

# Prohibition and the Smuggling of Intoxicating Liquors between the Two Saults

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Prohibition brought with it opportunities for many people to make easy money in the rum-running business. One of the largest problems with enforcing prohibition was that Ontario and the United States enacted similar, but distinct, acts governing the sale, consumption, and manufacture of intoxicating liquors. There are many descriptive names for the period following World War I, "the dry decade", "the lawless decade", "the era of excess", and "the roaring twenties." Each name evokes mental images different in nature but still holding a common influence: prohibition, speakeasies, bootlegging, and all the inherent problems associated with them. This paper will focus on smuggling activity between Sault Ste. Marie, Ontario and Sault Ste. Marie, Michigan. First, there will be an examination of the different laws governing prohibition in Ontario and the United States. Next, there will be a discussion about the smuggling operations. Finally, the role of the US Coast Guard at the Sault will be deliberated.

The prohibition movement in Ontario began as early as 1828, but really grew in force in the 1870s with groups such as the Woman's Christian Temperance Union (WCTU), the Lodges of the Independent Order of Good Templars, the Dominion Alliance, and the Divisions of the Sons of Temperance. However, for the purpose of this paper, only the actual enactment of the laws matters. It is therefore sufficient to note that there was a significant temperance movement before the First World War. The Provincial Government of William Hearst enacted the first temperance act in Ontario. The Ontario Temperance Act was a wartime measure. Meant to prohibit the sale of liquor for beverage purposes, it also prohibited the keeping, giving, or having of liquor, except in a private dwelling. Ontario was not the first Province to have prohibition legislation; Saskatchewan went dry in July 1915.<sup>1</sup>

The Ontario Temperance Act was originally considered a wartime measure, but at the conclusion of the war, people were still happy with the legislation. The Government of Ontario held a referendum in 1919 to determine the future of the prohibition legislation. A majority

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Gerald A. Hallowell, *Prohibition in Ontario 1919-1923* (Ottawa, 1972), ix, 7, 8.

*The Northern Mariner/Le marin du nord*, XI, No. 3 (July 2001), 33-40.

of over 400,000 Ontarions voted to keep the law. Another referendum, held in 1921, amended the original act to include a clause that ended the private importation of alcohol from outside the province. After 1921, it was legal to have alcohol only if prescribed by a doctor, any other method of obtaining liquor was against the law.<sup>1</sup> The Ontario government held an additional plebiscite in 1924, at which time a small majority in Ontario preferred to retain prohibition. However, the very next year Howard Ferguson's government performed some studies on beer and discovered that beer with an alcohol content of 4.4% or less was not intoxicating. It then became legal to sell 4.4% beer, "Fergie's Foam," from hotels and beer rooms, but not in sealed packages.<sup>3</sup>

A very important omission of the Ontario Temperance Act was that although it made the possession liquor for the purpose of consumption or sale, it did not prohibit the its manufacture. The breweries and distilleries of Ontario continued to produce alcoholic beverages throughout the era of prohibition and reaped huge profits from sales to the United States.<sup>4</sup> Canadian companies such as Seagrams, Hiram Walker-Gooderham Worts, and Corby's made billions selling illicit liquor to the United States. These distilleries were some of the largest in the world, and owed much of their success to prohibition in the United States.<sup>5</sup>

There was a different way of thinking during the era of prohibition in Ontario, one that made the transition to prohibition easier. Society was much more restrictive than today's at the close of World War 1. On a Sunday in post World War I Ontario "it was illegal to buy ice cream, newspapers or a cigar; to play baseball, tennis, or golf; to fish or take a steamboat excursion." The thought of societal regulations of this nature is incredible, but it went with the period and was generally accepted. However, there were some exceptions; the Citizen's Liberty League complained about the oppressive nature of some groups' ideologies. One member said, "The Woman's Christian Temperance Union are already framing up a number of prohibition laws whereby Canadians will wear bibs and tuckers, curtsy to the Methodist Preacher and be supervised the same as our Anglo-Saxon brothers supervise the inferior races of niggers, Indians, and Coolies. Canadians will officially be placed on a similar footing—a nice standing for a race who proved their fighting value on the Fields of France."<sup>6</sup>

Some feel that prohibition in Ontario during peace time was as a result of the enfranchisement of women. A story in the *Toronto Daily Star* claimed "that the average woman instinctively recognized the whiskey bottle and open bar to be the enemy of her sex, as well as of the home and the community." Another argument supporting the women's vote as being directly involved with prohibition centered on Quebec; women did not have the vote

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*Ibid.*, ix.

