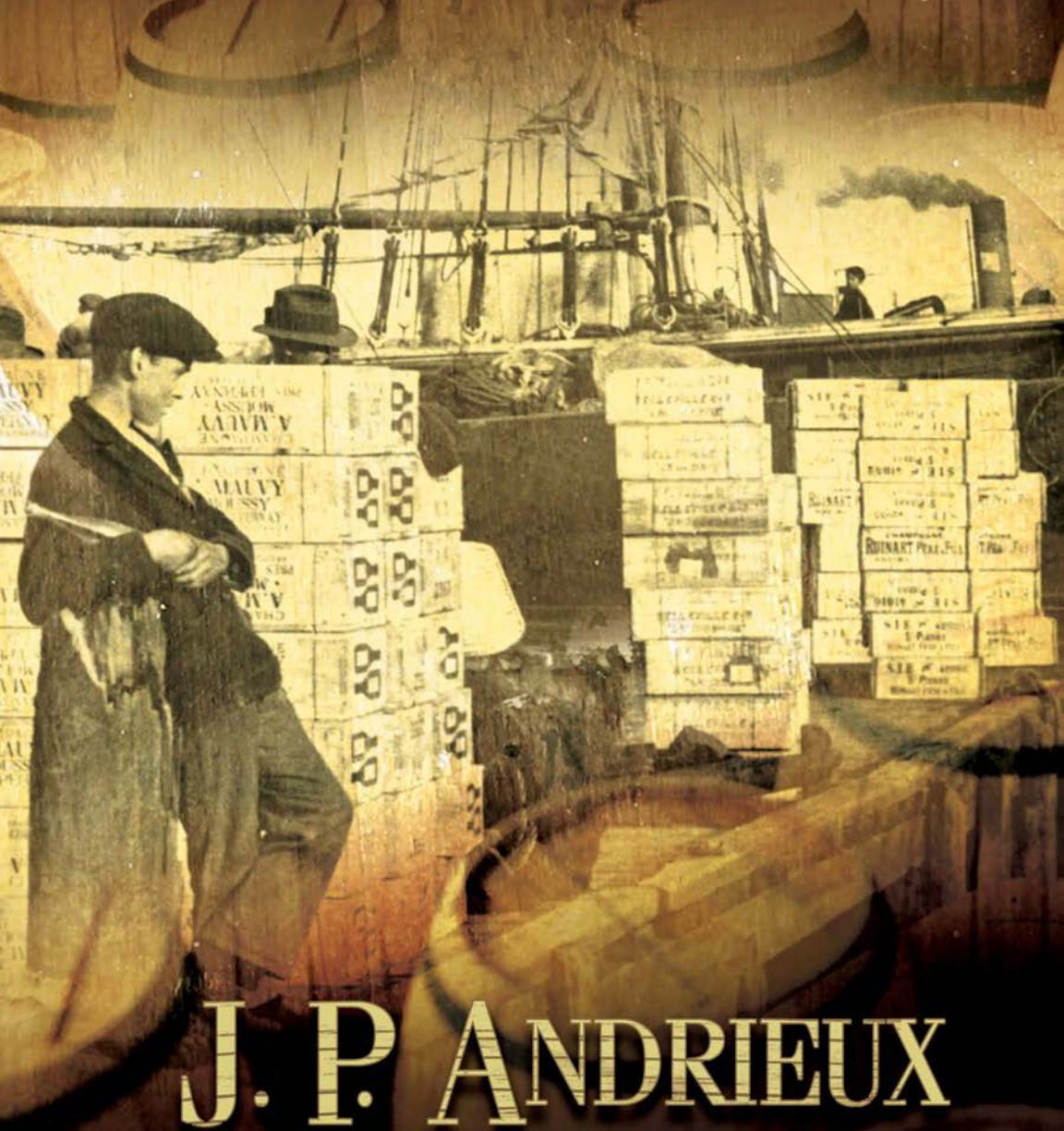


RUM RUNNERS

The Smugglers from St. Pierre and Miquelon
and the Burin Peninsula from Prohibition to Present Day



J. P. ANDRIEUX

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FLANKER PRESS LTD.

