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Bootleggers, Rumrunners, and Moonshine - The Business of Prohibition

By Toni Lee Robinson

In 1920, Prohibition went into effect in the U.S. The 18th Amendment made the manufacture, importing, and sale of liquor illegal. The Volstead Act put in place a police system for enforcing the ban. The effects of this embargo were dramatic. Brewing had been the fifth largest industry in the country. On January 16th, these large companies were immediately put out of business. Saloons, liquor stores, and all manner of other businesses were defunct as well.



The American public gave the policy mixed reviews. There was much support for some kind of regulation of liquor. Twenty-six states had already passed "dry" laws. People who wanted to buy liquor would travel to the nearest "wet" area. Now, with the national ban, there was no place to go where alcohol was legal. People used 50% less alcohol after Prohibition started. But the sale of alcohol didn't stop. It just went underground. Along came the speakeasy. These secret drinking places were often hidden behind drugstores, tearooms, or other legitimate businesses.

Making liquor, however, was forbidden. Where did the speakeasies get alcohol? Certain "entrepreneurs" were eager to step into the gap. Organized crime was already a factor in large cities. Local thugs were making money with saloons, brothels, and gambling halls. Prohibition opened whole new vistas for those willing to break the law. The market for illegal liquor was huge. Supplying it became a big business. Neighborhood bosses hired mobs of underlings. The crime underworld grew as it brought alcohol to the cities.

America's neighbors were not "dry." Liquor was trucked in from Canada and Mexico. Ships laden with rum from the Caribbean

waited just outside U.S. waters. Boats met the rum ships to ferry liquor to U.S. shores. The men who did this job were called "rumrunners." Other alcohol was made in hidden places in the U.S. To escape the law, the liquor was made at night, the operations lit only by the moon. Alcohol made in this way was called "moonshine."

The "bootleggers" were the middlemen. They procured the liquor and distributed it to places where the public could buy it. Along the way, of course, officers of the law had to be evaded or bought off. Many public officials were bribed to look the other way. Many more used their offices as a cover for their real careers in crime. Graft corrupted every level of government. *Racketeering*, crime committed by a group, grew to epic proportions during the Prohibition era.

The best known bootlegger of the day was Al Capone. Capone began his career as a small-time hood. Early on, a fight over a woman left him with deep knife wounds on his face. During the 1920s, "Scarface" Al Capone became lord over a dark empire. He used murder and brutality to solidify his kingdom. Bribery and threats helped keep public officials in line. He controlled Chicago with an iron fist. His kingdom was built on the profits from bootleg liquor. In his heyday, Capone enjoyed a yearly income some estimate as high as a hundred million dollars.

During Capone's reign, Chicago exploded with gang rivalries. Other crime bosses tried to move in on Capone's territory. Capone had an ongoing feud with rival boss "Bugs" Moran. In 1928, the war resulted in the infamous St. Valentine's Day Massacre. Capone laid his plans carefully. Moran was offered a shipment of liquor at a very good price. Moran and his men arrived at a warehouse to pick up the shipment. Moran's employees went inside. Meanwhile, a police car parked outside. Four men, two in uniform, got out. They were armed with newly developed Thompson machine guns. They pretended to arrest Moran's men for breaking liquor laws. The men stood against a wall with their hands in the air.

Suddenly, the "officers" opened fire. All seven of Moran's men were dead, riddled with machine gun fire. Moran, the target, had never gone in the warehouse. He had fled at the sight of the police car. He escaped the attack. No one could (or would) provide information in the shootings. Al Capone, the mastermind, was miles away in Florida at the time. No one was ever charged with the crime. It is likely that no conviction would ever have been won, in any case. Capone had local and state law enforcement "in his pocket."

Finally, an officer of the law was hired to go after Capone. Elliot



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Ness was a young Prohibition agent. He gathered together a group of men who could not be bought by Capone's bribes. They became known as the "Untouchables." This task force used spies, wiretaps, and all manner of ways to ferret out Capone's operations. They raided breweries and stopped the production of beer. They destroyed stills where whisky was made. They confiscated delivery trucks and arrested mob workers.

In the process, the officers incurred the wrath of Capone and his gang. Several attempts were made on Ness's life. The Untouchables put a big dent in Capone's operations. But they were never able to gather enough evidence to stop him. IRS agents finally indicted Capone on charges of tax evasion. He was convicted. He served several years in prison at Alcatraz. Capone died at age 48 of syphilis.

In spite of the efforts of Ness and other crusaders, the war on illegal liquor was never highly successful. Black market alcohol suppliers weren't really put out of business until 1933. In that year, the 21st Amendment was passed. This measure repealed the 18th Amendment. Prohibition was over. Liquor could be openly made and sold again by law-abiding citizens.

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Questions

1. Describe the effects of Prohibition policy. Do you think the expected results were achieved? Why or why not?

2. Explain how speakeasies obtained alcohol to sell during Prohibition.

_____ 3. Bootlegger is to moonshiner as:

- A. Checkout clerk is to groceries
- B. Railroad company is to coal mining company
- C. Jewel thief is to diamond
- D. Farmer is to grain

_____ 4. What was the cause of the St. Valentine's Day Massacre?

- A. Racial violence
- B. Citizens weary of being cheated by bootleggers
- C. Law enforcement cracking down on illegal liquor production
- D. Warfare between rival crime gangs

5. Why was no one ever arrested for the killings in the St. Valentine's Day Massacre?

6. Who was Elliot Ness? What results did he achieve?

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_____ 7. True or False: Justice triumphed when mobsters' schemes and racketeering were ended by Elliott Ness and the Untouchables.

- A. True
- B. False

8. On one hand, many Americans supported the idea of an alcohol-free nation, as evidenced by passage of anti-liquor legislation. On the other hand, there was an undeniably large demand for black market liquor. How could both these things be true in the same nation at the same time? What is the solution to this dilemma?
