NATIONAL PROHIBITION was the result of advocacy by both conservative and Progressive-Era reformers who believed that alcohol was one of the greatest evils that plagued American society, which could progress only if alcohol were prohibited. As prohibition took effect in January 1920, the so-called Drys held high hopes for its ability to increase worker efficiency, improve home life, and reduce crime. Their “noble experiment,” as dubbed by President Herbert Hoover, may have worked if reformers had been willing to accept beer and wine, but by insisting on a total ban of all alcohol, they instead made bootlegging a profitable crime and motivated millions of Americans to break the law in pursuit of personal pleasure.

Oregon, a progressive state on the frontier, prohibited alcohol four years before the national ban, and when New Dealers in Congress voted to end Prohibition in 1933 — to help both the alcohol industry and general morale during the Great Depression — Oregon legislators attempted to retain government control over alcohol consumption and to generate much-needed revenues by passing the Liquor Control Act and creating the Oregon Liquor Control Commission (OLCC). The act gives the state the exclusive right to sell hard alcohol and fortified wine, such as brandy, and the OLCC sets prices, distributes the alcohol, issues licenses, and investigates violations. Despite that legal state monopoly on alcohol, bootleggers made tidy profits by organizing unlicensed bars and delivering illegally imported booze under the noses of law enforcement officers. OLCC agents such as Warren Niete, whose recollections are published here, had the job of identifying those bootleggers and bringing them to arrest, thereby maintaining state control of alcohol consumption — and profits. Working during the 1950s, Niete and his colleagues on the ground faced a long history of corruption among those at the top.

After World War II, rampant bootlegging and its associated rackets — gambling and prostitution — formed Portland’s reputation as a seedy, crime-ridden river city. In an attempt to foster social, and perhaps political, reform, the City Club of Portland in 1947 launched an investigation of vice crime in the Rose City. The club concluded that Portland was rife with vice crime because there existed a payoff system that linked bootleggers, gamblers, madams and pimps, law enforcement officers, and politicians. Evidence suggested Mayor Earl Riley had been elected in 1940 and reelected in 1944 with great support not only from legitimate Portland business interests,
but also from vice racketeers. It was very difficult to enforce the state liquor laws when law enforcement agents and politicians were taking bribes to ignore or help organize the criminal rackets.

The City Club report influenced a brief period of reform in Portland and Multnomah County. Dorothy Lee was elected mayor in 1948, and with her new police chief Charles Pray and District Attorney John McCourt, she attempted to shut down the city’s gambling, prostitution, and bootlegging joints. Despite support from many of the city’s citizens, Lee’s reform effort was short-lived; she did not realize that many powerful Portlanders, especially business leaders, did not support her attacks on public immorality. Voters subsequently elected Fred Peterson as mayor in 1952 and, two years later, William Langley as Multnomah County District Attorney.

While serving as District Attorney, Langley whitewashed a grand jury investigation of OLCC agent Thomas Sheridan. According to the evidence, Sheridan received money from local racketeers and corrupt Teamsters Union officials to support specific liquor and gambling operations. He also helped the union extort distilleries by preventing the state from purchasing or selling their liquor until the distilleries’ employees joined the Teamsters. Although Sheridan was fired during the investigation for “accepting gratuities,” he was later reinstated after the Teamsters pressured (that is, threatened) officials in Salem. Nevertheless, as the following recollection confirms, there were honest, dedicated, and hardworking law-enforcement agents who followed orders and upheld the state’s liquor laws at the same time.

Niete’s fascinating story provides great insight on the challenges Oregon’s law enforcement agents faced during the 1950s. The recollection demonstrates the state’s limited resources. Officials worked to regulate alcohol sale and consumption with an inadequate number of enforcement agents, as evidenced by Niete’s stories of him and his colleagues being stretched across the state to investigate violations. Niete also admits that he had no experience or training, and he suggests that the agents were underpaid and even exploited. Historians today and reformers at the time pointed to the federal government’s failure to appropriate adequate funds to hire, train, and pay a sufficient number of agents to enforce the ban as one important reason national Prohibition was ineffective. It is also clear from Niete’s recollection that the state’s strict regulation of alcohol drove many Oregonians — restaurant and club owners, bartenders, cab drivers, moonshiners, and their customers — to break the law in search of a cheaper drink. Unlike the national ban on alcohol in the 1920s, Oregon’s Liquor Control Act of 1933 was not a progressive reform designed to improve society. It was designed to earn revenue.