ST. JOHN'S

2009

Library and Archives Canada Cataloguing in Publication

Andrieux, Jean-Pierre

The rumrunners : from the days of prohibition to
rumrunning on the Burin Peninsula / J.P. Andrieux.

Includes bibliographical references and index.

ISBN

1. Smuggling--Saint Pierre and Miquelon--History--20th century.
2. Smuggling--Newfoundland and Labrador--Burin Peninsula--History--
20th century. 3. Prohibition--United States--History--20th century.
4. Saint Pierre and Miquelon--History--20th century. 5. Burin Peninsula
(N.L.)--History--20th century. I. Title.

HV5091.S24A534 2009

364.1'33

C2009-904639-3

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PRINTED IN CANADA

COVER DESIGN: ADAM FREAKER

— Flanker Press Limited —
PO Box 2522, Station C St. John's, NL Canada
Toll Free: 1-866-739-4420 www.flankerpress.com

16 15 14 13 12 1 2 3 4 5 6 7 8

Canada



Canada Council
for the Arts

Conseil des Arts
du Canada

Newfoundland
Labrador

We acknowledge the financial support of the Government of Canada through the Book Publishing Industry Development Program (BPIDP) for our publishing activities; the Canada Council for the Arts which last year invested \$24.3 million in writing and publishing throughout Canada; the Government of Newfoundland and Labrador, Department of Tourism, Culture and Recreation.

*Dedicated to
Bill McCoy, also known as the Real McCoy,
premier rumrunner of the American Prohibition era*

Also by J. P. Andrieux

Marine Disasters and Shipwrecks: Volume I

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INTRODUCTION

The Bahamas, Bermuda, Belize (formerly British Honduras), and St. Pierre and Miquelon had a great deal in common during the era of Prohibition, when they were offshore bases in strategic positions as distribution centres for the liquor trade to the United States.

As well as acting as a huge warehouse for alcohol from Europe, St. Pierre's convenient location just off Canada and its close proximity to the U.S. made it a haven for Canadian distributors to set up operations to service their American clients.

The Americans were chiefly interested in rye and bourbon whiskies, and Canadian distillers were anxious to fill a void caused by the Eighteenth Amendment of the U.S. Constitution. This prohibited the distillation and consumption of alcohol in the U.S. Distillers could now supply from their offshore bases.

As a result, St. Pierre became one of the chief liquor supply sources for dry America during the period.

After a postwar period of cross-border smuggling, the Canadian Government, bowing to pressures from the United States Government, amended the Canada Export Act, which among other things forced Canadian distillers to export their liquor to a country that wasn't under prohibition and to put up a bond that could only be refunded once a bona fide landing certificate, proving the goods had been landed, was stamped by customs officials. As a result, the traffic in St. Pierre boomed.

During that period, local laws also made Canada dry. St. Pierre was also the supply base for alcohol that would end up in Quebec, New Brunswick, Prince Edward Island, Nova Scotia, and Newfoundland.

The traffic to the U.S. stopped with the Twenty-First Amendment, known as repeal, in 1933. It lasted to a much lesser degree in the Canadian/Newfoundland areas until the beginning of hostilities of World War II stopped it. The Newfoundland traffic in effect always continued, even after Confederation in 1949, in small proportions due to the proximity of St. Pierre to the Newfoundland coast, a mere twelve miles away.