<sup>3</sup>Bothwell, Robert, *A Short History of Ontario* (Edmonton, 1986), 132.

Hallowell, *Prohibition in Ontario*, xi.

C.W. Hunt, *Booze, Boats and Billions: Smuggling Liquid Gold!* (Toronto, 1988), xi.

Hallowell, *Prohibition in Ontario*, 5.

*Ibid.*

in Quebec and Quebec did not have prohibition.' The creation of the Liquor Control Board of Ontario (LCBO) in 1927 signaled the end of Prohibition in Ontario.<sup>9</sup>

As in Canada, there were many precursors to prohibition in the US. There were groups opposed to intoxicating beverages long before Congress and the Senate passed the Eighteenth Amendment. These included the Anti-Saloon League, the WCTU, and many church groups. Once again, it was the war that made national prohibition a reality. The First World War put into place certain powers necessary for the Federal Government to pass prohibition legislation. It centralized the authority of Washington to enact sweeping legislation, and it opened public awareness to the importance of conserving foodstuffs.'

Therefore, the war permitted Congress to enact laws outside the spectrum of its peace-time powers. The Federal Government began to undertake measures it had never previously attempted: "seize railways, requisition factories, takeover mines, fix prices, put an embargo on all exports, commandeer all ships, standardize all loaves of bread, punish all careless use of fuel, draft men for an army, send that army to a war in France.'" The other important factor imposed by the war was restrictions placed on foodstuffs. Food was, of course, invaluable during World War I, and enormous amounts could be conserved if it was not used for brewing and distilling. The Food Control Laws reflected this with a provision that forbade producing any distilled spirit from any form of foodstuffs.'

The Eighteenth Amendment was originally announced in Congress on 11 June 1917. However, as in Canada, individual states had local prohibition laws before this date. The prototype of the Eighteenth Amendment did not receive approval in its basic form. It called for the prohibition of the "manufacture, sale or transport of intoxicating liquors" and granted Congress "the power to enforce this article by appropriate legislature." h3 order to defend this amendment in Congress, supporters cited interesting facts. They discussed the numbers of men who could be freed for military use if they were not employed by the useless distillery and brewery industries, not to mention the numbers who could find jobs in shipbuilding and munitions work. Furthermore, supporters of prohibition estimated that if grain was forbidden for use by distilleries and breweries, the grain saved would be the equivalent of 11,000,000 loaves of bread a day. This, they claimed, would be enough bread to feed the entire British, French, and Italian armies.'

There were five attempts at revising the Amendment before Congress accepted it. The first four failed, but Congress embraced the fifth offering authored by Mr. Harding of Ohio. It called for the same basic restrictions as the original, with the addition of a six year time limit on the process of ratification by the states. The Senate was next to dissect the

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*Ibid*, 13, 14.

Graeme Mount, John Abbot and Michael J. Mulloy, *The Border at Sault Ste. Marie*, (Toronto, 1995), 43.  
Charles Metz, *The Dry Decade*, (Seattle, 1969), 25.11

*Ibid*.

<sup>12</sup> *Ibid*, 25-27.

<sup>13</sup> *Ibid*, 28, 29.

Amendment and changed it even more. It extended the time limit to seven years and added a clause that gave breweries and distilleries a one year grace period from the date of ratification. This would let them wind down their businesses and sell off old stock. The Senate also granted concurrent power to Congress and the states to enforce prohibition with appropriate legislation.<sup>14</sup>

The 48 states required only a little more than a year of the allotted seven in order to ratify the Eighteenth Amendment. Nebraska voted in favour of prohibition 16 January 1919, meeting the needed three fourths of the states for ratification of a constitutional amendment. The United States went dry 16 January 1920, one year after Nebraska voted "yes".<sup>15</sup> The United States remained dry until 5 December 1933, when Franklin D. Roosevelt repealed the Eighteenth Amendment by signing the Twenty-First.<sup>16</sup>

Prohibition created a market for rum-runners. One of the largest factors in favour of bootlegging was that the United States prohibited the manufacture of beverage alcohols and Ontario did not. It was illegal for Ontario companies to sell intoxicants in Ontario, but perfectly legal for these same companies to export liquor to other provinces, the United States, and around the world. This technicality made it impossible for Canadian authorities to stop bootleggers as long as they adhered to the rule of law. The law said that exporting alcohol was legal "so long as they [the boats] went directly to their foreign destination after leaving their Canadian port of exit. If forced by bad weather or mechanical breakdown to put into a Canadian port, their cargo of alcohol must remain intact and under seal. This was to prevent rum runners from smuggling their export cargo back into Canada."<sup>17</sup>