IN THE FALL OF 1950, I was hired by my friend Lt. Gordon McReary as an undercover agent on the hard liquor squad for the Oregon Liquor Control Commission (OLCC). Gordon and I were close friends from Lewis and Clark College. We were also fraternity brothers, and he was my best man at my wedding. Even though I had no experience in law enforcement or the law, I was not required to take a test or fill out an application before being hired. Some might say that I had an “in.” The hard liquor squad was the enforcing unit of OLCC tasked with arresting bootleggers. Pete Graham, an enforcement supervisor, gave the final okay for me to be hired. My official title was Inspector, and I earned a salary of about $225 per month, working from 7:00 p.m. to 3 a.m. five days a week with no overtime pay or extra time off, which I soon discovered. Immediately, I was issued a 1946 black four-door Chevy and was given verbal instructions by McReary to look for bootleggers at certain taverns or clubs.

In addition to being licensed by the Oregon Liquor Control Commission (OLCC), anyone wishing to sell liquor also had to purchase a federal tax stamp from the Internal Revenue Service. This federal tax stamp was issued to the OLCC in 1950.
those people? They were restaurant and club owners, bartenders, cab drivers, bell hops, inspired individuals looking for a fast buck, moonshiners, after-hour joints, pimps, and prostitutes. In short, bootleggers were anyone who sold liquor without a license from the OLCC. All licensees were also required to purchase a federal stamp, which many bootleggers bought in case they were caught so the U.S. government would not be after them, too. Everybody who sold liquor had to have a federal license, which they could get by paying the fee. Bootleggers, such as cab drivers or bell hops, would sometimes buy that federal stamp, even though they weren’t within the state-regulated system.

While on the job, I learned about several types of on-premise licenses for dispensers of alcohol such as taverns, clubs, and restaurants. The common tavern license allowed the sale of retail malt bottled beer and draft beer to be consumed on the premises, with packaged beer to go.1 Taverns could operate from 7:00 a.m. until 10:00 a.m., as the commissioners believed that blue-collar workingmen should go to bed early, and no entertainment or singing was allowed. The other popular licenses were for clubs and restaurants, which did permit entertainment and dancing.2 Restaurants and clubs were allowed to remain open until 2:30 a.m. and were required to serve food during operating hours. The restaurant license also allowed bartenders to pour hard liquor drinks from personal bottles owned by customers. Oregon did not yet allow liquor-by-the-drink licenses, meaning that bartenders were not allowed to pour individual liquor drinks to customers from house bottles.

In order to drink liquor at a restaurant, customers would first have to purchase a bottle from an OLCC green front store, take the bottle to the restaurant, and have it checked in by the bartender, who would label the bottle, pour drinks from that bottle for the customer, and charge a service fee of 25 to 35 cents per drink for ice and mixes. If the customer’s bottle went dry, no more booze was supposed to be poured. So, the customer would have to buy another bottle before the 8:00 p.m. closing time at the green front stores. If bottles ran dry after 8:00 p.m., the customer had a few choices: change to beer or wine, purchase a bottle of liquor from a bootlegger, or the bartender might pour bootleg drinks from a stored house bottle and charge anywhere from 50 cents to one dollar per drink. Bar hopping customers would have to take their bottle from bar to bar and have it rechecked and labeled at each stop. Drinkers often drove from one bar to another with open liquor containers in their cars. That was very dangerous and is now against the law.