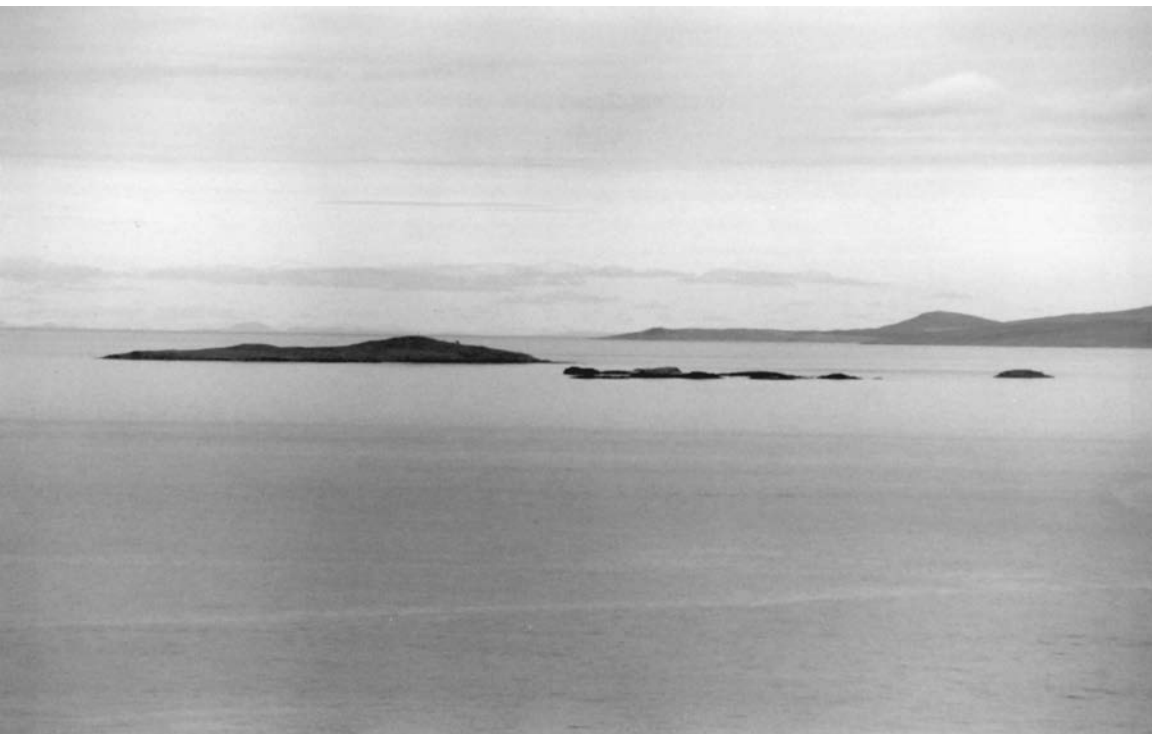
In 1988, the lone Royal Canadian Mounted Police patrol vessel based on the Burin Peninsula was removed. In effect, it gave the rumrunners from the area *carte blanche* to smuggle liquor and tobacco into Newfoundland. The trade was now wide open and the volume of goods that entered Newfoundland resembled a smaller version of Prohibition.

This book, with an abundance of photographs, is divided into two sections, one covering the American Prohibition era and afterward, and the Newfoundland trade that has always existed, up to the Terrenceville raids when “proceeds of crime” legislation was used to bring to an end, or near-end, to the rumrunning tradition and tobacco smuggling between St. Pierre and Miquelon and Newfoundland.



The island of St. Pierre as seen from the tip of the Burin Peninsula.
(Author collection)

Green Island and the Burin Peninsula in background as seen from St. Pierre.
(Author collection)



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PROHIBITION SETS THE STAGE

Alcoholic beverages have always played a well-defined role in the social life of Canada and the United States. “Strong drink” has been the target of countless denunciations, the subject of sermons without number, and the whipping boy of tract publishers and book writers. Nonetheless, distilled beverages have all the while been commonplace, and even indispensable ingredients of such diverse human undertakings in North America as barn-raising bees, harvesting, socializing and to celebrate the successful conclusion of business deals. As well, whisky and brandy, in particular, have long had medicinal properties attributed to them, and they are still prescribed as such today.

The distillation of whisky started in Pennsylvania in 1760. Thirty-four years later, when the federal government placed a tax of \$0.09 a gallon on all distilled spirits, it resulted in the Whisky Insurrection of 1794.

