

SCOMM

#6:4D

# Alaska State Legislature



SENATOR MIKE COLLETTA

SENATE FLOOR LEADER

Senate

November 30, 1977

The Special Senate Committee on Alcoholism and Alcohol Abuse has now completed the first round of hearings. The Committee has traveled to 31 communities in North and Western, Southcentral and Southeast Alaska. The suggestions and comments that we have received from the people of Alaska have been both varied and highly enlightening to the members of the Committee.

As we promised, we are hereby enclosing a summary of the comments received from all the communities visited. The next step of the process is up to you.

Review the suggestions that were made from people in other communities, compare these with the suggestions and comments that were made at the meeting in which you participated, and write a section for a law as you think it should be written.

Only you know first hand what steps must be taken to solve alcohol abuse and its related problems in your community. By combining your solutions together with the solutions of people in other communities, we will arrive at a solution for the problems of alcoholism and alcohol abuse for all Alaska.

This is a problem that affects all people in all areas of the state and can be solved only by all of us working together. The comments you return to us will be used to write the law which will be acted upon in the next session. You are helping draft the first CITIZENS LEGISLATIVE BILL to be considered by the Alaska State Legislature.

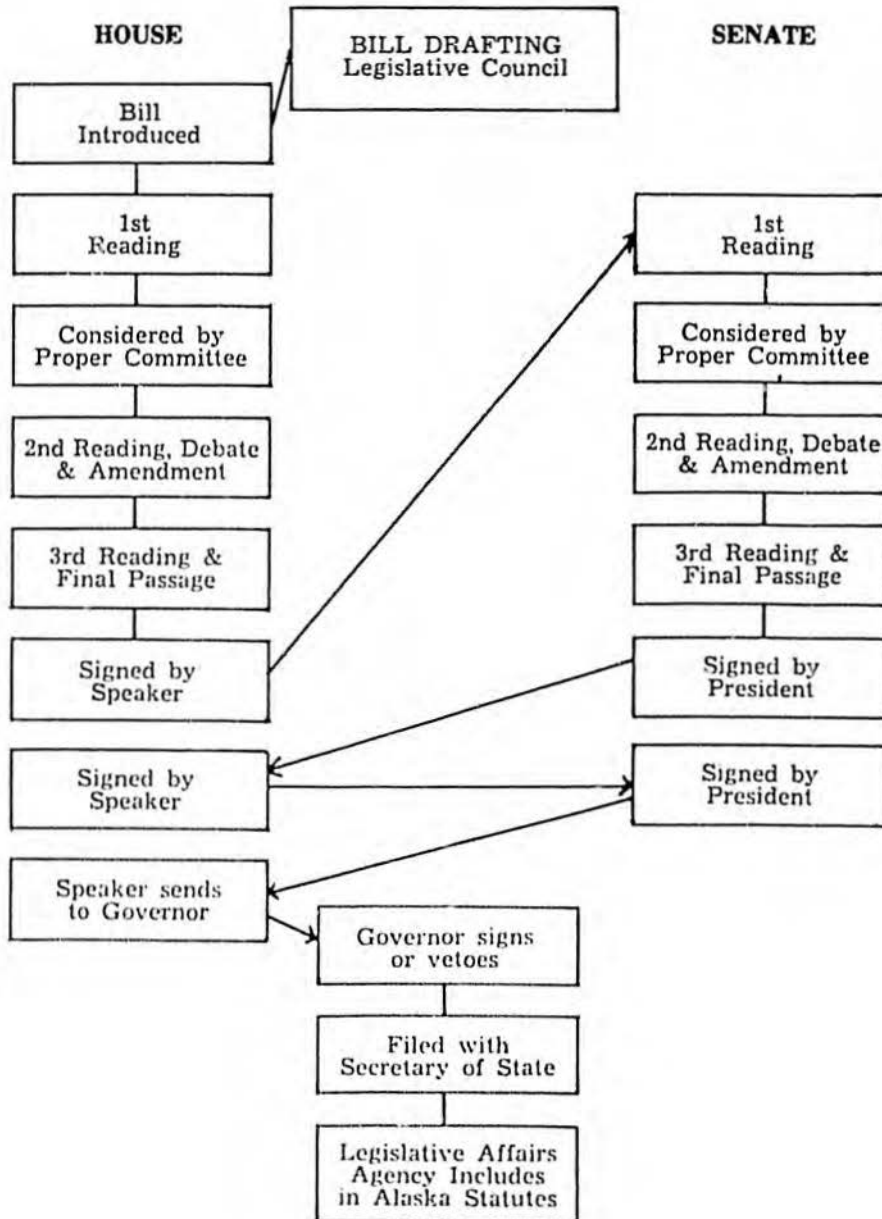
Sincerely,

*Mike Colletta*

Senator Mike Colletta  
Chairman Special Senate  
Committee on Alcoholism and  
Alcohol Abuse

## MAJOR STEPS IN THE PASSAGE OF A BILL THROUGH THE LEGISLATURE

Originating in the House of Representatives  
(The many recordings of the Bill in its various forms have been  
eliminated for simplification)



# tell us what to do

The following pages contain testimony heard at the 31 public hearings held across Alaska by the Special Senate Committee on Alcoholism and Alcohol Abuse. Take time and read the comments made by your fellow Alaskans on alcoholism and community problems related to alcohol abuse.

And tell us what to do. We have enclosed a copy of the CITIZENS BILL with spaces left open for your ideas. YOU are going to write the bill to be presented to the legislature.

Fill in your thoughts, comments, ideas and return them to us as soon as possible in the enclosed envelope. We need to receive this from you before Christmas in order to finalize the bill.

After all comments are collected, a final statewide hearing will be conducted. Each of you will gather together again as we did during the first round of hearings held in your town. All locations will be connected through the Public Broadcasting network and a simultaneous statewide radio hearing will be held on January 4, 1978.