My official title on the hard liquor squad was Inspector, and I had a picture ID and a pocket star. The pocket star, commonly known as a “buzzer,” was like what police officers wear on their jackets, but it had a piece of round leather on it. We kept it in our pockets with picture ID, like a wallet, to be able to demonstrate that we were officers if necessary. Normally agents did not carry firearms. After a few days on my own, I met my future partner, Joe Robinson, who had been a policeman in Newport, Oregon. Joe and I worked well together and sometimes we were called the Gold Dust Twins. Joe was Agent 163 and I was Agent 164. Each evening I would pick up Joe at his home and drive to the vacant lot across the street from the OLCC, which was located in the old Ford Motor Car Company Assembly building at SE Twelfth Avenue and Division Street in Portland. Soon Sgt. Ray Nettleton, Sgt. Keith McReary (Gordon’s brother), or Sgt. Arsenault (Cookie) would come to the lot and give the agents their assignments and a cash draw (usually $10.00) for spending money. We signed a ticket for the cash against our paycheck and had a notebook to keep track of our expenses. Sometimes we worked by ourselves or with other agents. As hard liquor agents were undercover, our paychecks were assigned to our agent numbers and went to Lt. McReary, who cashed the checks, deducted our
draws, and paid us in cash. As McReary was a workaholic late into the night, he seldom had our cash available on the first of the month. McReary lived with his mother, and many times the agents would appear at her house and wait for him to wake up to get their money. One agent, Ted Kincaid, finally went to the administrator and complained. After that our paychecks came in our individual names on the first of each month.

By mid December 1950, Joe and I were seasoned agents with a few convictions behind us. We had just spent about a month “breaking in” around Portland, making a few buys from cab drivers and citing violations in a few bootlegging restaurants. It was time for us to go on the road. Our destination was Ontario on the Snake River on the border of Idaho, only about 400 miles away from Portland. We had a list of probable violators, but getting started took some time. We had to meet Lt. McReary at headquarters to get cash and some working stock (pints of Jim Beam) to enter the restaurants. McReary also told us not to contact any law enforcement officers, including the local liquor inspector, for fear of a tip-off. We got going late in the afternoon on a Friday.

Our first stop for the night was in Hood River via the old Columbia River Highway, and we got a motel room for about $6, the going rate in those days.

After dinner at the popular Appleblossom Café, we checked out the Pastime Tavern. After a few beers and getting acquainted with the locals, I bought a bottle of bourbon from a local bootlegger, a fellow named Corbet Alexander. He was not arrested at that time because the jungle tom tom would announce to the entire area that the OLCC was in town. Joe witnessed the purchase and we labeled and initialed the bottle as evidence, as we still had to proceed onto Ontario. We’d be back for Corbet later with a warrant.

The next day we were on our way again, on the curvy highway to The Dalles. We went through the rock tunnel with view windows carved out of solid rock. It took an hour to drive twenty-five miles. At that time The Dalles Dam was being constructed and employed lots of workers. It was a hot spot, and we would be back later. We bypassed The Dalles and continued on our way. Celilo Falls, where the local Native Americans dip netted for salmon, was still visible. At that time, Indians were not permitted to drink alcohol by law. We proceeded through Pendleton, Cabbage Hill, Meacham, La Grande, and Baker, stopping at a few taverns along the way. It was getting dark as we entered Ontario, and Main Street was lit up like a Christmas tree with hundreds of lights. Joe told me that I had just run a red light, and I told him that I was color-blind.

During the 1950s, Warren Niete and his partner Joe Robinson frequented Hood River, Oregon, to seek bars and restaurants that were illegally serving bootleg liquor. On the left of this photograph is the Appleblossom Café, a popular place to eat during that time.

On the way to Ontario, Oregon, near the border of Idaho, Niete and Robinson stopped at the Pastime Café in Hood River and purchased a bottle of bootleg bourbon after getting to know the locals. The bootlegger was not immediately arrested, so Niete and his partner could retain their undercover status, but they returned later with a warrant for his arrest.
Our assignment was at a “road house club” a ways out of town. Our partly filled bottle of working stock was checked in and labeled by the bartender. When we ran out he refused to serve us a bootleg drink but did send us a cabbie who sold us a bottle of bourbon for $10. We had another “buy” but still kept under cover for future contacts. On Sunday, we were on our way home again with two cases of liquor under our belts. So much for our first trip on the road. We would be back. Later, on another trip, we made a case at that same bar.

