

# America Between the World Wars

Class 2

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## What We Will Cover Today

- Four Key Wilson Decisions
  - The Flawed Treaty of Versailles
  - Refusal to accept any changes
  - The Decision Not to Resign the Presidency
  - The Impact of the Treaty and the Failure to Ratify It
- Prohibition
  - Origins of the Prohibition Movement
  - The 18<sup>th</sup> Amendment & the Volstead Act
  - Rumrunners, Bootleggers, & Al Capone
  - Effects of Prohibition
  - Why It was Repealed
  - The Aftermath

## Four Key Wilson Decisions – 2

- The decision to accept a flawed treaty in order to win foreign acceptance of the League of Nations
  - Treaty contained provisions and omissions that
    - Were politically unpalatable to the U.S. Senate
    - Were to cause future trouble
- The refusal to accept any changes or reservations in the Treaty to win Republican support

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## Four Key Wilson Decisions - 3

- The Decision not to resign the Presidency after his stroke
  - Led to the U.S. being governed by Wilson's wife
    - This meant that the problems of postwar inflation, demobilization, and recession were totally ignored
  - Let the Lodge Republicans dominate the debate over ratification of the Versailles Treaty
    - This sapped support for the Treaty and led to its eventual defeat

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## Impact of the Treaty of Versailles

- Led to great resentment in Germany
  - Signing the Versailles “diktat” weakened the Weimar Republic, giving the German Right (and the Nazis) a tool with which to attack the Republic
- Created instability in Eastern Europe
  - Created weak and unstable states
  - Strengthened Germany strategically
  - Constituted a peace settlement that neither Germany nor Soviet Russia supported

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## Impact of Failed Ratification

- Greatly weakened the League of Nations
- Fostered a sense of disillusionment
  - With World War I and its results
  - With U.S. participation in the war
  - With U.S. engagement with the world
- This in turn fostered a spirit of isolationism that was reflected in restrictive immigration laws, high tariffs, and the Neutrality Acts of the 1930s

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## Prohibition

## Wild West Origins of Prohibition - 1

- Prohibition had its origins in the West – an area where crime rates were high and drinking was common
  - As one historian noted, “A mixture of alcohol and kids with guns always causes problems”
- Much of the Wild West violence and drunkenness was connected to the saloon

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## Wild West Origins of Prohibition - 2

- As time passed, there was a growing presence of women and children. This
  - Changed the population structure
  - Changed the moral climate, since most women were moral conservatives
    - Moral reaction against the saloon led to the movement for Prohibition
    - Having their reform efforts blocked by politicians allied to the vice industries led to support for female voting enfranchisement

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## The Anti-Saloon League

- The Anti-Saloon League
  - Knit together a wide constituency opposed to the liquor traffic and the saloon
  - Focused on the single issue of liquor
  - Willing to accept incremental gains
  - Supported any politician willing to vote “dry” regardless of political party
  - Prototype of the modern lobby group that uses its political power to influence public policy

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## Liquor and Culture Clashes

- The Prohibition Movement provoked the first of the culture clashes that have marked American politics in the 20<sup>th</sup> century
  - Middle class native Protestants vs Working class ethnic Catholics and Lutherans
    - The saloon and ‘biergarten’ were important elements of immigrant culture
- Rising alcohol consumption after 1900
  - Germans popularized beer drinking

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## Role of the Saloon

- Saloons integrated into urban political machine politics
  - Saloons often used as polling stations and as political gathering sites
  - Many saloonkeepers held political office
  - Served as a clearinghouse for the exchange of money and favors
    - Where the political boss met his petitioners and made deals
- Provided services to neighborhood workers
  - Hiring halls
  - Free (or cheap) meals
  - Check cashing
  - Use of saloon safes to store valuables
  - Place for socializing with neighbors and fellow workers (i.e. the poor man’s club)

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## Beer and the Saloon

- As the brewing industry became a big business, it developed close ties to the saloon for the following reasons:
  - Dominance of draft beer
  - High license fees
- Close ties between brewers and saloons led to an overexpansion of the saloon trade
  - This led to saloons encouraging excess drinking
  - Also led to saloons allowing illegal activities to take place

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## The Prohibition Tide

- The South becomes dry
- The Impact of Progressivism
- The Impact of Science
- The Impact of World War I