As always, there were those who opposed the use of intoxicating liquor. By 1800, they were becoming a factor of some importance.

PROHIBITION

The first formal Temperance Society in the world was organized in Moreau, New York, in 1808. It was called the Union Temperance Society of Moreau. It lasted a few years, and though it was relatively unsuccessful, it encouraged other reform movements. Several other

societies sprang up in various states. During the next decade, mostly to promote moderation rather than total abstinence, they had a short life and did little to improve conditions.

Drinking created many nuisances. Early laws were not against the use of intoxicants but against their misuse.

Efforts of New England preachers including Reverend Lyman Beecher, father of Harriet Beecher Stowe, succeeded in revitalizing the Temperance Movement in 1826. Beecher's sermons on the subject carried wide circulation and their influence was great. As a result, Temperance Societies mushroomed and resulted in formation of the American Temperance Union, grouping some 8,000 societies, most of which had some affiliation with the national organization. Several members of Congress joined it, giving it far greater prestige. Temperance finally became a religious issue. The movement grew and with it the advocacy of total abstinence.

Various cities, of which Portland, Maine, was the first major one, managed to pass local option laws preventing the sale of liquor. In 1847, the U.S. Supreme Court ruled that the state had full power to regulate or prohibit the sale of intoxicating liquor. This gave great impetus to movements for statewide prohibition.

As a means of establishing additional revenue during the U.S. Civil War, the Internal Revenue Act established a tax on each liquor dealer and manufacturer, and this became an important source of revenue. As a result, temperance leaders had to combat the argument that prohibition would cause the government a great loss of income.

Until the mid-1800s, the temperance movement had been effected entirely by men. In 1852, women became interested. By 1870, the women's crusade was inspired and began marching on saloons, causing considerable commotion. As a result of the women's crusade, many thousands of saloons closed, as well as breweries. The collection of liquor taxes by the federal government dropped substantially. The crusades did not affect the laws that permitted saloons to operate, or the alliance between liquor interests and politicians. While things soon returned to normal, the campaign

served to revive national interest in the issue of temperance. The most important outcome was organization of the National Women's Temperance Union in 1874, the goal of which was the legal prohibition of all intoxicating liquor. Under the later guidance of Frances Willard, it became the most powerful temperance organization in the world.

The first constitutional amendment for prohibition to be submitted to Congress was introduced in the House in 1876, but was buried in committee. Successive efforts met a similar fate, and it wasn't until 1914 that another amendment went before Congress.

The anti-liquor forces met plenty of resistance from the distillery and brewing interests. The latter used it for propaganda, but like their adversaries were in a tug-of-war between the two opposing factions.

In 1895, the Anti-Saloon League of America was formed. It took a further ten years to become effectively organized over a nationwide area. It had paid, full-time employees and adequate documentation of the entire anti-liquor crusade. Throughout the country this league became powerful and eventually achieved national prohibition.

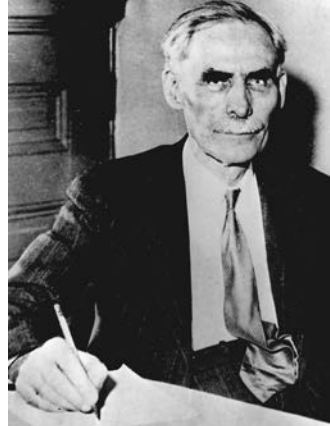
To be effective, the League realized it needed greater congressional support and concentrated its efforts in Congress. By the time of the 1916 election, the fight for prohibition had been all but won.

On September 8, a law was passed which forbade the manufacture of distilled liquors. Finally, the advocates of the Eighteenth Amendment succeeded in bringing the matter to vote. It was approved sixty-five to twenty. Several amendments were brought forward to ensure that Congress and several states would have concurrent power to enforce this article. In its final form the House voted 282 to 128, on December 18, 1917.

