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SENATE

{ REPORT
No. 839

TO AMEND THE NATIONAL PROHIBITION LAW

May 17, 1926.—Ordered to be printed

Mr. MEANS, from the Committee on the Judiciary, submitted the following

R E P O R T

[To accompany S. 4207]

The Committee on the Judiciary, to which was referred the bill (S. 4207) to amend and strengthen the national prohibition act and the act of November 23, 1921, supplemental thereto, and for other purposes, having had the same under consideration, report favorably thereon with amendments, and recommend that the bill as amended do pass.

The bill is the result of the experiences of the prohibition department in the enforcement of the national prohibition act. It is designed to aid the department in breaking up the traffic in liquors. It is not intended to interfere with legitimate business, but is intended to aid the department in its attempt to eliminate illegitimate manufacture, use, and sale of intoxicating liquors.

Section 1 contains definitions only. "Vehicle" and "Domestic vessel" are the only new definitions.

Section 2 gives the Government the authority to supervise all manufacturers of commercial cereal beverage. Many manufacturers avoid Government supervision at present by refusing to take out a permit, claiming that in their processes of manufacture the beverage never contains as much as one-half of 1 per cent of alcohol, while others who have permits, nevertheless, put out a real beer from time to time as opportunity offers. It is alleged the liquor traffic in beer is highly organized for handling this product in defiance of the law. The Government needs authority to require owners of buildings and apparatus so set up as to make the manufacture of beer possible, to have the permits and the apparatus registered in order to eliminate real beer from the market.

It was the intention of Congress that all permits issued in Title II and Title III of the national prohibition act should be subject to renewal annually. This has been questioned in the courts. Section 3 definitely makes permits expire annually. This section also gives power to the commissioner to refuse to renew a permit if, in his dis-

cretion, such renewal tends to defeat all purposes of the national prohibition act. A review in a court of equity is provided for. Power is given to courts to issue temporary permits until the cases have been decided upon their merits. Legitimate business is therefore protected.

It was not originally assumed that denatured alcohol and denatured rum would become a source of beverage liquor. This use has, however, become common and constitutes a serious menace both to the legitimate business using industrial alcohol and to society and law enforcement. Section 4 is designed to bring denatured alcohol and denatured rum under the control of the Government and subject to seizure and forfeiture where it is being used in violation of the law. Adequate punishment is also provided for a violation of this section.

Section 5 amends the Penal Code by making it an act of counterfeiting to imitate prohibition enforcement blanks, permits, and other essential papers used in prohibition enforcement.

Section 6 is designed to amplify section 26 of the national prohibition act in such a way as to enable the Government to more effectively control the condemnation of vehicles used in violation of the prohibition laws. It provides that the vehicle may be condemned and disposed of without waiting conviction of the transporter. It carefully protects any property rights in the vehicle held by innocent parties. It further provides that when pure liquors suitable for medicinal purposes are condemned, they may be turned over to hospitals and other suitable institutions having permits to use medicinal liquor rather than being destroyed as at present.

It has been assumed that the prohibition treaties with foreign countries covering operations of ships engaged in rum smuggling were self-executing. The courts, however, have held otherwise. Section 7 is designed to give the Government officials the authority to enforce the provisions of the prohibition treaties. Paragraph C of section 7 is written practically in the language of section 581 of the tariff act of 1922. It provides that officials of the customs or the Coast Guard may board vessels with a view to search, etc. This section definitely gives the Coast Guard the right to search and examine an American vessel beyond the 4 leagues limit. This entire section is designed to stop smuggling by sea.

The source of supply for the liquor traffic being more and more limited by enforcement officials, the traffic is being forced to manufacture its own product. They have ingeniously taken advantage of the protection which the law affords private dwellings, by securing such a dwelling—placing a family therein as residents and employing the head of the family at a salary as a watchman. They operate a commercial still for the manufacture of alcohol or intoxicating beverages. This section is designed to authorize the issuance of search warrants on evidence that such conditions exist. It is not intended that the home of private citizens should be invaded but is intended to search any place where intoxicating liquors are being manufactured for sale, barter, or exchange.

It is important that the Government have high-powered speed boats in dealing with rum smuggling by sea. The department has surplus Liberty motors which it can exchange without further cost for high-powered speed boats for this use. Authority for this must be had in law, which section 9 provides.

At present the national prohibition act is the only dry law for the District of Columbia. Section 10 is designed to authorize local authorities to exercise local police power to control liquor traffic within the District.

The original section 11 has been stricken from the bill by action of the Judiciary Committee and section 12 now becomes section 11. This section is the ordinary provision in regard to repealing or limiting any law now in force. The last sentence has heretofore been found only among the definitions in the national prohibition act. It is here placed in the body of the act.

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It is the policy of the State of California to encourage the development of the State's natural resources and to provide for the conservation of the State's water resources. The State's water resources are a valuable asset and it is the policy of the State to provide for their conservation and development. The State's water resources are a valuable asset and it is the policy of the State to provide for their conservation and development. The State's water resources are a valuable asset and it is the policy of the State to provide for their conservation and development.