This is your chance to have your voice heard ---your ideas and comments used in a law which will affect each Alaskan community, each Alaskan.

Tell us what to do.





# enforcement

"There is no awareness by local police to evidence requirements or what they can do to enforce the liquor laws. If they had proper training or if a State Trooper could travel a circuit with the local police from several small towns it might help."

"There is a difference between punishment and treatment, so pass a law which would make it possible for a judge to order a person into treatment rather than punish him with a fine."

"...require a warning label to be put on all liquor advertising: 'dangerous substance, harmful to health'."

"...set some restrictions on selling liquor by telephone. Now no one checks who is the purchaser. Here in ——— young people call in orders without any questions asked."

"Being drunk in public is wrong and should not be socially acceptable. Change the law to show disapproval of this behavior. Then drunks could be picked up and helped."

"We talk about alcoholism as a disease, but it's not classified as such."

"...increase the penalties for drunk driving. Make these so stiff a person will not want to drive when drinking because the consequence is so great."

"...legislate a prohibition of bartenders mixing double drinks and no more than one drink at a time in front of a patron."

"Require the ABC board to follow the recommendations of the City Council for licensing. The City's position is often overlooked or over-ruled."

"...liquor availability through the airlines is great. They ship alcohol in here three times a week and we're supposed to be a dry town. Why not prohibit the airlines from shipping alcohol as freight and allow it to be carried by someone only if that person is a passenger."

"...return law to 21 year age limit for drinking."

"...use more publicity to tell about convictions for liquor violations, particularly concerning bars and liquor stores."

"The law does not prevail in the bush. No one will give testimony against another in the rural areas".

"Courts are too lenient where alcohol convictions are concerned. Put some teeth into the law to require a judge to put a person into alcoholism classes or put him into jail."

"...make fines for selling illegal alcohol high. Impose a fine on seller and buyer and impose liability on parents of minors who purchase alcohol."

"...traffic fines and penalties from DWI-OMVI convictions should come back to the local level and be used in alcoholism programs."

"Increase activity by administrative agencies to enforce existing health, safety and alcoholism laws. Some bars are OK but others are where the problems always seem to occur. The police seem to be called to one or two places for disturbances. These are the ones that need to be shut down."

"We have 500 people in ——— and we have 4 liquor places. Why not look at the law that allows this many?"