The Eighteenth Amendment, having been adopted by Congress, went to the states for ratification. Mississippi was the first to ratify, on January 8, 1918. Nebraska, the thirty-sixth state, did so on January 14, 1919. The war was without a doubt a factor in the speed in which this ratification was accomplished. Prohibition became the law of the land effective one year later.

In October of 1919, the National Prohibition Act, usually called the Volstead Act, was passed by Congress, vetoed by President Wilson, but it passed over his veto. The act was designed to provide the enforcement apparatus for the Eighteenth Amendment and placed the administration of the law under the Bureau of Internal Revenue, a subdivision of the Treasury Department. John F. Kranes of Ohio was appointed the first Commissioner of Prohibition.

The advent of Prohibition was hailed by the majority as the solution to most of the problems of mankind. Little did the American people envision the problems which Prohibition would engender. This period of National Prohibition, which the nation suffered, challenged each individual American. It also became a challenge to Congress, state



Congressman Andrew Volstead, the Father of Prohibition. (Photo courtesy of the U.S. National Archives 306 – NT – 87793)

governments and courts, local and state police, the clergy, customs, and prohibition activists. The experience known as the Great Noble Experiment proved to be one replete with lessons for posterity. Never before had the power of the underworld directly or indirectly touched such a tremendous portion of the U.S. citizenry.

Agents were ready for enforcement. On the morning of the first day of Prohibition, agents seized quantities of liquor. From this point forward the Prohibition Law was broken on a widespread scale during every minute of that period, despite everything the federal government and its agencies could do in an effort to prevent it.

Once liquor was legally banned, it seemed to gain in desirability. Speakeasies sprang up like mushrooms. Business became very lucrative. Citizens who were otherwise law-abiding patronized the speakeasies, and they became lawbreakers.

Liquor was made available in the U.S. from three different sources – bathtub gin, liquor that had been hoarded in warehouses,

and the liquor that entered the country from outside its borders. The best quality of liquor came from the third source.

The Department of Justice had made no particular preparations to handle violators of the Volstead Act. Only a few cases were expected, but in only a few months the federal courts in the country were overwhelmed by the number of cases awaiting trial. Penitentiaries could hardly hold the rumrunners, bootleggers, and others who had been arrested.

Corruption among some of the prohibition agents is a matter of public record. Certainly the generous offers from rumrunners and bootleggers were highly tempting to law enforcement personnel. Many succumbed to the temptations. It is said that the so-called government bootleggers were free from molestation.

Prohibition brought about a great change in New York, and particularly along Broadway. Many famous hotels and cabarets found it necessary to go out of business, for in the past, differences between profit and loss had largely depended upon the liquor sales. New ones were set up, but gradually came under domination of criminal elements that acquired control over the flow of liquor in the city.

The upsurge of the underworld as a result of Prohibition was undoubtedly its most vicious development. This was the element which in large part eventually controlled the great flow of liquor from the sea, which was to become one of the greatest problems of the period, and the particular concern of the U.S. Coast Guard.

Hijacking and double-crossings were common, the stories of the rise of gangsters such as Al Capone and John "Legs" Diamond were the most famous, and the fortunes they amassed and the activities in which they engaged constituted harmful by-products of Prohibition.

There were about 70,000,000 gallons of liquor in warehouses at the outset of Prohibition. Under special dispensation, certain distilleries were permitted to continue production for uses other than beverage. Medicinal liquor was removed from warehouses in large quantities. Alcohol was manufactured by licensed distilleries placed in bonded warehouses and sold by the government.

Industry under these classifications, in large and increasing

Customs clearance granted for the high seas to a rumrunning schooner listing her cargo. The Almeida was owned by Henri Moraze.
(Document courtesy of Mr. Henri Moraze.)

EARLY SMUGGLING TO CANADA AND NEWFOUNDLAND

North of the border, in Canada, proscription against *eau de vie* went back to the earliest days of French Canada. Bishop Laval and the Jesuit missionaries crusaded to keep whisky away from the Indian fur trade in the nineteenth century, as an appeal to conscience. It was not a widespread success in curbing the use of whisky, and the call finally came for a legal proscription. In 1878, the Canada Temperance Act, commonly known as the Scott Act, became a local-option law and the matter was taken to the municipal ballot boxes. Pressure was applied to politicians by organizations such as the anti-drunk crusaders, in their battle to outlaw alcoholic beverages.