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## The South Goes Dry

- The South had traditionally opposed federal mandates
- This changed, however, during the Progressive Era as far as liquor is concerned
  - Southern whites feared disorder and violence between blacks and lower-class whites
  - Saw liquor as fostering such disorder. Hence, growing Southern support for Prohibition

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## The Impact of Progressivism

- Progressivism with its various reform laws accustomed Americans to accept some governmental controls to further the general welfare
  - Pure Food and Drug laws
  - Regulation of women's and children's labor
  - Factory safety laws
  - Consumer protection laws

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## The Impact of Science

- By 1916, there was a lot of scientific evidence in support of limiting alcohol consumption
  - Alcohol was a depressant
  - Alcohol depressed higher mental functions
  - Alcohol use was positively correlated with crime, prostitution, and poverty

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## World War I & Prohibition

- World War I
  - Fostered the belief that drink impeded industrial productivity and soldierly fighting ability
    - Brewing and distilling diverted grain needed by the troops and European allies into the creation of products that inhibited the war effort
  - Discredited the principal opponents of Prohibition
    - the brewers and the German-American Alliance
    - Enabled the Anti-Saloon League to successfully link liquor to disloyalty and beer-drinking with sympathy to the kaiser and his Huns

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## The 18<sup>th</sup> Amendment

- Amendment forbade the “manufacture, sale, or transportation of intoxicating liquors within ... the United States and all territories subject to its jurisdiction thereof for beverage purposes.”
  - Approved by Congress on November 21, 1917
  - Ratified by Nebraska (the 36<sup>th</sup> state to do so) on January 16, 1919
  - Took effect on January 16, 1920
- Did not define what were “intoxicating liquors”
- Did not forbid the use or possession of liquor

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## The Volstead Act - 1

- Defined an “intoxicating beverage” as one containing 0.5% alcohol
- Forbade the manufacture, sale, transport, importation, delivery, or possession of any intoxicating liquor except
  - Medicinal alcohol prescribed by a doctor
  - Sacramental wine
  - Flavoring extracts and syrups containing alcohol

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## The Volstead Act -2

- Allowed brewers to manufacture near-beer
  - Beer containing less than 0.5% alcohol
- Allowed households and grape growers to produce non-intoxicating cider, fruit juices, and fruit cakes
- Allowed the manufacture and sale of industrial alcohol provided denaturants were added to make it unpalatable
- Provided a fine of \$1,000 and/or 30 days in prison for the first offense

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## The Volstead Act – 3

- Placed the Prohibition Bureau under the Treasury Department and exempted its agents from civil service requirements
- Allowed the possession and consumption of alcoholic beverages that the possessor owned and stored prior to January 1920

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## Inherent Enforcement Problems

- Vastly inadequate staffing levels and appropriations
- 18,700 miles of unguarded land and sea borders
- Difficulty in policing the legal traffic in alcohol
  - Industrial Alcohol
  - Near beer
  - Tracking liquor permits held by thousands of doctors and druggists (as well as permits for sacramental wine)
  - Dried grape and raisin cakes
- Illegal stills, breweries, and saloons (speakeasies)

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## Premonitions of Trouble

- Warnings that the 2 million soldiers overseas would not like the new dispensation
- Experience of towns and states that had adopted Prohibition before 1920
- Warning of ex-President William Howard Taft
- Warnings that Prohibition would prove so unpopular and unworkable that it would quickly be repealed

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## Rumrunners & the Real McCoy

- European shipping of liquor to nearby sites in Mexico, Canada, the Bahamas, and St Pierre & Miquelon
  - Rumrunning ships & speedboats
- American & European bank financing of liquor smuggling
- The 'Real [Bill] McCoy'
- Roy Olmstead
  - Olmstead vs United States

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## Loopholes & George Remus

- George Remus was a drugstore owner who became a pharmacist and a mob lawyer
  - Bought up "whiskey certificates" & got permission to sell whiskey to drug companies licensed to sell medicinal whiskey
  - Used the drug companies (many of them Remus fronts) to sell most of it to bootleggers, nightclub owners, and middlemen

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## Chicago & Al Capone - 1

- Before Prohibition, Chicago gangs involved in gambling, 'protection' racketeering, and prostitution had established links with local politicians
- Many of the politicians and gangsters operated saloons and cafés
- 'Big Jim' Colasimo operated the Colasimo Café on South Wabash Ave – the town's hottest nightspot
  - The band by playing both opera medleys and jazz helped popularize jazz in the Chicago area

