically.
  - a. Income effects/Education
  - b. Labour mobility, open frontier, changing prices of commodities, urbanization, war, the value of labour

### **Among the Prohibitions in addition to that on Alcohol is that on Gambling**

1. This has a history as interesting as that on alcohol although without the Great Experiment.
2. Defined as redistribution by way of chance.
3. Identified as: casinos, sports-betting, horse racing, bingos, and lotteries and activities associated with their operation like OTB, betting parlours among many others.
4. British colonies used lotteries to raise revenue and it was considered a civic duty to participate. Lotteries raised revenue to fund some of the most Yale University, Harvard University and still fund churches to this day as they did in the 18<sup>th</sup> century.
5. In the US we think of 3 phases.
  - a. Although famous as a gambling capital in the early 19<sup>th</sup> century, New Orleans was reduced in stature by 1860 when only 3 states permitted legal lotteries.
  - b. However, the mid-century gambling was very popular in California (1848 gold rush) and spread gradually east. Resistance to the spread was increasingly successful until by about 1890, penalties for gambling were as severe as actually running the game. Slot machines were invented at the end of the 19<sup>th</sup> century and were outlawed by 1911 and even Nevada had outlawed gambling by then.
  - c. The third phase came with the Great Depression when states began to legalize charitable lotteries. Horse racing was allowed again in 21 states during the 1930s. With the completion of the Hoover dam Nevada legalized most forms of gambling to capitalize on the growth in tourism. However, the mob eagerly took control.
6. Today Gambling is an important source of revenue to the states. State lotteries garner (2010) \$53 billion in sales with net proceeds of \$17 billion. Only 8 states do not have lotteries! Overall tax revenue is incomplete but amounts at least to an additional \$7.5 billion to the 22 states that have some form of legalized gambling in 2011. (Tax rates range up to 55% on table games and 16% on slot machine revenue although these are very occasional observations.)

Anecdote: When I worked in a steel mill, back in the late 1960's in the US, every lunch break two guys came around: one for the numbers (racket) and the other for the ponies (OTB)!

## Alcohol Prohibition

Social movements in both Canada<sup>1</sup> and the US and to a lesser extent elsewhere became widespread in the mid-19<sup>th</sup> century: US, Canada, NZ, Australia.

One of ten Americans (1.5 million) took the abstinence pledge. 1851, Maine was the first state to adopt prohibition as did 12 others along with New Brunswick.

In US Prohibition Party in 1869; temperance crusades of 1873-4 primarily in Midwest. the WCTU in 1874 (Evanston). Got local option bills if not prohibition in both the US and Canada..

By 1911 49% of US citizens lived in counties that were dry, and by 1919, 24 states adopted statewide prohibition reaching a total of 33. The 19th Amendment to the US Constitution passed.

However, in Canada,

Provinces	By 1878	After Scott Act (1879)	By 1913
<b>Ontario</b>	Dry everywhere except big cities (Toronto, Ottawa, Kingston)	29 (out of 69 counties with polls)	169 with 3/5 major + 164 with simple majority out of 440 polls from 1909 to 1913.
<b>Quebec</b>	Very few votes: 3 dry	8 (out of 17 counties with polls)	About 30
<b>Maritimes</b>	Prohibition in New Brunswick; 2 others local option	42 (out of 47 counties with polls)	Nearly all
<b>Manitoba, B.C.</b>	----		Manitoba: 2 (out of 2 with polls)

In Canada a national referendum took place in 1898: low turnout (44 %), the results:51 % yes; however, Quebec (81 % no). Laurier decided not to act upon those results

WWI helped temperance. All Canadian provinces adopted prohibition in consumption from 1915 or 1916. The federal government adopted a prohibition on production so as to enable additional resources to be devoted to the production of “gun cotton” for the (next) Great Push in 1917. At the end of 1919, the federal government let the production prohibition expire.

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<sup>1</sup> In what follows much of the Canadian experience is abstracted from: Ruth Dupré, The Prohibition of Alcohol Revisited: The US Case in International Perspective (HEC Montréal, 2004)

All provinces except Quebec adopted (consumption) prohibition until the 1920s (why?) In 1921, Quebec and British Columbia created a state monopoly of alcohol sales. Prince Edward Island which remained prohibitionist until 1948,

#### Prohibitions in Canada (post 1867)

PEI	1901-1948
NS	1916-1929
SASK	1916-1925
Alberta	1916-1924
MAN	1916-1924
ONT	1916-1923
NB	1917-1927
BC	1917-1921
Quebec	1918-1919

In New Zealand and Australia: 6 o'clock closing laws, lasting until well into the 1950s and 1960s were the main legacy and perhaps too in UK?

In the US, of the 15 states which adopted universal suffrage prior to 1917, only two (California and New York) did not have state prohibition. It was in New Zealand that women got first national suffrage in 1893. In Canada, women did not vote before 1920 in elections, Were allowed to vote in the national plebiscite on prohibition in 1898.