Meanwhile, in the second part of the 1800s, there was a thriving smuggling trade established between St. Pierre and Miquelon, the French-owned islands off the southwest coast of Newfoundland and what was then Upper Canada. It has been ascertained that half the spirits and tobacco consumed in Lower Canada were smuggled from the French colony.

The following account of the clandestine trade taken from a Montreal newspaper of the day shows the methods used:

“Some Newfoundlanders are in the trade; they sail from St. Pierre to some unfrequented part of Canadian Labrador, where in foggy weather they meet smaller crafts. These smaller boats again tran-

ship their cargoes into punts and dories farther up the St. Lawrence, and lastly it is distributed by farmers in carts. It is an immense business and has enormous evil effects on French Canadians.”



Icebergs made it very difficult for early rumrunners to ply their trade.
(Author collection)

With the disappearance of icebergs and the opening of the navigation season in the St. Lawrence (River) between Quebec and the Gulf, so-called bold smugglers of the north would again be brought to public attention by the persistence in which they resumed their traffic of former seasons, and the readiness with which they fought when attacked or punished by vessels of the Canadian customs fleet.

The headquarters of the smugglers of the St. Lawrence and New England ports was on the French Islands of St. Pierre. Hitherto, their chief traffic had been liquor. However, toward the end of the 1800s, they extended their operations and ended up doing a large business in tobacco, the French Government having reduced the duties on all classes of tobacco landed in St. Pierre. The new duty, amounting to \$0.41 for 100 pounds, meant that St. Pierre was practically a free port for the entry of tobacco, so that smuggling it from there to Boston, Quebec, or more convenient ports on the Atlantic Coast or shores of the St. Lawrence was now quite profitable for coasters.

Liquor was admitted into St. Pierre free of duty. A trio of large three-masted schooners was constantly employed by the smugglers to carry cargoes of alcohol sixty overproof from Boston to St. Pierre. There was no concealment about this part of the traffic. The difficulty consisted in landing the alcohol in Canadian ports so as to avoid the duty of \$2.00 a gallon. There were two and sometimes three transshipments of the liquor from the time it left St. Pierre until it was safely put ashore upon the banks of the St. Lawrence. The rumrunners' profit from the traffic is illustrated by the fact that the whisky or alcohol, which was the chief staple of the trade, sold for over \$1.40 in Boston, but with the duty added sold in Canada for no less than \$3.75 a gallon. Jamaican rum and French liquors and brandies were also admitted duty-free into St. Pierre and formed a portion of most cargoes of the smuggling schooners from St. Pierre to Quebec and other points. As the Canadian duties upon these was very high, there was even more profit in smuggling these commodities compared to that of whisky or alcohol.

The large gulf schooners that left St. Pierre with liquor aboard never risked a total loss of vessel and cargo by venturing as far as Canadian inland waters. Before leaving the Gulf for the mouth of the St. Lawrence River, they were each met by three or four smaller crafts, generally schooners of very small value, which divided among them the cargo of the large craft. One of these may be seized or confiscated, yet the profit from the operations of the others made

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ABOUT THE AUTHOR

Jean Pierre Andrieux is a St. John's-based businessman and author of several books published since 1970.

He was born in Montreal of St. Pierre-Miquelon parents, raised in Prince Edward Island, and graduated from the Sir George William's University School of Retailing (now Concordia) in 1968. He has been closely linked to the tourism industry both in St. Pierre and Newfoundland since that time.



Andrieux has a photo collection that exceeds 30,000 prints and is regularly a guest lecturer on cruise vessels. He is the Honorary Vice Consul of Spain for Newfoundland and Labrador. He is married to Elizabeth King, and they reside in St. John's.