

October 13, 2011

<http://detroitnews.com/article/20111013/OPINION01/110130335>

Commentary: Don't change state's liquor delivery system

JERRY A. OLIVER SR.

A new national conversation is getting into high gear about the lessons learned from national Prohibition three generations ago.

The Ken Burns documentary "Prohibition" recently finished its three-night run on local PBS stations across the country. HBO's highly-rated drama "Boardwalk Empire" just debuted its second season. Both shows convey the unintended consequences of what happened when the federal government tried to regulate alcohol through a one-size-fits-all approach.

Without question, Prohibition failed miserably.

And yet, Prohibition led this country to create a system for alcohol sales that promotes moderate and responsible consumption and at the same time supports a competitive marketplace.

As a former chief of police in Detroit and state alcohol regulator, I've also seen first-hand the problems of excessive and uncontrolled alcohol consumption to include disability, domestic abuse and even death. Clearly, alcohol can have consequences if abused, which is exactly why it's regulated by the states.

Historically, it was unscrupulous alcohol producers selling directly to consumers or in cahoots with bars to sell only their products, sometimes at artificially low prices, that fostered an environment for abusive alcohol consumption. It was these excesses that helped trigger the Prohibition backlash. To end Prohibition in 1933, Congress enacted the 21st Amendment to the Constitution and granted authority to the states to regulate alcohol as they see fit.

To help the public better understand the decisions that were made at this time and the origins of modern alcohol regulation in the United States, the Center for Alcohol Policy recently republished Raymond B. Fosdick and Albert L. Scott's "Toward Liquor Control," which had been out of circulation for more than 50 years. In 1933, John D. Rockefeller Jr. commissioned Fosdick and Scott to study alcohol regulation and prepare America for the return of legal alcohol and its regulation following the passage of the 21st Amendment.

The book was one of the key documents influencing how the country would deal with alcoholic beverages. Its content is just as important today as when it was written. John D. Rockefeller Jr. notes in the foreword of the book, "If carefully laid plans of control are not made, the old evils against which prohibition was invoked can easily return."

Fosdick and Scott advised how to avoid returning to the corruptions of the pre-Prohibition era and provided the template for alcohol control policy that the states ultimately followed.

For instance, the Michigan Liquor Control Commission was created when the state Legislature repealed

Prohibition in December 1933. Since then, the MLCC has served as an example of today's state-based regulatory system that encourages responsible alcohol consumption, promotes competition and maintains public health and safety.

Today, most states require producers to sell to state-licensed distributors who in turn sell to local retailers. Exceptions abound where specific states allow direct-to-consumer shipments from wineries.

Distributors, whether they are private or state-owned, track alcohol sold in the state, collect taxes and cut off retailers who repeatedly sell to minors.

Critics of this time-tested approach argue the system is antiquated, citing its roots to the last days of Prohibition. That's like arguing the Constitution is antiquated because it was written in the 1700s.

Consider England, where alcohol is deregulated. Alcohol consumption there skyrocketed because producers sell below cost to get customers in the door. The result is widespread alcohol abuse of epidemic proportions. Chronic health problems have risen, yet product choice has dwindled since there is little incentive for producer-controlled stores to sell competing brands.

Is our system perfect? No. It is being modified constantly to keep up with changing times.

But fundamentally, the system is sound. It provides accountability, product safety and wide consumer choice.

So as we enjoy "Boardwalk Empire" and Ken Burns' documentary, let's celebrate the return to common sense: Prohibition's repeal.

Let's also remain on guard about returning to policies that brought on that failed experiment in the first place.

Jerry A. Oliver Sr. is the former chief of police in Detroit; former chief of police in Pasadena, Calif., and Richmond, Va., and served as director of Arizona's Department of Liquor License and Control. He now serves on the Advisory Council for the Center for Alcohol Policy. Email comments to letters@detnews.com.