"... if it's against the law to drive when drunk because an innocent person might get hurt, then why can't you pass a law against being drunk anytime because innocent children and spouses get hurt and we all get hurt if the crime rate goes up or medical bills get high due to alcoholism."

"Stop bartenders from serving drunk persons. It's hard to know when a person has had too much so why not require bartenders and cocktail waitresses to be licensed before they can serve liquor?"

"Larger profits can be made by illegal sales than loss due to small fines if caught."

"The ABC Board is all fouled up. It's run on influence. We need a special liquor police force like the State Troopers."

"...prohibit airlines from serving liquor on morning flights"

"Require the courts to refer people to treatment programs whenever a person appears before a judge for family disturbances, child neglect, DWI, OMVI, assault, breaking and entering, curfew violation or anything when there is a legal way to get a person into a program."

"Why not license people to drink the way we license people to drive? Issue them drinking cards listing their consumption level and when they drink too much, pull their cards."

"Change the Workmans Compensation laws or set up a special loan fund to allow for payments to a person's family if the person voluntarily goes to a treatment program and loses time from work."



Senator Mike Colletta, Senator Glenn Hackney,  
Commissioner Williamson



# education- prevention

"I know we can't solve all the alcoholism problems, but a start must begin someplace. Education is needed in the schools, particularly in the lower grades."

"...attitudes about drinking need to be changed. Only through education in the schools over a long time will people stop accepting drinking as all right."

"...an alcoholic is treated like a person who just crawled from under a rock. Any educational program has to teach that alcoholism is a disease and after heavy drinking for a period of time, a person loses control of his ability to say 'no'."

"Trying to get films and materials from Juneau is difficult. We get almost nothing. Set up a regional organization made up of all the health providers from the area and it might help the alcoholism programs."

"...give more money to community schools. They are a big thing in ———, but the government cut our funds back and now can't offer alternative activities for drinking."

"...need in-service training and education for teachers, employers, bartenders, police, doctors and general education for the public".

"Education on alcohol scares me. You might make educated users if not handled properly."

"...provide funds for counselors to assist employers."

"...provide funds through the Department of Education for training teachers in the basics of alcoholism programs."

"We need fewer outlets for dispensing alcohol. We have 2500 people here and 10 liquor establishments. We need a moratorium on licensing new bars until the law [Title 4] is clarified."

"Do not restrict advertising but do eliminate the tax write-off for all liquor advertising."

"The only advertising done in ——— is price advertising. Prohibit mentioning price and people will not stock up as much if they don't know about sales."

"15% of people who buy alcohol buy 62% of all alcohol sold."

"The gentleman referred to 15% of the people buying 62% of the liquor. Therefore, 85% of the people who drink do so in moderation so why penalize them to help the other 15%?"

"...need an education program started when person is young. It's hard to rehabilitate a person 50 years old with a long habit."

"...provide a tax deduction for contributions to alcoholism programs or hospital alcoholism units the same way it is allowed for contributions to political candidates. Have the state income tax form with a little box to check off money for alcoholism."



# local option

"The problem is that attempts to help an alcoholic have been a demotivating force. The state tries to do everything for the person and nothing is left for the person to do for himself."

"...use para-professionals in outlying areas but train them as alcoholism counselors."

"The pay as you go approach is the concept of our profit making corporations [native], but the state is not in the profit business. Alcoholism is one of those human need areas that must be approached on a need to solve basis regardless of where the money comes from."

"Higher taxes are OK but it's important to make certain the money is used at the grass-roots level, not to hire more people in Juneau."

"...even though this is a dry town, liquor is available. Maybe if we had a local store it would help control the situation. 24 people have drowned coming back from Tenakee after drinking."

"...binge drinking is our biggest problem in ———. If we had a community store and it were available here then people wouldn't want to drink it all up at once."

"...programs and more money won't help unless you have the local people directly involved. The state cannot solve the problem from Juneau."

"Bootlegging is very lucrative, but local people will not testify against their own people."

"There is a lot of money being wasted for alcoholism by competing state agencies. Office of Alcoholism, Mental Health, Community & Regional affairs, Vocational Rehabilitation, Highway Safety are all spending money. If we could coordinate all the money there might be enough to help the problem at the local level."

