From Prohibition to Regulation: Lessons from Alcohol Policy for Drug Policy

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More than five years after it was launched, America's latest war on drugs has given rise to a chorus of questions about its efficacy and its problematic side effects. Policy makers, journalists, and the general public have increasingly looked to alternatives to drug prohibition such as decriminalization and public health approaches. People have also been drawn to the history of America's experiences with alcohol prohibition and regulation.

In this article we review some major questions about the rise, fall, and effects of alcohol prohibition, and we examine the logic, rationale, and organization of alcohol regulation following its prohibition. We focus on lessons from alcohol prohibition that might be useful for understanding drug prohibition, and on various principles governing alcohol regulation that might apply to drug regulation. In the final section we try to assess the prospects for radical drug law reform by comparing current conditions with those prevailing at the time alcohol prohibition was repealed.

Historical analogies cannot, of course, provide simple and straightforward answers to the complex drug policy questions now confronting Americans. Closer attention to the story of alcohol prohibition and reg-

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461
ulation, however, can help us to understand better the inherent problems and process of drug prohibition while illuminating a wider array of policy options. To set the stage, we begin with a brief overview of the history of temperance, prohibition, repeal, and alcohol regulation in America.

Temperance, Prohibition, Alcohol Control

The antialcohol, or temperance, movement was created in the early nineteenth century by physicians, ministers, and large employers concerned about the drunkenness of workers and servants. By the mid-1830s temperance had become a mass movement of the middle class. Temperance was not, as is sometimes thought, the campaign of rural backwaters; rather, temperance was on the cutting edge of social reform and was closely allied with the antislavery and women’s rights movements. Always very popular, temperance remained the largest enduring middle-class movement of the nineteenth century (Levine 1978, 1984; Tyrell 1979; Gusfield 1986; Rumbarger 1989; Blocker 1989).

The temperance campaign was devoted to convincing people that alcoholic drink in any form was evil, dangerous, and destructive. Throughout the nineteenth century, temperance supporters insisted that alcohol slowly but inevitably destroyed the moral character and the physical and mental health of all who drank it. Temperance supporters regarded alcohol the way people today view heroin: as an inherently addicting substance. Moderate consumption of alcohol, they maintained, naturally led to compulsive use—to addiction.

From the beginning, temperance ideology contained a powerful strand of fantasy. It held that alcohol was the major cause of nearly all social problems: unemployment, poverty, business failure, slums, insanity, crime, and violence (especially against women and children). For the very real social and economic problems of industrializing America, the temperance movement offered universal abstinence as the panacea.

From roughly the 1850s on, many temperance supporters endorsed the idea of prohibition. After the Civil War the Prohibition party, modeled on the Republican party, championed the cause. Nineteenth-century prohibitionists believed that only when sufficient numbers of party members held office would prohibition be practical because only then would it be fully enforced.
In the twentieth century a new prohibitionist organization—the Anti-Saloon League—came to dominate the movement (Odegard 1928; Timberlake 1963; Sinclair 1965; Gusfield 1968; Kerr 1985; Rumbarger 1989). The League patterned itself on the modern corporation, hiring lawyers to write model laws and organizers to raise funds and collect political debts. The League put its considerable resources behind candidates of any party who would vote as it directed on the single issue of liquor. By expanding the numbers of elected officials beholden to it, and by writing laws for those legislators to enact, the League pushed through many local prohibition laws and some state measures. In 1913 the League finally declared itself in favor of Constitutional prohibition. Increasing numbers of large corporations joined the many Protestant churches that had long supported the League. Then, during the patriotic fervor of World War I, prohibitionists mobilized the final support for a constitutional amendment. Among other arguments, prohibitionists claimed that in the United States the heavily German beer industry was sapping American will to fight.

By December 1917, both houses of Congress had voted the required two-thirds majority to send to the states for ratification a constitutional amendment prohibiting the manufacture, sale, transportation, import, or export of intoxicating liquor. In November 1918 Congress passed the War Prohibition Act, which banned the manufacture and sale of all beverages including beer and wine that contained more than 2.75 percent alcohol. On January 16th, 1919, Nebraska became the thirty-sixth state to ratify the Eighteenth Amendment, which was to go into effect in one year. In October 1919 Congress overrode President Wilson's veto to pass a strict enforcement act of prohibition known by the name of its sponsor, Andrew Volstead of Minnesota, chair of the House Judiciary Committee. The Volstead Act defined as “intoxicating liquor” any beverage containing more than 0.5 percent alcohol.

At midnight on January 16, 1920, the Eighteenth Amendment took effect. The famous minister Billy Sunday celebrated by preaching a sermon to 10,000 people in which he repeated the fantasy at the heart of the temperance and prohibition crusades:

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 Kobler 1973, 12)
Prohibitionism was not, as is sometimes implied, a public health campaign to reduce mortality from cirrhosis of the liver or alcoholic admissions to state hospitals. As Joseph Gusfield (1968) has pointed out, prohibitionists were utopian moralists; they believed that eliminating the legal manufacture and sale of alcoholic drink would solve the major social and economic problems of American society.

The many literary, photographic, and cinematic images of the Prohibition era capture some of the essential features of the period. Prohibition was massively and openly violated, and alcohol was readily available in most of the United States. New institutions and cultural practices appeared: bootleggers and speakeasies, hip flasks and bathtub gin, rum runners smuggling in liquor, and prohibition agents like Elliott Ness smashing down doors. Adulterated and even poisonous alcohol was sold and many people were locked up for violating prohibition laws. (For rich descriptions of the prohibition era, see Allen 1931; Lyle 1960; Allsop 1961; Sinclair 1964; Mertz 1970; Kobler 1973; Everest 1978; and Cashman 1981. Burnham [1968] offers perhaps the only serious scholarly case for the success of prohibition. For the most recent evidence and discussions of its failures, see Miron and Zwiebel 1991; Morgan 1991; and Thornton 1991.)

Public opposition to prohibition began even before the Volstead Act passed, especially among labor unions, but organized opposition remained small and fragmented until 1926. Then one organization, the Association Against the Prohibition Amendment (AAPA), took over the campaign for repeal. Headed by Pierre DuPont and other powerful corporate leaders, the AAPA gathered increasing numbers of wealthy and prominent supporters, including many former prohibitionists. Although prohibition would have been repealed eventually, the AAPA unquestionably accelerated the process (Kyvig 1979; Levine 1985; Rumbarger 1989).