The US tried to persuade the Canadian Government to change its laws and make them more favourable for catching bootleggers, but Parliament held its ground, allowing only a few concessions. Canada Customs officers received an order on 2 January 1924 that forbade them from allowing any vessel clearance (permission was needed in order to sail from a Canadian port) if its cargo was alcohol, until and unless the vessel could prove that it was seaworthy, and had the propulsion and equipment to reach the reported port of call.<sup>18</sup> A common practice at the time was to announce a voyage to the Caribbean, or some other distant port, and be back in Canada the next day after delivering a shipment to the US or another part of Ontario. Canadian Customs officers had other agreements with various branches of American authorities that aided in the seizure of illicit cargo. The most useful of these was an agreement by which Canada Customs officials would telephone the US authorities whenever they cleared

*Ibid.*, 30-32.

<sup>15</sup> *Ibid.*, 30-32, 42.

<sup>16</sup> Hallowell, *Prohibition in Ontario*, 6.

<sup>17</sup> Hunt, *Booze, Boats*, 28.

<sup>18</sup> National Archives and Records Administration of the United States, (NARA), Record Group (RG) 59, File 811.114 Consular Correspondence, to Dept. of State from Herbert W. Carlson Vice Consul in Charge, US Consulate at Sault Ste. Marie, Ontario, (as is all cited correspondence) from Sault Ste. Marie, 3 March 1925, "Traffic in Liquor during February, 1925. Clearance of Vessels Carrying Liquor.", 2.

a suspicious boat with an intoxicating cargo. However, for the most part, by the time the Immigration Service or the Coast Guard received the message the bootleggers were already hidden at some remote point along the St. Mary's River or Lake Superior.<sup>19</sup> Tracking smugglers became easier later in the decade when Canada Customs refused to grant night clearances to boats carrying liquor. Finally, Customs refused to grant clearances to any boat wishing to transport liquor to an American destination. Mackenzie King passed the latter law, and it took effect 1 June 1930.<sup>20</sup>

The rum-running trade was most profitable on Lake Ontario as C. W. Hunt's *Booze, Boats and Billions: Smuggling Liquid Gold!* points out, but it was still fruitful at other places along the international border. Sault Ste. Marie was one such place. It was advantageous to bootleggers because of the narrow St. Mary's River and the many bays and points along the shore of Lake Superior. Furthermore, opportunities abounded from the remoteness of the northern Michigan countryside. However, the isolation of northern Michigan, while great for bootlegging, was not so great for smugglers. During the first half of the 1920s, there were not many reports of smugglers because the rural areas of northern Michigan could produce enough liquor at illicit distilleries to placate the small population.<sup>1</sup>

The Consular Correspondence of the American Consulate at Sault Ste. Marie, Ontario is an excellent source for studying liquor trafficking because US regulations required the consul to write monthly reports about liquor seizures. Bootleggers transported thousands of cases of illegal alcohol from Sault Ste. Marie, Ontario to points in Michigan and beyond. Canadian authorities usually kept abreast of the situation because it was not illegal to export the liquor. The authorities were always aware when large shipments entered Sault Ste. Marie. The alcohol came from Quebec, Vancouver, and countries around the world, primarily Scotland. It was then warehoused at the Sault for distribution to rum-runners. Canada Customs confiscated cargos from warehouses only if it could find a legal reason to do so. On one such occasion, a shipment of 500 cases of whiskey arrived from Quebec, and the company consigned the captain of a local boat to smuggle 12 cases into Michigan. However, once the captain realized that he could lose his boat if the American authorities stopped he unloaded the whiskey onto the dock. This event was crucial, because as noted already it was illegal to split cargoes into smaller shipments and land them on Canadian shores, unless there were mechanical or meteorological reasons. Therefore, customs agents seized the 12 cases from the dock and could also seize the 488 cases still at the warehouse because the shipment had been divided while on Canadian soil.<sup>1</sup>

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One of the inherent dangers involved in the business of smuggling liquor was the

<sup>19</sup> NARA, RG 59, Herbert S. Bursley, Consul in Charge, to the Secretary of State, August 14, 1926 "Smuggling of Intoxicating Liquors during July 1926," 1.

<sup>20</sup> Hunt, *Booze, Boats*, 292.

<sup>21</sup> NARA, RG 59, Herbert W. Carlson, Vice Consul in Charge, to Dept. of State, 2 February 1925, "Traffic in Liquor during January, 1925. Conversations with Canadian and American officials.", 2.