"...instead of the state telling us what programs they will give us money for, why not establish a revenue sharing or grant-in-aid formula for alcoholism dollars to be used directly in each local area as that area wants?"

"Get local people involved in determining how alcohol money should be spent, particularly in running the programs. Outside alcoholism experts from Juneau that come in for short periods of time cause more damage than good."

"Alcoholism and health problems are very great here but they are low priority items for the City Council. No money is being spent by the City for our alcoholism problem. If we could only get the license fees for the bars in the town into the program it would be a great help."

"...stop paying welfare and unemployment benefits in cash. Provide surplus food and real jobs because with welfare checks people only buy liquor. The state welfare system feeds the alcohol problem."

"Authorize a local 'problem board' from the village council and let them handle problem persons the way the elders want. A week on the wood pile will help them more than fancy talking."



# alternatives- treatment

"Bars and alcohol fill a void in ----- . People drink and go to bars for participation because there are no alternatives to drinking."

"Regardless of the reasons people give for drinking, if you really want to stop problem drinking you must provide alternative activities. The State should take the lead in community schools, recreational outlets, sports and hobbies."

"Alaska needs a statewide detoxification center and a local halfway house program with trained local counselors in each community."

"...if we had a local person to talk to people having problems...a local person trained to help local people..."

"Give money to every local hospital to set up an alcoholism ward where people from the community can go for medical treatment to dry out and for counseling to get the will power not to drink again."

"We need a qualified counselor in -----, not a person who comes in one day a month from -----."

"An alcoholic does not have a free will where liquor is concerned. His body needs it and his mind knows nothing else except his next drink. He needs to be forced into treatment. Change the law and tell the alcoholic he has a choice of 6 months in jail or 6 months in a treatment program."

"Provide incentives for employers to put their people through compulsory treatment. The person then has a choice of finding help or finding a new job."

"...we have a severe drinking problem with young people. There's no place for kids to go, no juvenile activities that are coordinated or planned."

"The treatment program in ----- is nothing more than a recycling plant. The problem drinker just passes through a revolving door."

"...provide a special municipal building grant for multi-purpose buildings in ----- . Then we could have more activities planned and less drinking."

"The alcoholic who has a problem will get alcohol regardless of the price or its availability even if he has to make it himself. Why punish others who drink without problems? Concentrate on those with the problem through prevention and early intervention, even if you have to force a person into treatment."

# tell us what to do

The following pages contain testimony heard at the 31 public hearings held across Alaska by the Special Senate Committee on Alcoholism and Alcohol Abuse. Take time and read the comments made by your fellow Alaskans on alcoholism and community problems related to alcohol abuse.

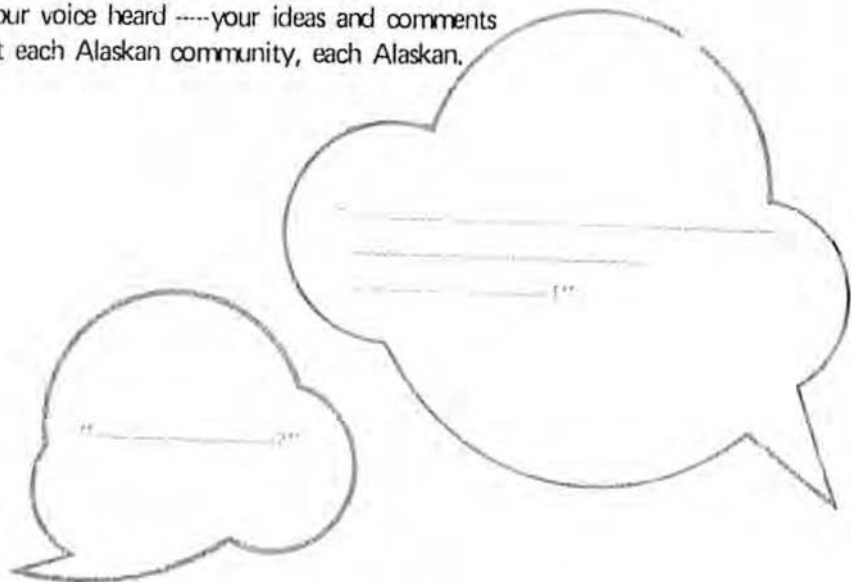
And tell us what to do. We have enclosed a copy of the CITIZENS BILL with spaces left open for your ideas. YOU are going to write the bill to be presented to the legislature.