Just as World War I had provided the necessary context for rallying popular support to pass prohibition, the Great Depression provided the necessary context for repeal. Prohibition's supporters had long argued that it would ensure prosperity and increase law and order. In the late 1920s and early 1930s, prohibition's opponents made exactly the same argument. Repeal, they promised, would provide jobs, stimulate the economy, increase tax revenue, and reduce the "lawlessness" stimulated by and characteristic of the illegal liquor industry.
The Depression also played a crucial role in undermining elite support for prohibition. To some extent, alcohol prohibition had originally gained the support of large employers because they believed it would increase worker discipline and productivity and reduce other social problems. The mass violations of national prohibition in the 1920s, followed by the Depression of the 1930s, raised a new specter: prohibition, many came to believe, undermined respect for all law, including property law. This "lawlessness," as people then termed it, frightened many of the rich and powerful—like Pierre DuPont and John D. Rockefeller, Jr.—far more than problems with worker efficiency (Leuchtenburg 1958; Kyvig 1979; Levine 1985).

On top of "lawlessness," the threat of revolt and revolution was in the air in the early 1930s. There were food riots in many cities, unemployed people formed militant organizations, mobs stopped trains and took over warehouses of food. Socialists and communists held rallies of tens of thousands, angry armies of marchers camped in front of the White House, and some wealthy people had machine guns mounted on the roofs of their estates (Leuchtenburg 1958; Piven and Cloward 1971, 1977; Manchester 1974).

Those with wealth and power increasingly supported repeal, in part because they felt the need to do something to raise public morale and show that the government was in some way responsive to popular pressure in a terrible depression. In 1931, Matthew Woll, vice-president of the American Federation of Labor and the sole labor member of the AAPA board, told President Hoover's National Commission on Law Observance and Enforcement (the Wickersham Commission) that workers were losing faith in the government's willingness to help them, and that prohibition was causing them further to distrust and resent government. By 1932 a number of influential leaders and commentators also had concluded that legalizing beer would make workers feel better about government and take their minds off their troubles. Senators were told, "Beer would have a decidedly soothing tendency on the present mental attitude of the working men. . . . It would do a great deal to change their mental attitude on economic conditions." Walter Lippman argued, "Beer would be a great help in fighting off the mental depression which afflicts great multitudes" (quotes from Gordon 1943, 104). The Wickersham Commission explicitly pointed to the class resentment and lawlessness engendered by prohibition in its report to Congress:
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 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 . . . have necessarily seemed to bear more upon people of moderate means than upon those of wealth or influence. (1931, 54–5)

On November 16, 1932, the Senate voted to submit the Twenty-first Amendment—repealing the Eighteenth Amendment and returning to the states the power to regulate alcohol—to state conventions for ratification. On March 13, 1933, a few days after he was sworn in as president, Franklin Roosevelt asked Congress to modify the Volstead Act to legalize 3.2 percent alcohol beer to provide needed tax revenue. By April 7, beer was legal in most of the country. On December 5, 1933, Utah became the thirty-sixth state to pass the Twenty-first Amendment. National alcohol prohibition was repealed, effective immediately.

In late 1933 and in 1934, bills creating state alcohol control agencies sped through state legislatures. The model for most of the legislation had been written by a group of policy-oriented researchers and attorneys associated with John D. Rockefeller, Jr., and with policy institutes he had created or financially supported (Levine 1985). Within two years of repeal nearly every state had an agency to supervise the sale and distribution of alcoholic beverages, and alcohol had ceased to be a controversial and politically charged issue. The production, sale, and distribution of alcoholic beverages today is still largely governed by the alcohol control structures designed and implemented at that time.

Effects of Prohibition on Consumption, Production, and Distribution

Consumption

It has frequently been observed that drug prohibition tends to drive out weaker and milder forms of drugs, and to increase the availability and use of stronger and more dangerous drugs (see, e.g., Brecher 1972). This has been so often reported that many analysts speak of it as an “iron law” of drug prohibition. This “law” holds because milder drugs
are usually bulkier, harder to hide and smuggle, and less remunerative. People involved in the illicit drug business therefore frequently find it in their interest to do business in the more compact and potent substances. For example, current interdiction efforts are most successful at capturing boats carrying many large bales of marijuana; therefore, many drug smugglers have turned to smuggling cocaine or heroin because it is easier and far more lucrative than smuggling marijuana (see Murphy, Waldorf, and Reinarman 1991).

This "law" of drug prohibition captures what happened during prohibition. The major effect of the Eighteenth Amendment and the Volstead Act on drinking was to dramatically reduce beer drinking (and therefore total alcohol consumption). At the same time, however, prohibition increased consumption of hard liquor (especially among the middle class). The fashionableness of the martini and other mixed drinks among the middle class is in part a historical legacy of prohibition, when criminalization made hard liquor the most available form of beverage alcohol.

Table 1 is drawn primarily from data gathered by the Rutgers University Center for Alcohol Studies and by historian William Rorabaugh (1979; see also Miron and Zwiebel 1991). We added estimates of beer and wine consumption for 1925 and 1930 based upon economist Clark Warburton's (1932) classic study and adjusted the total consumption figures accordingly. The table shows the per capita (15 years and older) consumption of absolute alcohol in spirits, wine, beer, and cider in America over nearly three centuries.

Two factors stand out in these figures. First, although total alcohol consumption declined after 1915, the sharpest drop occurred between 1830 and 1840, nearly a century before prohibition, when temperance first became a mass middle-class movement. Second, and more pertinent here, prohibition led to a reduction in beer consumption, but an increase in consumption of wine and spirits. Warburton compared alcohol consumption in the period of 1911 to 1914 with that during the prohibition years 1927-1930 and concluded that "the per capita consumption of beer has been reduced about 70 per cent, . . . the per capita consumption of wine has increased about 65 per cent, . . . [and] the per capita consumption of spirits has increased about 10 per cent" (1932, 260).

From 1890 to 1915 beer accounted for more of the total alcohol consumed than did hard liquor. In 1915, for example, beer drinking ac-
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Sources: Adapted from Rorabaugh (1979, 233) and Warburton (1932).

Absolute alcohol for each beverage, per capita of drinking age (15+) population, in U.S. gallons.
b Estimates for 1920 vary considerably and have been omitted.
counted for nearly twice the total alcohol consumed as spirits did. This change was not permanent; spirits consumption fell after repeal while beer consumption rose. By 1935 the alcohol consumed from beer equaled that from spirits, and by 1945 Americans were getting 50 percent more of their total alcohol from beer than from hard liquor.

