

Confidential

LIQUOR INDUSTRY LETTER

Circulated Privately to Businessmen Engaged in Distributing or Retailing Liquors

★

September 21, 1944

Dear Sir:

This is "the calm before the storm". Retailers and wholesalers in our Industry will be affected by the events of the next sixty days.

Here are the things to anticipate:

First, the end of the war in Germany. Now confidently predicted by Washington observers as occurring "in October", or sooner.

Second, national elections in November.

Third, local elections.

German end, will be only half-victory, Japan still to be licked. But, German end will cause sharp curtailment of war production in many cities, cause some unemployment. Also, may permit distillers to resume greater production of beverage alcohol. More blended whiskey may be available soon after end. Competition for sales in all consumer industries will be quickened. Salesmen will step-up calls, do more actual selling, less order taking. Dealers who have built quality business, given customers courteous service, will prosper. Others may suffer decided drop in sales.

National election not expected to cause resumption of controversy on liquor question. Nation's political leaders dare not foster dry issues while boys are at front. Most recognize dangers of prohibition, see many lost votes if they sponsor any kind of a dry attitude. National politicians prefer to pass the buck to states, where local option groups and rabid dries can set the pace, test public opinion. However, it will pay all members of our Industry to determine the attitude of National leaders. Many will follow the popular sentiment of their own communities in order to obtain votes. Few will openly state their position on the dry question.

Local elections are real danger. As stated in previous letters, the Ministerial Alliance, the United Dries, strong groups here and there throughout the state are actively engaged in promoting not only local option, but bone-dry legislation. Every dealer should consult

his wholesale supplier, his friends and informed members of his own community to determine the stand of the men running for office. Good guides to watch are the recognized dry newspapers. Watch the candidates they sponsor. We'll try, as election time approaches, to keep you informed.

Colorado Industry is in good tactical position: Self regulation of retail package stores, the elimination of black marketing, price violations etc., have benefited the whole state ... are a credit to the businessmen in our Industry. Tavern owners, too, have made great strides in self-regulation and public service. Week after week our reports have shown "no violations". The Tavern Keepers Association has done an outstanding job of eliminating the serving of minors. Those few violations that have been reported have been the result of inexperienced help, or lack of close supervision by the owner. Police and state officials directly responsible acknowledge the fine job we have done in maintaining our establishments and even show amazement at the fine record of the past few months.

Drys have little to point to in the way of offences by members of our Industry. It is up to every individual in our business to keep and improve this reputation for good management. We've proved that it is unnecessary to serve a minor or a drunk, that it is bad business for the owner himself when he tries to get more than a ceiling price. We've proved the value of good merchandising and courtesy to the trade. We've proved that our business is a legitimate, reputable enterprise that can be run in an orderly manner. And, we can furthermore point to it as a tax raising industry which is without parallel in the business world.

Country's distillers have returned to production of war alcohol: Production of beverage alcohol during the month of August marked the only temporary relief. Two years which saw the Industry pull the synthetic tire situation out of a hole.

Another limited period of beverage spirits production may be possible "in the not too distant future" according to a recent news dispatch. A W.P.B. official was quoted as having said, "the past month's diversion from industrial alcohol had not affected munitions output".

Withdrawals of blended whiskey for the first seven months of the year were stated as 17% over the corresponding months of 1943.

Stocks of aging whiskey in internal revenue bonded warehouses shrank to the lowest level in about eight years.

Federal Government collections of taxes on alcoholic beverages reached an all-time high during the first seven months of the year. This money, which will be used for the prosecution of the war, amounted to \$1,097,485,-780.00.

Exact amount of alcohol produced in August reported by N. Y. Herald Tribune. Estimates of the amount of spirits which were produced as a result of the resumption of manufacture granted to the beverage and 13 commercial distillers was given as 54 million gallons of 100-proof spirits during the month of August. Alcohol Tax Unit figures should be released soon and will provide the only accurate information on the breakdown of August production as among whiskey, gin and blending spirits. It was stated that the bulk of August production was concentrated on neutral spirits for blending with aged whiskey from pre-war stocks.

Church leaders in Denver ask for closing on V Day. Manager of Safety joins in request, according to newspaper reports. The City Hotel Association and the Colorado Dispensers Association have also indicated they favor closing. Manager of Safety Kirschwing was quoted as having said: "It is the consensus that the day of Germany's collapse is not the time for celebrating, but a day to give thanks, each in his own way, and to ask for strength to complete the enormous task which lies before us in the Pacific." Many, of course, will wish to spend a part or all of the day in thankful prayer or meditation; however, for those who have a boy in France or Germany it may be a real occasion for celebration.

Our suggestion to you, regardless of what city you are operating in, is that you govern yourself by the popular sentiment of your community.

Keeping your place open in spite of popular opposition would be bad for you and the Industry as a whole, although there might be reasonable justification for your doing so.

If taverns and package stores in your city are kept open on V Day be sure that every effort is made by you to maintain order and avoid trouble. It may be advisable to ask for the assistance of your local police department. However, most celebrating should be of the happy, good-natured kind, and should not result in roughness.

All of the following states are expecting "slam bang" battles on local options: Texas, Michigan, Oregon, Indiana, Ohio, Kentucky. Literally dozens of others will join in at the end of the war. Colorado drys are now starting by cities and counties, but dry feeling is not yet state-wide.

Walter F. Morrison was selected by the Republicans as their candidate for Secretary of State. The Secretary of State's Office is, as you know, responsible for administration and enforcement of liquor laws.

Liquor and Wine Industry Bond quota exceeded by 57 percent. W. W. Wachtel, Chairman of the War Savings Council of the Liquor and Wine Industries, announced that the total of the liquor and wine Industries' Fifth War Loan drive is \$571,330,882.00, or 57% in excess of the original quota.

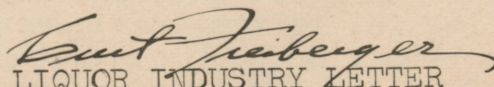
Local Brewery increases alcoholic content of beer. It was stated this week that available grains have made it possible for one of our local breweries to increase the alcoholic content of its beer recently.

OPA ceiling on wine may be revised in October. If and when regulations become effective in October, we will notify you of necessary changes in your prices.

Grapes for wine are now reported as being more plentiful. Generally, wine is now available in many good varieties and is increasing in popularity with the trade. National and local advertising is helping its sale.

You may be interested in knowing: All radio networks, and many metropolitan newspapers have now definitely decided to eliminate all advertising on V Day.

Cordially,


LIQUOR INDUSTRY LETTER
P. O. BOX 2250
DENVER, 1, COLORADO

No Quotations. No Copying. May Not Be Reprinted.

The entire preparation, printing and mailing cost of these letters is being defrayed by the following Colorado business firms:

E. J. CAMPBELL WHOLESALE LIQUOR CO.,
DENVER
A. CARBONE COMPANY, DENVER
CARRICK COMPANY, COLORADO SPRINGS
COLORADO ALCOHOL COMPANY, DENVER
COLORADO BEVERAGE CO., DENVER

MIDWEST LIQUOR CO., DENVER
M. OCCHIATO MERC. CO., PUEBLO
POMEROY & POMEROY, STERLING
REULER-LEWIN & CO., DENVER
C. D. SMITH DRUG CO., GRAND JUNCTION
WESTERN DISTRIBUTING CO., DENVER