Fill in your thoughts, comments, ideas and return them to us as soon as possible in the enclosed envelope. We need to receive this from you before Christmas in order to finalize the bill.

After all comments are collected, a final statewide hearing will be conducted. Each of you will gather together again as we did during the first round of hearings held in your town. All locations will be connected through the Public Broadcasting network and a simultaneous statewide radio hearing will be held on January 4, 1978.

This is your chance to have your voice heard ----your ideas and comments used in a law which will affect each Alaskan community, each Alaskan.

Tell us what to do.



# enforcement

"There is no awareness by local police to evidence requirements or what they can do to enforce the liquor laws. If they had proper training or if a State Trooper could travel a circuit with the local police from several small towns it might help."

"There is a difference between punishment and treatment, so pass a law which would make it possible for a judge to order a person into treatment rather than punish him with a fine."

"...require a warning label to be put on all liquor advertising: 'dangerous substance, harmful to health'."

"...set some restrictions on selling liquor by telephone. Now no one checks who is the purchaser. Here in ——— young people call in orders without any questions asked."

"Being drunk in public is wrong and should not be socially acceptable. Change the law to show disapproval of this behavior. Then drunks could be picked up and helped."

"We talk about alcoholism as a disease, but it's not classified as such."

"...increase the penalties for drunk driving. Make these so stiff a person will not want to drive when drinking because the consequence is so great."

"...legislate a prohibition of bartenders mixing double drinks and no more than one drink at a time in front of a patron."

"Require the ABC board to follow the recommendations of the City Council for licensing. The City's position is often overlooked or over-ruled."

"...liquor availability through the airlines is great. They ship alcohol in here three times a week and we're supposed to be a dry town. Why not prohibit the airlines from shipping alcohol as freight and allow it to be carried by someone only if that person is a passenger."

"...return law to 21 year age limit for drinking."

"...use more publicity to tell about convictions for liquor violations, particularly concerning bars and liquor stores."

"The law does not prevail in the bush. No one will give testimony against another in the rural areas".

"Courts are too lenient where alcohol convictions are concerned. Put some teeth into the law to require a judge to put a person into alcoholism classes or put him into jail."

"...make fines for selling illegal alcohol high. Impose a fine on seller and buyer and impose liability on parents of minors who purchase alcohol."

"...traffic fines and penalties from DWI-OMVI convictions should come back to the local level and be used in alcoholism programs."

"Increase activity by administrative agencies to enforce existing health, safety and alcoholism laws. Some bars are OK but others are where the problems always seem to occur. The police seem to be called to one or two places for disturbances. These are the ones that need to be shut down."

"We have 500 people in ——— and we have 4 liquor places. Why not look at the law that allows this many?"

"... if it's against the law to drive when drunk because an innocent person might get hurt, then why can't you pass a law against being drunk anytime because innocent children and spouses get hurt and we all get hurt if the crime rate goes up or medical bills get high due to alcoholism."

"Stop bartenders from serving drunk persons. It's hard to know when a person has had too much so why not require bartenders and cocktail waitresses to be licensed before they can serve liquor?"

"Larger profits can be made by illegal sales than loss due to small fines if caught."

"The ABC Board is all fouled up. It's run on influence. We need a special liquor police force like the State Troopers."

"...prohibit airlines from serving liquor on morning flights"

"Require the courts to refer people to treatment programs whenever a person appears before a judge for family disturbances, child neglect, DWI, OMVI, assault, breaking and entering, curfew violation or anything when there is a legal way to get a person into a program."

"Why not license people to drink the way we license people to drive? Issue them drinking cards listing their consumption level and when they drink too much, pull their cards."

"Change the Workmans Compensation laws or set up a special loan fund to allow for payments to a person's family if the person voluntarily goes to a treatment program and loses time from work."