Consumption and Public Health Under Prohibition

The new public debate about drug laws has increased interest in the effects of prohibition on public health, the economy, and social problems. These were very lively questions during the prohibition period but have been largely ignored since. However, in the last two decades alcohol researchers in a number of countries have investigated at length the relationship between total per capita alcohol consumption and specific illnesses, especially cirrhosis of the liver. The data available for the prohibition years in the United States will always be poor because it is impossible to get accurate consumption figures for an illegal substance. Nonetheless, changes in the last 50 years in many countries that have kept accurate consumption and health statistics do allow some inferences about the relationship between overall alcohol consumption and cirrhosis. Although not all liver cirrhosis is caused by heavy drinking, much is. Furthermore, cirrhosis rates generally follow overall per capita consumption rates. These effects are mediated by dietary patterns, by type of alcoholic beverages consumed, and by when they are consumed. The level of health care people receive also affects cirrhosis death rates. In general, however, the positive relationship between alcohol consumption and cirrhosis holds: when consumption increases, cirrhosis increases (Bruun et al. 1975; Häkkinen et al. 1981; Moore and Gerstein 1981; Single et al. 1981).

One important way to evaluate the public health consequences of alcohol policies, then, is in terms of how they affect consumption. In 1932 Warburton pointed out that "except for the first three years, the per capita consumption of alcohol has been greater under prohibition than during the war period [1917–1919], with high taxation and restricted production and sale" (260). As table 1 suggests, both prohibition and postprohibition alcohol regulation kept overall consumption down compared with the decades prior to prohibition. Indeed, postpro-
hibitation regulatory policies kept alcohol use sufficiently low that it was not until the end of the 1960s, 35 years after repeal, that per capita alcohol consumption rose to the levels of 1915. Whatever public health benefits prohibition achieved in terms of reducing consumption, alcohol regulation in the 1930s and early 1940s accomplished them as well. Further, this occurred despite the fact that the postprohibition regulatory system had little or no public health focus, and despite the fact that the liquor industry (like most other U.S. industries) gained increasing influence over the agencies that were supposed to regulate it. Our point here is not that U.S. alcohol control is a model of effective public-health-oriented regulatory policy (it certainly is not). Rather, until at least 1960, alcohol control worked almost as well as prohibition in limiting alcohol consumption, and more effectively than preprohibition policies.

It is also important to note that other nations achieved even greater reductions in per capita consumption than the United States—without the negative consequences of prohibition. Robin Room (1988) has shown that in Australia a series of alcohol control measures instituted in the early twentieth century substantially reduced spirits consumption. More important, Australia's regulatory policies significantly reduced total alcohol consumption as well as the incidence of alcohol-related health problems, notably cirrhosis mortality. From a peak of 9.15 cirrhosis deaths per 100,000 in 1912, Australia's cirrhosis rate fell to 3.83 in 1933, and fluctuated between 3.15 and 5.12 for over 20 years. Room reports that mortality from alcoholic psychosis experienced a similar drop. All of this happened under regulated sale, not prohibition.

Great Britain's experience parallels that of Australia. England reduced overall consumption by instituting fairly stringent alcohol regulation at about the same time as the United States instituted prohibition. Moreover, as Nadelmann notes, it reduced "the negative consequences of alcohol consumption more effectively than did the United States, but it did so in a manner that raised substantial government revenues." By contrast, the U.S. government not only spent large sums attempting to enforce its prohibition laws, but was also unable to prevent the flow of money into criminal enterprises (1989b, 1102–3).

It is difficult to disagree with Nadelmann's conclusion that the "British experience [and, we would add, the Australian experience] strongly indicates that the national prohibition of alcohol in the United States was, on balance, not successful." Prohibition of course failed to fulfill the fantasies of prohibitionists about eliminating major social problems
like poverty, unemployment, crime, and so on. Yet even in the less utopian terms of reducing total alcohol consumption, U.S. prohibition was no more effective than regulated sale in the 1930s and early 1940s. Prohibition, however, produced far more substantial negative side effects than did regulation.

Only a few other nations even tried prohibition laws, and only Finland instituted constitutional prohibition (repealing it before the United States and for many of the same reasons). Although there are today neotemperance movements in some Nordic and English-speaking (Great Britain, Canada, Australia, and New Zealand) countries, which focus on the public health dangers of alcohol, these are not prohibitionist groups. Contrary to the claims and worries of the U.S. alcohol industry, there are no neoprohibitionist movements and no serious discussion anywhere about returning to prohibition. In the United States even many local prohibition laws have been replaced by regulation of some kind. Over 50 years after repeal of the Eighteenth Amendment, the consensus remains that alcohol prohibition was not sound public policy.

**Alcohol Production and Distribution During Prohibition**

In the criminalized context of prohibition, alcohol consumption was influenced by the requirements of illicit production. It was much more profitable and cost effective to make and distribute distilled spirits (gin, vodka, whiskey, or rum) than beer. Beer is mostly water—only 3 to 6 percent alcohol. Production and storage of beer require enormous tanks, many barrels, and huge trucks and demand a substantial investment in equipment. Hard liquor is 40 to 50 percent alcohol; it contains up to 15 times more pure alcohol than beer. Because alcohol content was the main determinant of price, a gallon of spirits was much more valuable than a gallon of beer and also could be hidden and transported more easily. Furthermore, spirits could be preserved indefinitely, whereas beer spoiled very quickly. Large-scale beer bottling and refrigeration only developed in the 1930s, after repeal (Baron 1962; Kyvig 1979).

The rising supply of hard liquor came from many sources. Tens of thousands of people produced it in small, compact stills in sheds, basements, attics, and in the woods. It was also smuggled from Mexico, Europe, and Canada. Some of the largest names in distilling today entered the business or grew wealthy during the prohibition era—notably the
Bronfman's of Canada, who own Seagram's. A considerable amount of alcohol was also diverted from purported industrial or medical uses.

Wine consumption also increased during prohibition, to about 65 percent more than the pre-World War I period, according to Warburton (1932). Standard table wine contains 10 to 14 percent alcohol. Much of the wine was made for personal consumption and as a profitable side business by immigrants from wine countries, especially Italy. After the first few years of prohibition, the California wine-grape industry experienced a boom and vineyard prices increased substantially. California grape growers planted hearty, thick-skinned grapes that could be shipped easily and used for small-scale and home wine making. Much of the California wine-grape crop was shipped to Chicago and New York in newly developed refrigerated boxcars. The grapes were bought right off the train by wholesalers, who resold them in immigrant neighborhoods. The home-made wine was then distributed to smaller cities and towns, where it was sometimes called "dago red" (Muscatine, Amerine, and Thompson 1984).

Although it is true that prohibition provided a major boost for organized crime, it is not true (although widely believed today) that gangsters and large criminal organizations supplied most prohibition-era alcohol. In Chicago and a few other large cities, large criminal gangs indeed dominated alcohol distribution, especially by the end of the 1920s. Most of the alcohol production and distribution, however, was on a smaller scale. In addition to home-made wines and family stills, people took station wagons and trucks to Canada and returned with a load of liquor. Lobster boats, other fishing boats, and pleasure boats did the same. Spirits and wine were also prescribed by physicians and available at pharmacies. Many people certified themselves as ministers and rabbis and distributed large quantities of "sacramental wine." Alcoholic beverages were made and sold to supplement other income during hard times. Prohibition thus shaped the structure of the alcohol industry in a distinctive way: it decentralized and democratized production and distribution (Lyle 1960; Allsop 1961; Sinclair 1965; Everest 1978; Cashman 1981).