The period of Prohibition was a period in the US of remarkably widespread disregard for the law. Vast networks provided alcohol both within and from outside the US.

East Coast: St. Pierre and Michelon were way stations from Canadian producers.

Windsor and Detroit

BC and Washington to California

## Periods of Enforcement changed:

Table 4. Federal Expenditures upon the Enforcement of Prohibition  
(thousands of dollars)

Year ending June 30	Bureau of Prohibition	Coast Guard	Indirect Cost	Total Cost	Fines and Penalties	Total Net Expenditures
1920	2,200	0	1,390	3,590	1,149	2,441
1921	6,350	0	5,658	12,008	4,571	7,437
1922	6,750	0	7,153	13,903	4,356	9,547
1923	8,500	0	10,298	18,798	5,095	13,703
1924	8,250	0	10,381	18,631	6,538	12,093
1925	10,012	13,407	11,075	34,494	5,873	28,621
1926	9,671	12,479	10,441	32,591	5,647	26,944
1927	11,993	13,959	11,482	37,434	5,162	32,272
1928	11,991	13,667	16,930	42,588	6,184	36,404
1929	12,402	14,123	16,839	43,364	5,474	37,890
1930	13,374	13,558	17,100	44,032	5,357	38,675
Total	101,493	81,193	118,747	301,433	55,406	246,027

Source: Warburton 1932, 246.

Table 6. The Effect of Prohibition on Alcohol Expenditures  
(millions of dollars)

Year	Probable Max. Expenditure without Prohibition			Estimated Actual Expenditure		
	Spirits	Beer	Ratio S:B	Spirits	Beer	Ratio S:B
1921	2,212	2,307	0.49	528	136	0.80
1922	2,245	2,069	0.52	2,704	188	0.93
1923	2,279	2,100	0.52	3,504	250	0.93
1924	2,313	2,131	0.52	3,168	321	0.84
1925	2,347	2,162	0.52	3,312	398	0.89
1926	2,381	2,193	0.51	3,568	490	0.88
1927	2,415	2,225	0.52	2,896	595	0.83
1928	2,449	2,256	0.52	3,360	726	0.82
1929	2,483	2,287	0.52	3,616	864	0.81
1930	2,516	2,318	0.52	2,624	850	0.76

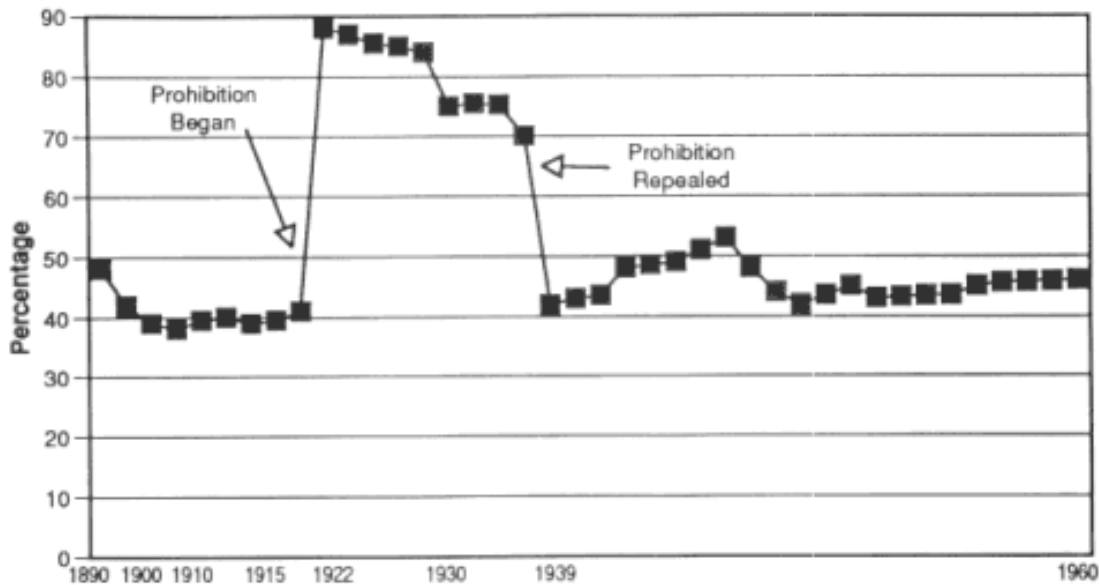
Source: Warburton 1932, 170.

Table 5. Fisher's "Alcohol Price Index," 1916-1928

	Average Price per Quart		Increase in Price (%)
	1916	1928	
Lager beer	\$0.10	\$0.80	600 (700)
Home brew		0.60	
Rye whiskey	1.70	7.00	310 (312)
Corn whiskey	3.95		147
"White Mule" (bootleg whiskey)		3.20	100
Gin	0.95	5.90	520 (521)
Gin (synthetic)	3.65		285
Brandy	1.80	7.00	290 (289)
Port Wine	0.60	3.90	550 (550)
Sherry	0.60	4.32	600 (620)
Claret	0.80	3.00	200 (275)
Average percentage increase in alcohol price			360 (467)

Source: Fisher 1928, 91.