Senator Mike Colletta, Senator Glenn Hackney,

Commissioner Williamson



# education- prevention

"I know we can't solve all the alcoholism problems, but a start must begin someplace. Education is needed in the schools, particularly in the lower grades."

"...attitudes about drinking need to be changed. Only through education in the schools over a long time will people stop accepting drinking as all right."

"...an alcoholic is treated like a person who just crawled from under a rock. Any educational program has to teach that alcoholism is a disease and after heavy drinking for a period of time, a person loses control of his ability to say 'no'."

"Trying to get films and materials from Juneau is difficult. We get almost nothing. Set up a regional organization made up of all the health providers from the area and it might help the alcoholism programs."

"...give more money to community schools. They are a big thing in -----, but the government cut our funds back and now can't offer alternative activities for drinking."

"...need in-service training and education for teachers, employers, bartenders, police, doctors and general education for the public".

"Education on alcohol scares me. You might make educated users if not handled properly."

"...provide funds for counselors to assist employers."

"...provide funds through the Department of Education for training teachers in the basics of alcoholism programs."

"We need fewer outlets for dispensing alcohol. We have 2500 people here and 10 liquor establishments. We need a moratorium on licensing new bars until the law [Title 4] is clarified."

"Do not restrict advertising but do eliminate the tax write-off for all liquor advertising."

"The only advertising done in ----- is price advertising. Prohibit mentioning price and people will not stock up as much if they don't know about sales."

"15% of people who buy alcohol buy 62% of all alcohol sold."

"The gentleman referred to 15% of the people buying 62% of the liquor. Therefore, 85% of the people who drink do so in moderation so why penalize them to help the other 15%?"

"...need an education program started when person is young. It's hard to rehabilitate a person 50 years old with a long habit."

"...provide a tax deduction for contributions to alcoholism programs or hospital alcoholism units the same way it is allowed for contributions to political candidates. Have the state income tax form with a little box to check off money for alcoholism."

# Alaska State Legislature

SENATOR MIKE COLLETTA



SENATE FLOOR LEADER

Senate

## MEMORANDUM

TO: CITIZENS LEGISLATIVE BILL PARTICIPANTS

FROM: MIKE COLLETTA

RE: STATUS REPORT ON LEGISLATIVE RECOMMENDATIONS  
January 5, 1978

The first phase of activities in writing a citizens bill are now complete. Although we encountered some technical problems in setting up the statewide public hearing, it was a good first attempt to involve everyone in the process.

One of the contributing factors to the difficulties we had was that you did not have a copy of the summary points of items to be included in the Citizens Bill. The summary is attached to this memorandum. It includes those items most often mentioned by the public as important.

The next phase of our project now involves taking these items and "fitting" them into a comprehensive package for legislative and administrative implementation. As you know, each of the various sections must be coordinated in order to be effective. Education, enforcement and treatment activities must complement each other in the local setting.

The legislature will convene next week and I intend to personally tell each legislator about our special project. It would be beneficial for you to communicate your interest and views to your district representative. With everyone involved in a full scale attack on alcoholism and alcohol abuse I am confident we can solve Alaska's greatest human needs problem.

Best Wishes

# Alaska State Legislature

SENATOR MIKE COLLETTA



SENATE FLOOR LEADER

Senate

## MEMORANDUM

TO: CITIZENS LEGISLATIVE BILL PARTICIPANTS

FROM: MIKE COLLETTA

RE: STATUS REPORT ON LEGISLATIVE RECOMMENDATIONS  
January 5, 1978

The first phase of activities in writing a citizens bill are now complete. Although we encountered some technical problems in setting up the statewide public hearing, it was a good first attempt to involve everyone in the process.

One of the contributing factors to the difficulties we had was that you did not have a copy of the summary points of items to be included in the Citizens Bill. The summary is attached to this memorandum. It includes those items most often mentioned by the public as important.

The next phase of our project now involves taking these items and "fitting" them into a comprehensive package for legislative and administrative implementation. As you know, each of the various sections must be coordinated in order to be effective. Education, enforcement and treatment activities must complement each other in the local setting.