Today as well, most people in the illicit drug business are small-scale entrepreneurs. Supporters of the drug war frequently suggest that elimination of the currently large-scale drug producers and distributors would have a lasting effect on drug production and distribution. There is no more evidence supporting this now than there was during alcohol prohi-
From Prohibition to Regulation

bition. Much illicit drug production today is also decentralized and democratized. There is no criminal syndicate that, when eliminated, would stop the distribution of any currently illicit drug, or even reduce the supply for very long. Today some groups, families, and business organizations (like the so-called Medellin cocaine cartel) have grown very rich in the illicit drug business. However, just as Al Capone was quickly replaced, so have new producers taken the place of those cocaine "king-pins" who have been arrested. Indeed, after billions of dollars on interdiction have been spent by Customs, the Drug Enforcement Agency, and even the armed forces, there has been no lasting drop in the supply of cocaine. Even when interdiction does affect the supply of a criminalized substance, the effects are often ironic. The partial success of the Nixon administration's "Operation Intercept," for example, gave rise to what is now a huge domestic marijuana industry (Brecher 1972), which produces far more potent strains of marijuana and has become ever more decentralized and democratic as armed helicopter raids have increased.

In short, whereas prohibition regimes tend to be a boon to organized crime, they also increase the number and types of people involved in illicit production and distribution (Williams 1989; Murphy, Waldorf, and Reinarman 1991). Whether production occurs in a mob syndicate or a family marijuana patch, the result tends to be a shift toward production and sale of more concentrated forms of intoxicating substances. Recognition of such tendencies in the prohibition era accelerated the process of repeal and informed the search for alternative regulatory systems.

Establishing an Alcohol Control System

The Problem

In 1933, at the very end of the prohibition era, the difficulties of creating an alcohol control system seemed formidable. In the years before Constitutional prohibition in the United States, there had been little systematic control of the alcohol industry. The Eighteenth Amendment had not eliminated the business, but rather had profoundly altered its shape. Thus, in 1933 a sprawling illegal industry for producing and distributing alcoholic beverages was in place, composed of uncountable num-
bers of small independent distributors and producers, and some larger ones. For 14 years this industry had kept the United States well supplied with alcohol. The mass patronage of this illicit industry—and the political and economic implications of such a popular display of disrespect for law—was a major factor in convincing Rockefeller and other prominent supporters of prohibition to reverse field and press for repeal.

During prohibition the liquor business was wide open. In most cities and many towns, speakeasies closed when they wished or not at all; they sold whatever they wanted, to whomever they cared to, at whatever price they chose. They decorated as they wished and had a free hand in providing food and entertainment. Producers had complete control over the strength of their alcohol and the means of its manufacture, including the products that went into it. Neither producers nor distributors paid any taxes (except for payoffs to police and politicians) and they were not regulated by any government agency. During prohibition, the liquor industry was probably the freest large industry in America.

Alcohol control, on the other hand, was a highly coercive system. It was premised on 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 bar stools allowed, all had to be settled. The number, types, and locations of on-and off-premise 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, licensed, and made to pay taxes. Legal drinking had to be socially organized in a way that would not be an affront to the abstaining half of the population. Conversely, the control system could not make regulation so tight, or taxes so high, that drinkers would prefer to patronize illicit bootleggers or speakeasies. Americans, after all, were by then quite used to disobeying liquor laws.

Prohibitionists had always argued that the liquor business was inherently unregulatable. The onus was now on reformers to show that this was not true, and that they could create structures to make the industry obey laws and yield taxes. The task, as expressed in the catchall title for alternatives to prohibition, was "liquor control" or "alcohol control" in the fullest sense of the term. In short, repeal posed an enormous problem of social engineering. Constructing alcohol control, in fact, involved problems of government regulation so large and complex as to make
some of the classic Progressive-era reforms—regulating meat packing, for example—seem paltry in comparison. Except for national prohibition, postrepeal alcohol regulation is probably the most striking twentieth-century example of government power used directly to reshape both an entire industry and the way its products are consumed.

The Rockefeller Report

Prior to the passage of the Eighteenth Amendment, alcohol was regulated by cities, towns, and sometimes counties. State governments were rarely involved in regulating production or distribution. Prohibition then shifted control to the federal government. Postrepeal policy, however, made state governments chiefly responsible for devising and implementing a regulatory system. States could, and often did, then allow for considerable local option and variation.

By the end of the 1920s the Association Against the Prohibition Amendment had outlined some rough plans for alternatives to prohibition, but they had not been well worked out. The central principles of postprohibition alcohol control systems adopted by almost every state legislature were first fully laid out in a report sponsored by John D. Rockefeller, Jr. and issued in October 1933, shortly before repeal was ratified. Rockefeller’s long-time adviser, Raymond Fosdick, was the senior author. Fosdick supervised the group of attorneys and policy analysts, most of whom worked with or for the Institute of Public Administration—a Progressive Era policy institute in New York that Rockefeller had funded for a number of years. The report was issued in press releases to newspapers and magazines over several weeks. Finally the Rockefeller Report (as it was called at the time) was released as a book, Toward Liquor Control by Raymond Fosdick and Albert Scott (1933).

Although few at the time recognized it, Toward Liquor Control had taken as its basic conclusions virtually all of the central recommendations made 30 years earlier by another elite-sponsored alcohol policy group called the Committee of Fifty. The Committee of Fifty, which was staunchly antiprohibitionist, had produced five books on various aspects of the “alcohol problem” around the turn of the century. Fosdick and the other study members had read the Committee of Fifty’s reports and quoted them at length on the corruption and lawlessness resulting from earlier forms of local prohibition. The Rockefeller Report echoed the Committee of Fifty’s conclusion that the legitimacy of the law must
be of primary concern in liquor regulation. Both reports agreed that the specific content of the law mattered less than that the laws be obeyed. Both reports argued that alcohol regulation required a flexible system that could be continually monitored and adjusted. Further, both reports advised that, if at all possible, government should take over the selling of alcoholic beverages (Billings 1905; Levine 1983; Rumbarger 1989).

