

GOVERNMENT FOR THE PEOPLE

Should Liquor Talk?

By DR. HENRY GEORGE III

Part 3

31 DEC 1944

Now that the Federal Government has closed the race tracks what are we going to do about revenue? It is inevitable that in their need for revenue state governments levy taxes upon whatever appears to guarantee the "most feathers for the least squawks."

As racing is gambling, and as gambling in the eyes of some is a very wicked sin, it stands to reason that those who propose to tax racing for revenue immediately win the enthusiastic support of the anti-gambling group. They see no sin in the state's collecting revenue from the "wicked sin." They reason that "If men want to gamble let them, but make their wickedness support the state." In many communities this same spotty reasoning extends toward other walks of life.

There are those opposed to liquor who hope that the state will increase the liquor tax, and make men better citizens by possibly making drinking more expensive.

Should we tax liquor because it is a lucrative source of revenue, or in order to restrict drinking. These two aspects should be considered as separate and distinct philosophies, for they are opposed to each other, and a well-meaning tax-minded legislature, bent on securing revenue might be urged and cajoled into raising the tax by an enthusiastic anti-liquor group. The result of such a combination would be disastrous to the state revenue, the liquor industry, and to the moral fiber of the community.

If liquor is to be taxed for revenue purposes, the tax should be as moderate as possible, and liquor should be as accessible to the public as possible. Only by cheapening the cost and making it accessible will the public buy the legitimate good grade liquor, and by this method stifle black market, bootlegging and rum-running to any degree. It will be fatal to try to boost the liquor tax in order to meet a highway or school deficit.

If we tax liquor in order to restrict drinking, as some temperance groups would have us do, whether by taxing the individual bottle or making the license for a tap room or store prohibitive, we immediately invite the bootlegger right back into our midst, and with him every possible source of political and social corruption. A high tax would fail to provide revenue, for thanks to bootlegging, what revenue accrued through legitimate sources would be expended in trying to crush an uncrushable system created and supported by statute. A heavy tax on liquor will destroy the legitimate liquor dealer and create an underworld that will have its hand in the pocket of our legislators.

Thus it is imperative, that in considering liquor in all its aspects, we pause before we institute legislation that may bring more trouble than we now have.

To show the tyranny, folly and injustice of our present laws consider the following: For a man to open a retail liquor store he has to meet all of the qualifications, be acceptable to the Liquor Commission, (and it would seem as though the requirements of acceptability are not all to be found in the statute) and must pay an annual tax of \$150. Armed with his retail license he may purchase liquor from the wholesalers at stipulated prices, must sell his merchandise at stipulated prices, and may not sell more than one quart of whisky, 12 bottles of wine or a case of beer to a customer at a time.

But as there are wealthy citizens who may wish to purchase a case of whisky at a time we have a "side door law," by which, for \$1 a man may buy a "personal license" and may, on the strength of that license, purchase all the liquor, whisky of any description, wines and beers, there being no state limitation, provided only that

it must be delivered and that he must pay 15 per cent more than the retail store buys it for. Now what is the effect of such a law?

It is natural that the wholesale dealer, who is in the liquor business to make a living, will sell to the highest bidder. If Mr. A, a prominent banker, orders a case of a rare and expensive whisky, and Mr. B, a retail liquor store keeper, orders the same case for his business, it is only natural that Mr. A, the banker, who wants it for his pleasure, will get it, for the wholesaler clears an additional 15 per cent, and that Mr. B, the retail liquor dealer, will be advised to select some other brand. This is not theory. It is, unfortunately, a fact that is occurring daily right here. Now I am not weeping for Mr. B, or for any liquor man, but I am anxious that the Delaware public know about laws which we have that favor those who deserve no favor, and work a hardship on those who are willing and ready to take their lot in a fair field with no favors.

If we don't want liquor then let's educate our children, and in a thousand years, perhaps, we will have a nation of teetotalers. But in the meantime let's not cripple the legitimate man who has sworn to uphold the law, and let's not make it easy for a man to get the choicest and most desirable of liquor products and then bootleg it to his friends, or clients, as is done at Christmas by the affluent.

If we want to drink, then drink, let's not let drink enter into politics, and talk.