### Total expenditure on Distilled Spirits as a Percentage of Total Alcohol Sales (1890-1960)



Source: Clark Warburton, *The Economic Result of Prohibition* (New York: Columbia University Press, 1932), pp. 114-15; and *Licensed Beverage Industry, Facts about the Licensed Beverage Industry* (New York: LBI, 1961), pp. 54-55.

## PROHIBITION THROUGH THE AGES

- 16th Century Coffee banned in Egypt and supplies of coffee burned - use spreads rapidly
- 17th Century The tsar of Russia executes tobacco users  
c.1650 Tobacco prohibited in Bavaria, Saxony, Zurich; the Ottoman sultan executes smokers
- 1736 The Gin Act fails to halt consumption in England.
- 1845 New York bans the public sale of liquor - repeals law two years later.
- 1875-1914 27 states and cities ban opium smoking-consumption increases sevenfold.
- 1914 U.S. Congress passes Harrison Narcotics Act controlling opium and coca derivatives.
- 1914-1970 Congress passes 55 laws to strengthen Harrison Act  
1918 Special Committee studies Harrison Act effects - widespread smuggling and increased use of narcotics - and calls for stricter enforcement.
- 1919 Prohibition laws ban alcohol consumption in USA - consumption doubles.
- 1919-1933 Use of marijuana, ether, and coffee increases.  
1924 U.S. Congress bans heroin completely-and heroin replaced morphine in blackmarket.
- 1937 First U.S. Federal law passed against marijuana use.  
1949 Law enforcement crackdown on non-prescription

- barbiturates - use increases 800% from 1942-1969.
- 1958        Soviets raise alcohol prices 23% to reduce consumption - policy fails.
- 1959        Concerted campaign against glue sniffing begins - causes "a boom in cocaine smuggling" by 1969.
- 1962        The FDA stops legal production of LSD - LSD use skyrockets by 1970.
- 1965        Amphetamine use crackdown further stimulates importation of cocaine.
- 1968        Campaign against marijuana use among troops in Vietnam prompts growing heroin use.
- 1969        New York city arrests 9000 more for drug use with no impact on drug availability & use.
- 1971        All-out campaign against heroin use in Vietnam fails.
- 1971        900 pounds of heroin seized in New York City has no impact on price.
- 1971        President Nixon declares drugs "America's public enemy No.1"
- 1972        U.S.A. passes a \$1 Billion anti-drug bill.
- 1973        Rockefeller passes another tough anti-drug bill in New York
- 1973        President Nixon declares "We have turned the corner on drug addiction in America."
- 1973        Singapore sets death penalty for drug trafficking - a few years later a drug official admits that "Heroin seems to be more widely used than ever."
- 1977        Bar Association concludes that Rockefeller Bill has had no effect on heroin consumption.
- 1980        300,000 youths in Malaysia estimated to be using illegal drugs.
- 1987        Malaysia's 12-foot high security fence along border with Thailand fails to stop drug traffic.
- 1987        Soviets increase penalties against moonshining in bid to lower alcohol use.
- 1987        Soviet legal alcohol production down 30%; moonshining up 40%; home-made wine production up 300%; 200,000 prosecuted for illegal home brewing.
- 1988        U.S. Senate adds \$2.6 billion to federal anti-drug efforts.
- 1989        Ronald Reagan declares victory in War on Drugs as being his major achievement
- 1989        U.S. Secretary of State reports that the global war on narcotics "is clearly not being won."
- 1990-1997        America exports its war on drugs worldwide - drug consumption increases worldwide. How long must this continue???



Prohibition in the US

United States

Adopting States	Year	Non-Adopting States
Maine	1851	California
Kansas	1880	Connecticut
North Dakota	1889	Delaware
Georgia	1907	Illinois
Oklahoma	1907	Louisiana
Mississippi	1908	Maryland
North Carolina	1908	Massachusetts
Tennessee	1909	Minnesota
West Virginia	1912	Missouri
Virginia	1914	New Jersey
Oregon	1914	New York
Washington	1914	Pennsylvania
Colorado	1914	Rhode Island
Arizona	1914	Vermont
Alabama	1915	Wisconsin
Arkansas	1915	
Iowa	1915	
Idaho	1915	

South Carolina	1915
Montana	1916
South Dakota	1916
Michigan	1916
Nebraska	1916
Indiana	1917
Utah	1917
New Hampshire	1917
New Mexico	1917
Texas	1918
Ohio	1918
Wyoming	1918
Florida	1918
Nevada	1918
Kentucky	1919