The specific plan for alcohol control suggested by *Toward Liquor Control*, and the Rockefeller Report’s most controversial proposal, was that each state take over as a public monopoly the retail sale for off-premises consumption of spirits, wine, and beer above 3.2 percent alcohol. As Fosdick and Scott explained: “The primary task of the [State Alcohol] Authority would be the establishment of a chain of its own retail stores for the sale of the heavier alcoholic beverages by package only.” This is the source of the term “package stores” still used today for liquor outlets in many states. The state-run outlets of Canadian provinces, and of Sweden, Norway, and Finland, were cited as working examples of such a plan. This quickly became known as the “monopoly plan” and at the time was usually called “the Rockefeller plan.”

For those states not willing to establish government liquor stores, Fosdick and Scott proposed an alternative system: “regulation by license.” They cited England 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. “Tied houses” would not be permitted; no retail establishments could be owned directly by or under exclusive contract to a distiller or brewer.

Although it offered guidelines for a licensing system, *Toward Liquor Control* favored the monopoly plan. The possibility of increasing profits, they said, would encourage private businesses to sell more alcohol, to buy political influence and lax enforcement, and to violate laws. Rockefeller explained the chief advantage of government-owned liquor stores in his foreword to the book: “Only as the profit motive is eliminated is there any hope of controlling the liquor traffic in the interests of a decent society. To approach the problem from any other angle is only to tinker with it and to ensure failure.” The irony of a Rockefeller warning about the dangers of the profit motive was not lost on observers in 1933. Rockefeller took such an anticapitalist position because, like others at the time, he had concluded, probably correctly, that government ownership brought greater powers to regulate and control behavior, and ensure obedience to the law.
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 produced and shipped; regulate or eliminate alcohol beverage advertising; determine the internal design, visibility from the street, hours and days of sale, number and locations of alcohol outlets.

In January 1934 a model law based on the guidelines of Toward Liquor Control and written by the staff of the Institute for Public Administration was published as a supplement to the National Municipal Review. The Review was the official journal of the National Municipal League, another Progressive Era policy organization supported by the Rockefellers. The model law and other supporting documents were widely circulated to legislators throughout the country in the months following repeal. State legislators, faced with difficult political choices, and with little personal expertise in the complexities of liquor regulation, turned to the authoritative and virtually unchallenged plans of the Rockefeller commission and the National Municipal League. In a letter in the Rockefeller Archives, one of the model law’s authors 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 (Gulick 1977; Levine 1985).

Alcohol Control in Operation

Postrepeal regulation transformed the alcohol beverage industry. Finland, the only other nation to have experimented with constitutional prohibition, had nationalized production of spirits. However, such proposals were not seriously discussed in the United States. Instead, production took the form of an oligopoly of relatively few corporations. By the end of the 1930s, four or five years after repeal, roughly four-fifths of all distilled liquor made in the United States was manufactured by four corporations. The beer industry, although more diverse nationally because beer required quick and local distribution, was monopolized by
region or area. Regulatory agencies preferred to deal with a few large corporations—they were easier to police and 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 a few large corporations. (From at least the time of the National Recovery Act at the start of the New Deal, federal government policy often encouraged such concentration. The alcohol industry was exceptional only in how quickly many small producers were overtaken by a few dominant ones.)

Although production became oligopolistic, distribution was splintered and scattered. Perhaps the most important long-term innovation in postprohibition alcohol regulation was that it permitted the legal sale of alcohol at a wide variety of sites. Before 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. After repeal, alcohol control created several different types of establishments to sell alcoholic beverages. In most states special stores were designated for selling distilled liquor and wine—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—with grocery stores and small markets licensed to sell it. In other words, after prohibition, sale of bottled alcohol was increasingly separated from the public drinking place. This encouraged the privatization of drinking. Whether alone or with others, drinking became something more commonly done at home—where, it should be noted, drinking patterns were often moderated by family norms (see Zinberg 1984). By 1941, off-premises consumption accounted for the majority of alcohol sales (Harrison and Laine 1936; Kyvig 1979, 189).

The character of public drinking was significantly altered by these 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 and cafeterias where eating moderated the character and effects of drinking. This separated 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 (Alcohol Beverage Control Administration 1973).

Under alcohol control, all establishments licensed for on-premises consumption of spirits were specifically restricted in ways that shaped the cultural practice of drinking. In some areas, control laws attempted to moderate the effects of drinking by encouraging food consumption (just as hosts of cocktail parties served hors d'oeuvres). For example, spirit sales often were limited to bona fide restaurants with laws specifying how many feet of kitchen space and how many food preparation workers there must be. Most states established restrictions on the number of entrances and their locations (back entrances are usually prohibited); the times of day and days of the week when sales may occur; permissible decorations; degree of visibility of the interior from the street; 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 in close proximity to the source of alcohol—or whether they must sit at tables and order drinks as one orders food; and the ratio of chair seating to bar seating.

The public character of drinkers' comportment was also regulated. Many states, for example, 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 forbid all words to indicate a drinking place. Until recently, most drinking establishments in California displayed only a name and a symbol: a tilted glass with a stirrer.

From a preprohibition or prohibition-era perspective, there are two surprising characteristics of postrepeal alcohol controls. First, most laws and regulations are obeyed. Almost all drinking places, for example, stop serving and collect glasses at the required hours; and they observe the regulations about tables, dancing, decorations, signs, entrances, and so on. By and large, this obedience has been relatively easily 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, so owners tend to guard their licenses carefully. Minimum-age drinking laws constitute the one obvious exception to this regulatory success as well as being one of
the few remaining forms of prohibition. Second, postrepeal alcohol reg­
ulation is usually not perceived as especially restrictive by customers.
The many layers of laws and regulations are rarely noticed; most drink­
ers take them completely for granted.

A third, less surprising characteristic of postrepeal alcohol control is
that policy has not been aimed specifically at maximizing what earlier
reformers called “temperance”—meaning, above all, reducing habitual
drunkenness or repeated heavy drinking. In his preface to Toward Liq­
uor Control, Rockefeller maintained that such problems could not be
effectively addressed by liquor regulation and that they would have to
be taken up by other agencies as part of broader educational and health
efforts. Since repeal, these tasks have been adopted by a number of in­
dependent and government groups, notably Alcoholics Anonymous and
the National Council on Alcoholism, various state and local alcoholism
agencies, and, since the early 1970s, the National Institute on Alcohol
Abuse and Alcoholism. In recent years, some public health professionals
have urged that the alcohol control system be used more self-consciously
to reduce drinking and alcohol-related health problems. Such concerns
have by and large been imposed on the system, however, and do not
flow from its natural workings.

It is worth noting that whenever states propose adding public health
concerns to the control system, the alcohol industry usually offers fierce
opposition. This is why Rockefeller pushed to eliminate the profit mo­
tive from alcohol sales, even while advocating private production. This
is also why Finland chose to organize both hard liquor production and
sale as a state monopoly. As a result, the Finnish alcohol industry is rela­
tively less powerful than the American industry, and the Finns have
found it easier to make public health a part of their postrepeal control
system.