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## Chicago & Al Capone - 2

- After 1920, 'Big Jim' Colasimo, saloon owner and brothel king, got involved with bootlegging
- Colasimo imported his nephew, Johnny Torrio, to manage his illegal enterprises
  - In 1920, Colasimo was probably killed by Johnny Torrio
  - Colasimo had the first of the expensive ostentatious funerals

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## Chicago & Al Capone – 3

- Torrio took over Colasimo's empire and:
  - Entered into an alliance with the former legal brewers who were eager to keep their breweries going and capable of producing good beer
  - Organized a temporary peace among the bootleggers and racketeers
  - Brought in Al Capone to act as an enforcer

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## Chicago & Al Capone – 4

- The prospect of vast profits, however, caused the peace to break down, resulting in gang wars
  - One consequence was that Torrio decided to retire, leaving the enterprises to Capone
- Capone, building on Torrio's legacy, created a criminal empire
  - Included breweries, distilleries, speakeasies, nightclubs, brothels, gambling houses, and horse & dog racing tracks
  - Took in an estimated \$105 million a year

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## Chicago & Al Capone – 5

- The St. Valentine's Day Massacre
  - Part of the long-running gangland feuds that from 1920-1933 killed nearly 800 gangsters in Chicago
  - Brought Capone to the attention of Herbert Hoover who put the Federal Government on Capone's case
    - Eliot Ness and the Untouchables to raid Capone's breweries
    - IRS audits of unpaid Federal income taxes

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## The Effects of Prohibition - 1

- Made organized crime a big business
  - Whereas prostitution, racketeering, and gambling had largely been local, rum-running and bootlegging required organization, capital, and links to gangs in other cities and supplies outside the U.S.
  - Provided upward social and economic mobility to members of ethnic minorities excluded from legitimate enterprises by their ethnic background

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## The Effects of Prohibition – 2

- Made drinking fashionable among young people of college age
- Made it respectable for women to drink in public
- Changed patterns of public entertainment
- Created café society
- Popularized cocktail drinks

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## The Effects of Prohibition – 3

- Notably decreased the amount of drinking overall in America
- Significantly decreased drinking among the working class
- Destroyed the old-time saloons and created a new culture of drinking in public
- Constituted the first of the 'culture wars' that were to beset America in the 20<sup>th</sup> -21<sup>st</sup> Centuries

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## Why Prohibition Was Repealed - 1

- Prohibition destroyed the forward-looking optimistic image of Temperance Reform
  - 19<sup>th</sup> Century Prohibitionists had supported women's suffrage and socio-economic reform
  - 1920s Prohibitionists became identified with nativism, anti-Catholicism, the Ku Klux Klan, and puritanism.
  - Both the Anti-Saloon League and the Klan suffered scandals that deeply tarnished their public images

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## Why Prohibition Was Repealed - 2

- Movies helped turn the American people against Prohibition
  - Movie depictions of the urban jazz-age flapper and her boyfriend conveyed the impression that drinking was widespread and that violating Prohibition laws was socially respectable
  - Many movies gave celebrity status to gangland figures, magnified by the appearance in the early 1930s of gangster films featuring such stars as James Cagney and Edward G. Robinson as appealing bootlegging entrepreneurs

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## Why Prohibition Was Repealed - 3

- The emergence of a new middle-class culture based on secular consumerism
- The emergence of socio-economic elite organizations dedicated to repeal
  - Association Against the Prohibition Amendment
    - Included many prominent former dries who now supported repeal
  - Women's Organization for National Prohibition Reform
- The impact of the Great Depression
  - The Economic Argument
  - The 1932 election

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## The Aftermath of Repeal - 1

- Many of the major bootleggers became legitimate businessmen
- Other members of the bootlegging gentry went into new avenues of organized crime
- The development of canned beer and the spread of home refrigeration made home consumption of beer more popular
  - This diminished the role of both the saloon and the restaurants, taverns, and bars that replaced it

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## The Aftermath of Repeal – 2

- After repeal, the disease concept of alcoholism began to dominate thinking about drinking
- In contrast to WWI, the brewing trade in WWII was considered a vital war industry
- The issues, problems, and culture conflicts that cropped up during Prohibition would resurface later

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