<sup>22</sup> RG 59, W. E. Chapman, American Consul, to the Secretary of State, 18 November 1925, "Traffic of intoxicating liquor during the month of October 1925," 1.

possibility of a hijacking. This was the case in July and August 1926. Canada Customs officials at Sault Ste. Marie had heard rumours of a large shipment originating in Vancouver. The shipment was said to include 3500 cases of various illegal intoxicants. It did not arrive when it should have, and the next month, when it still had not appeared, the local representative for the Consolidated Exporters Association of Vancouver, the company that shipped the liquor, went to locate it. The Local License Inspector at Sault Ste. Marie informed the US Consul that Mr. Lyond, said representative, had left for Winnipeg extremely concerned "that something had happened" to his shipment, which by that time included another 1000 cases.<sup>23</sup> The result was not clear, but the shipment never arrived at the Sault, an indication that it was stolen somewhere en route.

There were numerous reports of liquor clearing customs and the Americans being notified, but the US did not seem to have much luck catching any rum-runners. For example, authorities missed confiscating several cases in May 1926. Another one hundred twenty-five cases made it past the enforcement agencies in September 1926. One hundred twenty cases disappeared from a Canadian warehouse due for American shores in October 1926. This was just the liquor that Customs reported to the Americans. No one knows how much actually left Canada; it could have been two, five or a hundred times this amount, not to mention the small amounts of liquor transported by people walking, driving, taking the train, or the ferry across the border.

The inception of the LCBO in 1927 forced bootleggers to acquire their shipments from elsewhere. The most popular solution to this was Scotland. Scottish suppliers sent huge shipments of liquor to the Sault bound for ports in the US. Generally, the Scottish suppliers sent liquor to one of two fictitious people, "George Williams Chicago" or "**J. R. Smith Alpena, Michigan**". The Sault received shipments of 537 cases, 125 cases, 487 cases, 50 cases, 565 cases and 399 cases for these two men. Out of all these shipments of liquor, only 93 cases did not reach the American side. For the most part, the smugglers cleared them in small vessels and then off-loaded them into trucks for dispersal up and down the Canadian side. When the cargo reached predetermined points, a boat would be there to ship the cargo across to the US away from American authorities. Such places included Batchewana Bay, Kensington Point and any secluded place along the St. Mary's River.<sup>24</sup> It was possible to unload and reload shipments of liquor after 1927 because the government repealed the Ontario Temperance Act, making the practice perfectly legal.

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<sup>23</sup> NARA, RG 59, Herbert S. Bursley, Consul in Charge, to the Secretary of State, 14 August 1926, "Smuggling of intoxicating liquors during July 1926", 2, and 1 September 1926, "Liquor Situation at Sault Ste. Marie, Canada during August 1926," 2.

NARA, RG 59, Joseph L. Brent US Vice Consul, to the Secretary of State, 5 July 1927, "Smuggling of intoxicating liquor during June 1927," 2; Bartley F. Yost, US Consul, to the Secretary of State, 10 September 1927, "Liquor Smuggling During Month of August, 1927", 2, "Liquor Smuggling during September 1927" 1, and "Smuggling of Intoxicating Liquors during the month of October, 1927," 1, 2.

There was a boom in the tourist trade between the two Saults during 1925, 1926, and 1927. It required the building of a new ferry to transport people between the two cities. In 1926 funds were appropriated to build the new ferry, at a cost of \$65,000. It held 25 automobiles as opposed to the old one's capacity of four, had a separate passenger deck above the auto deck, had ramps at both ends, and was faster than the old one. All these features combined to move more people across the border. Statistics taken in August 1927 show that the number of Americans to visit the Sault jumped measurably after the LCBO opened. During the entire 1926 season, 21,820 automobiles went to the Sault, Ontario; likewise, as of August 1927, 31,761 had already visited the Canadian Sault, and four months remained in the season. In 1926, 206,762 people visited Sault Ste. Marie, Ontario from the US. By August 1927, there were already 261,343 visitors. While these numbers are large in themselves, the month of August 1927 showed a huge increase of passengers over the previous year, August 1926, 30,595 and August 1927, 85,447. Bartley F. Yost, American Consul, reported, "It is generally believed that the establishment of the LCBO furnished the increase in American traffic."