On the other hand, despite all its flaws, postrepeal alcohol control
did succeed in turning consumption away from hard liquor and back to­
ward beer. Further, alcohol control (coupled with the Depression and
World War II) did keep alcohol consumption below preprohibition lev­
els. In fact, as noted earlier, it was not until 1970 that the total alcohol
consumption level of the drinking-age population reached the levels of
1915.

In 1936 a second volume of the Rockefeller-sponsored Liquor Study
Commission Report was issued. After Repeal: A Study of Liquor Con­
trol Administration (Harrison and Laine 1936) 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. The overall thrust of the report was that, with some understandable exceptions, alcohol control worked extremely well. Other observers at the time drew similar conclusions (Sheppard 1938; Shipman 1940). Legalizing alcohol and then regulating it had accomplished what most temperance and prohibition supporters claimed was impossible: alcohol moved from being a scandal, crisis, and constant front-page news story to something routine and manageable, a little-noticed thread in the fabric of American life. For over 50 years, alcohol control has quietly and effectively organized and managed the production, distribution, and sale of alcohol, as well as much of the social life associated with drinking. The alcohol control system was and is coercive, although its coercion was not organized like that of prohibition. This coercion was designed with a certain pragmatic precision that continues to function effectively. Some prohibitionist critics observed at the time of repeal that this system was shaped around the preferences of drinkers and the alcohol industry (Garrison 1933). But as the Committee of Fifty had recommended at the turn of century, alcohol regulation was not designed to stop all drinking and eliminate the industry, but rather to promote "order, quiet and outward decency." This more modest goal has been largely achieved.

Despite frequent claims to the contrary, alcohol control has of course sought to legislate morality. It has not, however, sought to impose the morality of the nineteenth-century Victorian middle class, who took up the cudgel of temperance. Rather the alcohol control system legislates the more modern morality of the new business and professional middle class, of the corporate elite, and to some extent of the twentieth-century working class. Accordingly, unlike more stigmatized "vices" or "pleasures"—prostitution, gambling, and the use of marijuana, heroin, or cocaine—drinking has not been pushed by criminalization beyond the pale of normative and regulatory influence. Moreover, once it ceased to be outlawed, the alcohol industry was no longer dominated by unregulated, illicit entrepreneurs who shot at each other, developed organized crime syndicates, and paid off police and government officials. The leaders of the major alcohol industries are members of the economic establishment with an investment in maintaining order and obedience to law.

Now, over a half-century since prohibition, it is easy to forget that all
this was the outcome of self-conscious public policy and not the "natural" result of market forces or national zeitgeist. The alcohol control system has worked sufficiently well that it usually goes unnoticed, even by students of prohibition or American history. For purposes of devising new drug policy options, however, it is important to remember that this particular system was the self-conscious creation of a political and economic elite with the power to institute what it regarded as good and necessary. The alcohol control system they devised is not especially democratic; it does not really address public health or social welfare concerns; and it has produced enormous profits for a handful of large corporations that continue to fight public health measures. However, it has achieved what its designers sought to do: regulate and administer the orderly and lawful distribution of alcoholic beverages in a way that creates little controversy (Bruun et al. 1975; Beauchamp 1981; Levine 1984).

Lessons from the Regulatory Regime

There are many different (even contradictory) lessons that may be drawn from the story of alcohol control in the United States. Two seem particularly relevant for drug policy. First, although it may cut against the grain of our moral predispositions, drug control along the lines of alcohol control is a reasonable and practical policy option. Prohibitionists always claimed that alcohol was a special substance that could never be regulated and sold like other commodities because it was so addicting and dangerous. However, as the last 55 years of alcohol control and the experiences of many other societies have shown, the prohibitionists were wrong. The experiences of drug policy in other nations, and the experiences of U.S. pharmaceutical and drugstore regulation, suggest that most if not all psychoactive substances could be similarly regulated, sold, and used in a generally lawful and orderly fashion. It would mark a significant advance if the current U.S. debate on drug policy could be moved beyond the question of whether such a system of legalized drug control is possible; it is. Instead, we think debate should focus on whether a nonmoralistic assessment of the advantages and disadvantages of such a system make it desirable, and what different regulatory options might look like.

A workable system of drug control would have to be a flexible one, geared to local conditions, as Edward Brecher recommended 20 years
From Prohibition to Regulation

ago in his landmark study *Licit and Illicit Drugs* (1972). The logic of such a flexible system was also outlined 90 years ago by the Committee of Fifty. As with alcohol control, drug control could be implemented so as to reduce substantially if not eliminate the illegal drug business and most of the crime, violence, and corruption it produces. Drug control with a public health orientation would also seek to encourage milder and weaker drugs and to make them available in safer forms accompanied by comprehensive education about risks, proper use, and less dangerous modes of ingestion. In other words, a public-health-oriented drug control regime would seek to reverse the tendencies that appear inherent under criminalization, where production, distribution, and consumption are pushed into deviant subcultures in which purity is not controlled, dosage is imprecise, and extreme modes of ingestion are the norm.

If a drug control system were designed according to rigorous public health criteria, then the experience of alcohol regulation suggests that, in the long run, drug problems would probably not rise significantly above the levels now present under drug prohibition, and overall consumption might not rise either (see also Nadelmann 1989a). Similarly, if such a public health model of drug control were coupled with increased social services and employment for impoverished inner-city populations, then the abuse of drugs like heroin and cocaine might well be expected to decrease (Brecher 1972; Jonas 1990).

Having said this, it is incumbent upon us to point to a second lesson that may be inferred from the history of alcohol control: it will be no simple matter to design such a drug control system. It took a full-time, multiyear effort for the researchers and planners at the Institute of Public Administration to come up with a workable beginning blueprint for postprohibition alcohol control. Furthermore, this system has been constantly adjusted ever since. A post-drug-prohibition control system will require even more study, research, and careful planning, which in turn will require a Rockefeller-like willingness to invest the necessary resources. Special commissions and policy study groups drawing on a wide range of expertise will be necessary, for it is unlikely that effective alternatives in drug policy can be designed by an individual scholar, however wise or visionary, in his or her spare time.

Useful lessons aside, all this begs a rather big question: does the political will exist even to study seriously alternatives to the drug policies that have dominated our thinking throughout the twentieth century?
That Was Then, This Is Now: 
The Political Context of Drug Reform

There are many differences between constitutional alcohol prohibition and drug prohibition that make drug law reform problematic. In the 1920s only one substance was at issue. Now there are several whole classes of them. Alcohol prohibition was repealed after only 13 years. But federal drug prohibition began over 75 years ago when opiates and cocaine were criminalized, and has been supplemented regularly ever since. Marijuana was criminalized over 50 years ago, lysergic acid diethylamide (LSD) 20 years ago, and MDMA (better known as “Ecstasy”) in 1984 (Brecher 1972; Goode 1989).