In the ’50s, Portland was not only known as the Rose City but also was known as a mecca for sin and corruption, and was dubbed the Sin City. There was bootlegging, prostitution, drug pushers, striptease, racketeering, pinball, gambling, payoffs, and more. The big underworld boss at that time was Jim Elkins. In 2004, Phil Stanford published Portland Confidential, a book detailing the corruption, racketeering, and crime that went on in Portland during the ’50s. Names like Jim Elkins, Stan Terry, Nate Zuseman, Little Rusty, U.S. Supreme Court Justice William O. Douglas, Tempest Storm, several Portland mayors, police chiefs, and other hoodlums were mentioned. OLCC didn’t get one word, was neutral, and was only interested in liquor violations. The agents and inspectors didn’t get involved in the local mess unless something had to do with the OLCC. The worst slum areas in Portland were: West Burnside from the river up to about 10th Avenue, now the fancy Pearl District; and southwest 2nd, 3rd, and 4th Avenues south of Columbia, now home to many modern office buildings; and the Williams Avenue area, now home to the Memorial Coliseum and the Rose Garden.

Back to eastern Oregon, where Joe Robinson and I spent most of the fall into the winter of the ’50-’51 season. We worked most of the towns, served warrants, made additional arrests, went to court, and waited many times for Lt. McReary and Sgt. Nettleton to catch up with us for support, more cash, and working stock. It’s a different country east of the Cascades, and the people there thought that they were still part of the Wild West. It showed, and they thought that they were entitled to gamble and drink anytime. Once, Joe and I were stuck in La Grande waiting for the Lieutenant and Sergeant to arrive with cash, as we were almost out of money, and the motel manager was getting nervous. Luckily, I spent my last few dollars in a bar on a mechanical slot machine and won a jackpot. Later we caught that restaurant for bootlegging.

Our next stop was Umatilla County and Hermiston, as the McNary Dam was being built. The U.S. Army Ordinance had a gigantic poison gas storage reservation between Hermiston and Boardman, and they hired many local workers. At the time, segregation was in force in Hermiston. No black person was allowed east of the highway or downtown after 10:00 p.m. There was a black ghetto a ways out of town, and the Brown Derby Cafe was an unlicensed restaurant. It was common knowledge that there was big time gambling and bootlegging in the back room. There were three brothels in a clearing at the back of the Brown Derby. Joe and I tried to get in, but we were ignored and went on to the Jesse James Club in Stanfield for another dry run. On another trip, Jimmy Gertz and I visited two of the brothels behind the Brown Derby. (Jimmy Gertz was also an OLCC agent. He lived in Hubbard and worked with me at times, although I usually worked with Joe.) They would not serve us unless we had been with one of the women, so we picked up one of the ladies and told her that we wanted to gamble first. She got us in the back door of the gambling room but the table was full. We could see that the men were drinking liquor while playing poker at the table. We told the prostitute that we would wait outside in the car and that she should bring us some drinks and one for herself. She brought the drinks and got in the back seat of my car. She was happy as we gave her a dollar tip each time.

I tossed my drink out the window after taking a bit for evidence. Jimmy did the same thing. Time dragged on and the prostitute brought us several more drinks. Finally, as dawn was breaking, we said goodbye to her and were on our
I had an assignment to try to get a buy from a bootlegger in Astoria known as Elmer Hunter. It was sometime after midnight, and Elmer was just opening the after-hours joint. The front door did not have a doorknob. Elmer answered the door and opened it with a doorknob that he kept in his pocket. About half a dozen people were already there and drinking booze. A jukebox was playing and Elmer was bartender and was also singing Napoleon’s Retreat that was playing in the room fixed up like a cozy little club. I bought my contact and myself a couple of drinks and then said that I had to go. I shook hands and said good-bye to Elmer. I told him that I enjoyed myself and we would be back the next night when we could stay longer. Guy was waiting for me in the car back at the tavern.

McReary planned a raid. The next night I had another agent with me and there was no problem getting in and buying drinks. About a half hour later, Lt. McReary and two Sergeants arrived. I arrested Elmer and we got four or five cases of whiskey hidden under some steps in a closet. It was the custom to always have a warrant, but a hot buy was best. OLCC usually did not work with local police because of the possibility of a tip-off. Even the warrants were obtained from a Justice of the Peace (J.P.) an hour before a planned raid. In Elmer Hunter’s case, when the J.P. was writing the warrant, he muttered, “Oh, poor Elmer,” McReary said.

