

Confidential

LIQUOR INDUSTRY LETTER

Circulated Privately to Businessmen Engaged in Distributing or Retailing Liquors

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October 20, 1944

Dear Sir:

November elections will hold spotlight during coming weeks. Industry has cause to be optimistic over anticipated results.

Not our policy to tell you how to vote. However, we point out here that politics are always important consideration. Dry candidates if elected to positions of supervision over Industry could and would disturb attitude of fairness which has been shown by most political office holders recently.

Industry's valiant efforts at self-regulation have been appreciated and understood by state officers in control of administration of the laws affecting our business. Such understanding and cooperation is essential if we are to run a good, clean business free of political influence. State office holders should maintain a "hands off" policy toward business except in matters where control is essential to common welfare of the public.

These are important government positions which are directly related to the administration of Colorado liquor laws: The Governor, Attorney General, Secretary of State, and State Liquor Director. The Governor, as Chief Executive, of course, oversees all laws, and is responsible for the actions of the government division heads under him, which, of course, includes the Secretary of State. The Secretary of State is directly responsible for liquor control. The Attorney General enters into the picture because it is his duty to render opinions on the law. The State Liquor Director is not elected -- he is appointed by the Secretary of State.

Colorado has made great strides in eliminating abuse of its liquor laws. Convictions for violations such as serving minors and drunks have reached an all-time low. Colorado enforcement authorities, the Colorado Dispensers Association, city and county authorities, sparked by an intensive self-regulation program of the wholesalers, have accomplished what was once considered impossible. Individual retailers, however, are entitled to most credit, for it is they who have clamped down on unlawful and careless operations.

Black Marketing has had no place in Colorado. In the few limited cases where it was indicated, quick action by dealers and authorities alike stamped it out.

Ceiling prices so far have not been violated except through misunderstanding, have been immediately adjusted.

Violations among tavern owners have been reduced to the vanishing point. Most operators are giving close supervision to the handling of their trade. Many maintain respectability because they desire the friendship of fellow Industry members.

Another Liquor "Holiday" is possible in December. W.P.B. officials have stated that the prospects for another liquor holiday are "good", according to a Washington dispatch which appeared in the New York Herald Tribune on October 13. The Wall Street Journal of the same date declares that the holiday is already scheduled for December, and will probably be announced "before election".

Approximately a year's supply of blending spirits came out of American distilleries during the month of August, according to an analysis of the Treasury Department. This may sound like a lot, but actually, based on present whiskey withdrawals, it will last only two or three months. Following are the August production statistics as released by the Alcohol Tax Unit of the Treasury Department, as reported by Allied Liquor Industries, Inc.:

	(Tax Gallons)
Whiskey (Rye)	13,584,910
Gin	897,221
(1) Spirits	23,083,499
(2) Spirits	11,514,000
(3) Unfinished Spirits	3,785,734
Rum	201,705
Brandy	467,563
Total	53,534,632

- (1) Produced at beverage distilleries.
- (2) Estimated -- produced at industrial plants for beverage purposes.
- (3) Presumably may be made into whiskey or gin, or used for blending spirits.

Please note that no bourbon whiskey was made.

Don't be fooled into thinking you can now sell cut price whiskey. When national advertisers state "Limited Quantities" they mean "Limited Quantities". More whiskey is and will be available unless dealers start "splurging" with present reasonably satisfactory supply. Sales, too, may convince Washington that another holiday is unnecessary. Take it easy -- please a few of your customers you've been turning down - but don't hold a sale. You may find it tough to replace your stock if you dump it on the market as a bargain.

National Association of Alcoholic Beverage Importers pays tribute to distillers. Harry L. Lourie, Executive Vice-President, in keynote address before executives of entire Industry on October 9, made the following statement: "But whether the Government has seen fit to grant the distilling industry an Army-Navy "E" or not, we believe, and we take this occasion to proclaim publicly, that distillers not only deserve an "E", but deserve the thanks of all of us for their vital contribution toward the winning of the war."

Importer's three-point program could well be adopted by all of Industry: "First, do what is best for the country; second, do what is best for the entire alcoholic beverage industry; and third, consider what is best for your own trade group."

Cheyenne Eagle (Sept. 12) calls for granting "E" to distillers. The Eagle, (more power to a regional paper for a brave editorial policy), says: "Of all the industries that have played a part in the nation's war effort, the distilling industry is probably the only one never to have received some formal recognition for the outstanding job it has done." Wholesalers and distillers alike should remember the Eagle when allocating advertising funds. Here is courageous support within a stone's-throw of home.

Few realize contributions of our Industry. Producing more alcohol than the total needs of the synthetic rubber program -- at the same time it was collecting over one and a half billion dollars a year in federal, state and local taxes. While thus engaged in war production this same Industry purchased and sold over one billion dollars worth of War Bonds.

Wholesalers in Colorado pour out dollars in War Bond advertising, in support of community efforts of all kinds. From sponsorship of baseball teams for our youth to bulging War Chest donations ... this Industry is in the front rank.

Colorado liquor sales show gain. According to figures recently released by the Secretary of State's Office, Coloradans bought 127,731 gallons of hard liquor, 1,286,509 gallons of beer, and 73,198 gallons of wine in September, "the second wettest September" in the state's history. Collections of \$263,647 in taxes brought the year's total to \$2,506,971, a net gain of \$404,084 over the figure for the corresponding period of 1943.

City and State authorities could assist the Industry in Colorado tremendously in its efforts toward self-regulation and greater public acceptance of its reputable qualities by the elimination of many common descriptive terms which are used in releasing stories to the press. For example (this is not meant as a cri-

ticism to any state or city official) such terms as "Wettest Year", "Drunks", "Hot Spots", "D. K's.", "Joints", "Dance Joints", "Tight" etc., could well be changed for "Largest Sales", "Intoxicated Person", "Night Club", "Restaurant", "Lunch Counter", "Dance Hall", etc., etc. Why should anyone want to give the worst possible implication in their descriptions of any person or place of business connected with the alcohol industry? It doesn't help anyone, and least of all, the authorities who are engaged in liquor control.

Anti-Saloon League has raised \$3,500,000.00 to date for the purpose of bringing back prohibition. A tidy sum, isn't it? Proof that Congress will have plenty of pressure placed on it after November 7. Problems of peace-time employment and re-conversion will probably be stalled often to allow time for debate on prohibition.

Wine will not be too plentiful is report we get from informed wholesalers. High price demanded for grapes, and farmers converting grapes to raisins, will cut down available supply for wine making.

Beer supplies will remain at about present level until after Germany is licked, probably longer. No additional grain for brewing is in sight, carton shortage grows more serious day by day. Dealers in small towns removed from regular truck service will suffer most from lack of supply.

Closing of taverns on V-Day. Still some question. Many communities will keep taverns open because of majority feeling. Our recommendation is same as before. Follow the wishes of your community. Don't create ill-will or foster disrespect of your townspeople. Ask for opinion from responsible people in your community. Don't go by opinion of your own trade, it will not reflect community feeling.

Confidential requests for information still coming to us. We will handle to best of our ability and reply with full information available to us. Also, please continue to notify us of change in addresses.


SAVE AND RETURN CARTONS AND BOTTLES ... CUT DOWN ON WASTE.

Cordially,

No Quotations.

No Copying.

May Not Be Reprinted.


LIQUOR INDUSTRY LETTER
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DENVER, 1, COLORADO

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