Alcohol had been in popular recreational use for several millennia before prohibition. By the early 1930s half of the adults in the United States drank, and the vast majority of adults in most big cities wished to drink occasionally; they continued to do so during the prohibition era. Local police were rarely enthusiastic supporters of prohibition, and they themselves drank.

Today, however, despite widespread experimentation, even the most popular illicit drug, marijuana, was used by only about 20 percent of all adults in the last year. This is a sizable minority, but alcohol prohibition affected the majority. Further, unlike the 1930s, the prohibitionist ethos has attained legitimacy among nearly all police and politicians, most of whom believe that illicit drugs are extremely dangerous and that no one should use them. There are no longer any “wet” legislators to criticize prohibitionist policies and introduce alternatives, only “drys” debating other “drys.” To imagine a political context comparable to that of repeal, we would have to assume that most police and at least half of the elected officials in the United States were moderate marijuana users, and that a sizable minority had used LSD and cocaine.

In the “Roaring Twenties” a new, urban middle-class generation came to maturity. They were the first post-Victorian generation and they tended to oppose what they saw as the repressive, puritanical restrictions of temperance. Further, by 1930 the political power of the Anglo-American middle class had been diluted by a large number of immigrants from southern and eastern Europe, who brought with them cultural traditions that regarded drinking as a normal part of life. To them, alcohol prohibition seemed a bizarre custom imposed by moralis-
tic fanatics. By the early 1930s, alcohol did not seem as threatening to as many as it once had. Antidrinking sentiment was weaker than it had been for 100 years, and it was becoming even weaker. Together with the widely perceived failures of prohibition, these demographic and cultural shifts helped render antialcohol ideology bankrupt.

There are today no comparable demographic or cultural changes. Most Americans are now as fearful of drugs as middle-class Americans were about alcohol at the start of the century. Current immigrants do not come from drug-using cultures. The baby-boomers who popularized the recreational use of marijuana and other drugs in the 1960s are in middle age. They are watching their health, restricting their consumption of illicit and licit drugs, and (like their own parents were) worrying about the drug use of their children.

Over and above natural citizen concern about very real drug problems, antidrug sentiment has been cultivated by politicians' drug war speeches, mass media scare stories, and multi-million-dollar advertising campaigns to a degree that turn-of-the-century temperance crusaders would envy (Reinarman and Levine 1989). Indeed, the use of drinking as a scapegoat explanation for social problems, which was so prominent in nineteenth- and early twentieth-century temperance and prohibitionist rhetoric, is reproduced today in antidrug campaigns. Long-standing problems like urban poverty, crime, and school failures are nowadays frequently blamed on drugs like crack and heroin. In another parallel with the nineteenth century, abstinence ("just say no") and the utopian wish for truly effective prohibition are held up as the solutions to urban problems. Billy Sunday's panacea, quoted earlier, of solving America's economic and social problems through alcohol prohibition remains alive in the dream that effective drug prohibition and a rigorous war on drugs can now solve the problems of America's poverty-stricken, urban neighborhoods. The result is that the political conditions for drug policy reform today are more like 1900—when the prohibition movement was growing—than like 1933 when prohibition was repealed.

Another difference, as we discussed earlier, was the crucial role of the Great Depression in turning the political and economic elite against prohibition. With food riots and protest marches making headlines, popular discontent clearly helped shape the political context in which decisions about repeal and alcohol policy were debated. Despite all our contemporary crises, we are not yet facing the equivalent of the Great
Depression. Even an economic catastrophe would not necessarily soften attitudes about drug prohibition as it did attitudes about alcohol prohibition. The ratio of drug users to drug prohibitors in the population today is too small to expect any such sharp shift in public opinion, even if the economy continues to deteriorate.

During the 1920s, and especially the early 1930s, repeal advocates argued that ending prohibition would result in a windfall of revenues from taxes on alcohol sales and from money saved on enforcement. This generally did not come to pass, for the economic needs of a growing government in a deep depression were so great that the new revenue was quickly expended. Thus it cannot be automatically assumed that if drug prohibition were lifted, excise taxes on legal drugs and reduced enforcement costs would provide a fiscal boon for governments. With worsening federal and state deficits, much of this money also would be absorbed. Given the shamefully inadequate level of support now provided for drug treatment, however, it is still conceivable that revenues from taxation and licensing could finance the expansion of treatment, counseling, and education that any sound drug control system would require (see Schmoke [1990] and Hofstra Law Review [1990] for detailed proposals).

In terms of the politics of reform, however, it remains unlikely that the potential fiscal advantages of repeal will by themselves move us toward significant change in U.S. drug law.

The political and intellectual energy that fueled the repeal of alcohol prohibition came from outside the Democratic and Republican parties, and the situation is little different today. In 1928, Al Smith campaigned against prohibition, but the Democratic party provided no leadership, organizational skills, or intellectual support for repeal. A few current political leaders have criticized the ill effects of drug prohibition, but almost all elected officials of both parties have appealed to the electorate by trying to prove only that they are more committed drug warriors than their opponents. Some politicians may join in opposing the war on drugs and working for decriminalization, but it remains unlikely that many candidates for national office will soon take leadership roles in a campaign for drug law reform.

Conclusion

It is thus abundantly clear that the current context for repeal of drug prohibition does not compare favorably with the context in which alco-
From Prohibition to Regulation

hol prohibition was repealed. Historical, demographic, cultural, economic, and political conditions do not seem especially conducive for any radical change in U.S. drug policy at present.

We should note, however, that there are some signs of change. Many dissenting intellectuals have called attention to the immense costs, numerous casualties, and unintended consequences of extreme prohibitionist regimes like the current war on drugs (e.g., Nadelmann 1989a; Trebach and Zeese 1990; Goldstein et al. 1990; Jonas 1990). These include conservative publisher and writer William F. Buckley, Jr., Nobel Prize-winning economist Milton Friedman, former Reagan administration secretary of state George Shultz, federal judge Robert Sweet, and, at the other end of the ideological spectrum, Harvard science professor Stephen Jay Gould, Ira Glasser, head of the American Civil Liberties Union, and Mayor Kurt Schmoke of Baltimore, the first major political leader to proclaim publicly his support for decriminalization. In addition, a growing number of state legislators, federal judges, and even some police chiefs have openly criticized drug prohibition and urged consideration of repeal (e.g., Galiber 1990; Schuler and McBride 1990). The views of these prominent individuals have been echoed in periodicals such as the *Economist*, the *Nation*, *Harper’s*, the *New Republic*, the *National Review* and the *Wall Street Journal*.