On 17 January 1920 the US Congress passed the Volstead Act. This law burdened the Coast Guard with combating rum-runners. For 14 years the Coast Guard tried to stop illicit liquor from reaching the shores of the United States, on all coasts including those of the Great Lakes.<sup>1</sup> The Coast Guard was not very successful at this task at Sault Ste. Marie, and the Sault was the headquarters of the Coast Guard units based on Lakes Superior, Ontario, and Michigan.<sup>2</sup>

There was only one file in the Consular Correspondence that gave credit to the Coast Guard for the halting a smuggling run. The report, dated 3 March 1925, said that although the Coast Guard prevented the liquor from reaching the US shore, the bootleggers escaped with their cargo intact. Liquor seizures at Sault Ste. Marie were generally the work of the Immigration Service. The reports gave the Immigration Service credit for a number of seizures, including the almost daily seizures of alcohol that people carried on their person.

One possibility why the Coast Guard appeared to lack success at Sault Ste. Marie could be that it was not attempting to stop anybody. A couple of cases illustrate this point. The first documented evidence of this theory was an occasion when authorities observed a US Coast Guardsman fraternizing inside one of the liquor warehouses on the Canadian side.<sup>28</sup>

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NARA, RG 59, William E. Chapman, US Consul, to the Secretary of State, February 26, 1926 "New Ferry to be Built for use Between Sault Ste. Marie, Michigan and Sault Ste. Marie, Ontario," 1-3, and 1 May 1926, "New Ferry to be in Service about 15 June 1926," 1, 2 and from Bartley F. Yost, US Consul, 27 September 1927, "Large Increase in Number of American Tourists Visiting Sault Ste. Marie, Canada," 1, 2.

<sup>26</sup>T. Michael O'Brien, *Guardians of the Eighth Sea: A History of the US Coast Guard on the Great Lakes*, (US Government Printing Office: no place, 1976), 67.

<sup>27</sup>NARA, RG 59, Herbert W. Carlson, Vice Consul in Charge, to Dept. of State, 2 February 1925, "Traffic in Liquor During January 1925," 2.

<sup>28</sup>NARA, RG 59, Bartley F. Yost, US Consul, to the Secretary of State, November 3, 1927, "Smuggling of Intoxicating Liquors during the month of October, 1927," 3.

The Guardsman had absolutely no reason to be at the storehouse, except possibly to pick up a payment or find out where the next run would be so that the Coast Guard vessels were not in the vicinity. There was a definite conflict of interest if a member of the Coast Guard associated with bootleggers, the very people they were supposed to be arresting.

Some other Coast Guardsmen were transferred out of the Sault Ste. Marie detachment when they were caught smuggling red-handed. An American consular official who lived near Sugar Island, a reported smuggler rendezvous, observed the entire episode. He watched as rowboats laden with cases of liquor left the Canadian shore and passed their cargo onto a waiting US Coast Guard vessel anchored off Sugar Island. The Coast Guard vessel then brought the shipment to Michigan. An additional incident took place in the summer of 1927. Two Coast Guardsmen were present on a large rowboat that crossed the St. Mary's below the falls. Its cargo was 114 cases of whiskey destined for American consumers.<sup>29</sup> It would be difficult for the Coast Guard to make any seizures if it shipped the liquor itself

At a trial in February 1928, a witness testified that the receivers of intoxicants on the American side had protection. He stated that Canadian rum-runners delivered their cargo to a "stone pile" that signified the international border in the St. Mary's River. When the liquor reached the "stone pile", a collection of rocks in the middle of the river, American smugglers loaded it into their boats under the supervision of US authorities.<sup>30</sup> It only makes sense to assume that the US authorities in the middle of the St. Mary's River were the Coast Guard. This evidence further supports the Coast Guard's questionable conduct at Sault Ste. Marie.

Therefore, Sault Ste. Marie, Ontario, and Sault Ste. Marie, Michigan, could be viewed as smuggler's havens during prohibition in Ontario and the United States. This stems from the complicity of some members of the US Coast Guard stationed there, who were more than willing to aid in the safe transport of intoxicating liquors. The geographical position of the two Saults positioned on opposite sides of the St. Mary's River also aided in bootlegging because it made it possible for anyone with a boat that could float to make easy money. Although rum-running at Sault Ste. Marie was not as extensive as at other sites in the Great Lakes system, it was sufficiently extensive to offer lucrative career opportunities, and constitute a problem to authorities.

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29 RG 59, Bartley F. Yost, US Consul, to the Secretary of State, 6 December 1927, "Smuggling of Intoxicating Liquors during the month of November 1927," 2-3.

<sup>30</sup> NARA, RG 59, Bartley F. Yost, US Consul, to the Secretary of State, 3 March 1928, "Smuggling of intoxicating liquors during the month of February 1928," 1.