On out of town trips, some of the agents always took along a fishing pole or clam shovel, much to McReary’s disgust. If you were not driving and just sitting in a motel, it gave you something to do during the day. Joe Robinson and I had an assignment to try to get a buy from a bootlegger in Astoria known as Jimmy the Greek. He was in a storefront about half a block from the courthouse and sheriff’s office. Jimmy opened at daylight and catered to the commercial fishermen on their way to the boats. It just happened that there was an early clam tide in Seaside. We drove up to Astoria and parked directly in front of Jimmy’s place dressed like clam diggers with hip boots. The clam sack fell out of the car to the street, and we picked up the clams and put the sack back in the car. Jimmy was watching and smiled. It was no trouble to buy a drink from Jimmy. On the second round we arrested him. We walked him to the jail. The jailer asked Jimmy if he wanted to bailout for $1,000. Slowly Jimmy pulled a roll of $100 bills big enough to choke a cow. He peeled off ten C-notes. We seized about fourteen cases of whiskey. The chief of police was happy, as Jimmy’s bail would pay for a needed stop light on Commercial Street.

Back again in the Portland area, agents were still making cases in problem bars, after hour joints, and with neighborhood bootleggers. On one occasion I bought a bottle from a fellow named Bob in the Reedville area. He lived on the Tualatin Valley Highway and sold liquor out of his back door. So the next Sunday afternoon, Lt. McReary and I drove out there. Bob was having some kind of an outdoor barbecue and guests were sitting around the yard enjoying the sunshine and having drinks. McReary stayed in the car and I hailed Bob and asked for a bottle. He sold one to me. It was a hot buy and I arrested him on the spot. We took him to jail, and the guests were flabbergasted. We sure broke up that barbecue.

On one occasion I was breaking in Mert Miller, a new agent, and we were working a problem bar in SW Portland. I left first, as we were working separately, and as soon as I walked to the street a cab was parked in front of the bar. I asked the cabby if he knew where I could get a drink. “Hop in,” he says, “and the ride will cost you $5 each way.” I hopped in and went off down Barbur Blvd. to a private residence on Taylor’s Ferry Rd., just over the border into Washington County. The cabby introduced me to a woman named Brenda, and I was the only person there. It was apparently the first night the place was open. Brenda served me a drink for a dollar and then told me that she was a prostitute and the charge was $50 for a lay. I told her that the cabby didn’t tell me about anything but a drink and I didn’t have that much money with me, but that I would bring my buddy the next night and we would have a party. Brenda and I visited a bit and found that she was from Astoria and knew Jimmy the Greek. She served me several drinks. The cabby came back in about an hour and took me back to my car in SW Portland. Mert phoned into the office and got a ride back. Lt. McReary was elated and said that we would have the raid the next night. Agent Miller and I arrived about midnight and had no problem getting in. The place was packed with about fifteen people and Brenda was busy in the bedroom with...
a customer. We were served booze by another lady. In about half an hour, the Lieutenant, a Sergeant, and another agent arrived. I arrested the woman who had served me a drink and we had a warrant for Brenda. We entered the bedroom and I poked the fellow on his rear and told him we were arresting Brenda. The guy had trouble getting his shorts on, and Brenda was shaking her finger at me calling me every name she could think of. Brenda was a very mad woman, and it seemed like a long, quiet ride to Hillsboro and the jail.

It was 1953 and a liquor-by-the-drink law was on the ballot. California had one for years and Washington State adopted one about the previous year. The chief opponents were the PRO-Hi’s (prohibitionists) and the Woman’s Christian Temperance Union (WCTU). It was not a landslide, but the bill passed and Oregon had a liquor-by-the-drink law. Immediately, the OLCC began preparing regulations for the new law and potential licenses. The Commission’s first thought was food and how much should be required to be sold in comparison to the amount of liquor sold. The commission decided the ratio would be 25 percent food to 75 percent liquor. Then it was decided that a liquor license would be available with one liquor dispenser to every 2,000 people in the state, which made the license very competitive. OLCC thought that licensees would go to Nevada and buy liquor cheaper than the Oregon prices. So, the commission devised a special Oregon stamp that would be on every bottle sold by the state, but that did not last long. Liquor by the drink was on its way in Oregon. It is my observation that liquor by the drink brought Oregon into the modern world. Many fine restaurants were created, hotels prospered with more conventions, and bootlegging was not popular anymore.