Opposition voices have also taken institutional form. The Drug Policy Foundation in Washington, D.C., for example, has since 1987 published reformist newsletters and books, produced a regular television show on which experts debate alternative drug policies, and held a series of international drug policy reform conferences. There is as well the ongoing research on decriminalization and other alternative drug control regimes of the Princeton Working Group on the Future of Drug Policy, an interdisciplinary group of experts from across the United States, which convenes quarterly to develop long-range options for a postprohibition future. An international conference on drug legalization also was held last year at Stanford’s Hoover Institution, one of a dozen such conferences on campuses across the nation in the last few years.

Although all this does not yet constitute a grass-roots movement for fundamental change in our drug laws, nevertheless the list of credible critics of drug prohibition who advocate some form of drug regulation regime has grown surprisingly long and their arguments have gained a certain momentum. By showing the full social costs and questionable efficacy of unquestioning support for a regime of prohibi-
tion, and by exploring possible alternatives, the critics may help shift the political climate within which drug policies are given shape and force.

A consensus has emerged among dissenters and drug warriors alike on at least one point: supply-reduction strategies like prohibition have inherent limits, so the future lies in demand reduction. Even Drug Enforcement Agency officials now admit that interdiction will never be capable of halting the flow of currently illicit drugs. One need not be a free market economist like Milton Friedman to understand that criminalization is the sine qua non of black market profits, and that these will continue to lure people into the illicit drug trade. Thus, a variety of unlikely bedfellows has concluded that any future success in combating drug problems must center on reducing demand.

The use and abuse of drugs cuts across the social boundaries of class, race, gender, and region. However, incidence and prevalence studies have shown time and again that the most serious and sustained drug problems are those found among the inner-city poor. According to surveys by the National Institute on Drug Abuse, almost all forms of illicit drug use among the broad middle and working classes had been stable or declining before the latest drug war was launched in the spring of 1986. The hard-drug problems that persist, and that animate both public concern and public policy, are those of the impoverished—precisely those individuals who have neither a stake in conventional life to keep them out of trouble with drugs nor the resources to obtain the treatment and social services they need to break away (Waldorf, Reinarman, and Murphy 1991). In short, it is among the growing ranks of the impoverished that we find both the strongest demand for and the most serious problems with illicit drugs.

When it comes to the issue of how to reduce demand, there is little consensus. Advocates of drug prohibition regimes often tacitly assume that underlying economic and social problems have little to do with drug problems; they tend to see strong drugs and weak individuals as the cause. Public health professionals know that “environment” is just as important as “agent” and “host” and have often supported alternative policies that speak to such underlying causal mechanisms. Other advocates of alternative control strategies assume that decriminalization coupled with expanded education and treatment will be enough. We are not so sure. The prohibitionist strategies, which have imprisoned
hundreds of thousands of mostly young black males, only exacerbate the hardships faced by them, their families, and communities, thus helping to ensure continued or perhaps expanded demand. Decriminalization could help create the conditions for a radical reduction in the crime and violence of the illicit drug trade as well as for the development of more effective public health policies. By itself, however, decriminalization does not offer an adequate response to hard drug abuse among the urban poor.

In September 1988, at the height of U.S. efforts to persuade Latin American countries to reduce their production of cocaine, a Bolivian journalist wrote in the Sunday *New York Times* that interdiction to reduce supply as a means of reducing drug use can never succeed. He too suggested that the United States must work on reducing demand, and concluded by calling for "a Marshall Plan for cities" that would reduce the poverty and despair that are the source, if not the direct cause, of our worst drug problems.

The relatively low prevalence of drug problems in other industrialized democracies also suggests that such domestic reconstruction will be a necessary foundation for any effective drug control regime. Most Western European societies have lower levels of illicit drug use, abuse, and problems than the United States, largely because they have less inequality, poverty, and homelessness. E. L. Engelsmann (1990), head of Substance Abuse in the Ministry of Health of the Netherlands, recently made the same point at the Woodrow Wilson Center in Washington, D.C.: "The Dutch prefer a policy of social control, adaptation, and integration to a policy of social exclusion through criminalization. ... Instead of a war on drugs, we prefer to wage a war against underdevelopment, deprivation, and [low] socioeconomic status" (also see Henk 1989).

Most Western European nations have been more successful than the United States in combating poverty with family allowances, full social and health services, and a welfare system that meets the basic needs of their citizens. There, as well as here, the heaviest abusers of hard drugs are still from the lowest strata in society. However, Germany, France, Belgium, The Netherlands, Switzerland, Denmark, Sweden, Austria, Finland, and Norway all have a markedly smaller proportion of their citizenry living in poverty than does the United States, and markedly fewer drug problems.
Even if the context for drug policy reform were to shift and some form of a decriminalized drug control regime put in place, the underlying problems of the urban poor would remain. Without significantly improving schools and housing, eliminating homelessness, and providing universal medical care, well-paying jobs, and expanded delivery of other social services, our most serious drug problems will persist. The recent spread of both the sale and use of crack, for example, occurred despite an overall decline in all other forms of illicit drug use (Reinarman and Levine 1989). In part this is because the conservative social policies of the Reagan and Bush administrations have produced a sharp decline in the already tenuous quality of life of the poor. Instead of a Marshall Plan for the cities, the United States has been working under what might be called a Dresden plan—reduced social and health programs, urban blight, and bulging prisons.

Someday, Americans may, as Edward Brecher predicted, look back on drug prohibition as most people today look back on alcohol prohibition—as a mistake. In the twentieth century, a dozen major scientific commissions in Britain, Canada, and the United States have recommended alternatives to drug prohibition. The United States is the only nation where these recommendations have been so consistently ignored (Trebach 1989; Trebach and Zeese 1990). For starters, these recommendations should be more widely discussed and better understood in the United States. The experiences of other nations and cities—notably The Netherlands and Liverpool—also provide living examples of drug policies that are more humane and, because they are linked to better social policies, more effective. The full range of such alternatives to current drug policy should be studied and debated—from futuristic visions to pragmatic reforms that could be implemented immediately (Nadelmann 1989a; Hofstra Law Review 1990; Trebach and Zeese 1990).

We have shown that the United States is not yet in the position with regard to drugs that it was with alcohol in the 1920s and 1930s. We have also suggested, however, that there are a number of important lessons about future drug policy that may be learned from the postrepeal alcohol control system. We think the growing ranks of the peace movement against the War on Drugs and the broader public health community would do well to mine this policy vein for new approaches that blend some form of decriminalized drug control with expanded health and social services.
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