The Hard Liquor squad was disbanded and the Night Observation group of inspectors was created. It would be their job to oversee the taverns and clubs, and they also travelled undercover to every district in the state. Oregon was still

In 1955, the OLCC moved from the old Ford Motor Car Company building at Southeast Division and Twelfth Avenue to the newly constructed administration building and warehouse on Southeast McLoughlin Boulevard.
recovering from the war years and the OLCC cited many violations for poor sanitation in food and liquor handling, minors being served, licensees adding water to bar liquor bottles, and rowdiness. New tools helped curb some of these violations, such as the Williams Test Kits to test the proof of liquor being poured out of bottles, as a few enterprising operators discovered that a little water poured into a bottle made more profits. The OLCC distributed forms to licensees to remind them to check the age of young people trying to get alcohol, and Hobart and Jackson dish and glass washers really improved sanitation. Later on, all on-premises places could remain open until 2:30 a.m. and all could have entertainment. Things were looking better.

OLCC Commissioners were appointed by the governor as a political plum. They came and went as the governors changed. Administrators were appointed by the commissioners, which was sometimes a bit political but not threatening to the management staff and other employees that I could see. After working as an inspector for twelve years with no promotion whatsoever, I decided to quit. Like me, resignations were made at all levels of OLCC because there was more money to be made in the private sector. Many ended up in the beer, wine, and liquor industry, because they had a lot of contacts. After Pete Graham left, he was first in membership sales at the Oregon Restaurant and Beverage Association and later worked for me in real estate until he died. Joe Robinson owned the Harmony Inn, the Longhorn Club, the Town Mart night club, the Spot 79, and the Two by Six Bar. Gordon McReary became a bail bondsman and later retired. I owned Harlequin Pizza and Castle Steak House in Vancouver, Washington; the Spar Tree restaurant and lounge in Estacada; and the Two by Six and Checker’s Pub in Hebo.

As I mentioned, when I first started with the OLCC, I had no training, no experience, and I never filled out an application until after I had been hired. As far as I know there were no written procedures or job descriptions. After liquor by the drink came in, some things began to change. Inspectors were asked to describe their duties and the procedures as to how they worked. Sgt. Taffe from Salem was the author of an operations manual for inspectors and everyone who worked enforcement, and it took a long time to complete. It included information such as duties and how to write reports. Gradually, the ancient green front liquor stores were replaced by independent agents, and the hours of operation were extended. Today, some stores even operate on Sundays.

Looking at how today’s law enforcement agencies are run and criticized, in the hard liquor days of the early ’50s, the OLCC would have been headline news every day. Looking now at Washington State’s privatization of liquor sales, it will be interesting to see what giant grocery chains, like Costco, Safeway, and the Kroger Co., will do in Oregon to get hard liquor sales into private retailers. The politicians will certainly fight to keep liquor sale dollars in the state coffers.

In the end, like the liquor-by-the-drink laws of the ’30s, the future of the OLCC and possible privatization of liquor sales — eliminating monopoly of liquor sales — will be up to the voters.

NOTES

The editors thank Hope McAffrey for providing additional research for this article.

5. Common taverns were licensed as Retail Malt Beverage Class A (RMBA).
6. RA and RB licenses were for restaurants with or without bars or lounges. RB-licensed restaurants could provide entertainment. There were also licenses for private clubs like the Elks, Moose, American Legion, as well as special licenses for boats, airplanes, and pharmacies.
9. See Gypsy H. Gilmore, “Liquor Test Kits Ordered to Spot ‘Weak’ Drinks,” OKNews (The Oklahoman), November 16, 1985 (http://newsok.com/liquor-test-kits-ordered-to-spot-weak-drinks/article/2128055/?page=1). The liquid being tested is placed in a beaker with another substance with a specific chemical formula that “causes the alcohol to separate from the other liquids. That in turn shows what percentage of the liquor is alcohol, determining the actual proof.”

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Niete, Enforcing Oregon’s State Alcohol Monopoly