The legislature will convene next week and I intend to personally tell each legislator about our special project. It would be beneficial for you to communicate your interest and views to your district representative. With everyone involved in a full scale attack on alcoholism and alcohol abuse I am confident we can solve Alaska's greatest human needs problem.

Best Wishes

# education- prevention

- primary alcoholism education curriculum in the public school system, grades K through 12
- basic alcoholism education and in-service type training for persons with a main-line contact with alcoholics: police officials, judges, social workers, doctors, nurses; village health aides, etc.
- accredited training for state certified teachers involving workshops or seminars
- training for persons dispensing alcohol as a pre-requisite to licensing
- provision for a statewide alcoholism education and training resource center to provide coordination, education materials, and training for local programs to draw upon
- specialized training for coordination and joint operations in liquor law enforcement by Alcoholic Beverage Control Board and other police agencies

# enforcement

- increase penalties for all convictions involving alcohol and a motor vehicle (NOTE: several separate pieces of legislation already before legislature addressing this provision. The very strong public comment about this will be relayed)
- licensing of bartenders, cocktail waitresses and others who dispense alcoholic beverages
- increase Alcoholic Beverage Control Board personnel with a particular emphasis on patrolmen and investigators
- require no more than one liquor beverage to be served to a single patron at a time.
- establish strict guidelines for the sale of alcohol beverages by telephone or mail order

# alternatives. treatment

- Mandatory alcoholism counseling referrals by judges whenever an individual becomes involved in the judicial process and alcohol is a contributing factor. Requirements for case histories to be a part of the court record, with provisions for confidentiality, to enable the court to make an appropriate length and type of treatment referral. Medical and alcoholism evaluations would be a part of the history.
  
- Series of detoxification centers such as funding a local hospital to establish a separate alcoholism ward, or if the local community determines a greater need, a complete and separate detox facility.
  
- Establish guidelines and criteria for para-professionals in outlying areas and enable non-profit health corporations to act as primary contractors for providing alcoholism services.
  
- Make available low interest loans to community corporations similar to other special areas such as economic development, minorities, veterans and student loans. This low interest loan would be for design and construction of recreation, sports, or adult social gathering places with the condition that alcohol would be prohibited in the facility.

# local option

- Establish uniform certification procedures for local alcoholism programs providing for a maximum of local self-determination in the structure and method of operations and objectives. The single goal for each is the reduction of alcohol abuse. Funding for local programs will be on a need basis without requirements for competing with other communities for grants.
- Require certification of alcoholism programs.
- Encourage development of third party funding sources such as veterans administration, employer participation and insurance coverage.
- Authorize tax credit for contributions to certified alcoholism programs similar to political deductions.
- Eliminate annual grant applications requirements for alcoholism programs and provide for longer periods of funding.
- Establish "program revenue sharing" for local communities with funding based upon need. Formula for determining need may be any quantifiable data relative to alcohol abuse:
  - .....court proceedings involving alcohol as a contributing factor,
  - .....police activity reports relative to alcohol,
  - .....medical statistics,
  - .....social services records,
  - .....other

Revenue sharing under this section will be for a "time certain" period  
Example: documentation by local community that DWI or OMVI records show alcohol abuse problem and need to solve--funds are requested for a 2 year program, after which time no further funds for this program will be granted if the DWI or OMVI statistics did not reveal a decline.

All monies now collected by the state from alcohol related industry would be available for this new local program approach. By re-directing revenue currently being raised, together with the excise tax now awaiting action in the State House, costly duplication and competition by different state agencies and administrative overhead would be reduced, Current grant program funding to alcoholism programs now total approximately 3 million dollars. Under the revenue sharing proposal, approximately 12 million dollars would be made available directly to local communities for alcoholism programs.

Minutes  
Special Committee on Alcohol

Meeting of  
March 25 and 26, 1977

The Special Committee on Alcohol convened at 1:30 on March 25 in the Governor's Conference Room in Juneau. Chairman Colletta presided. Members present were Senators Ziegler, Ray, and Hackney. Senator Ferguson was not present. At 5:00 pm the meeting was adjourned to convene at 10:00 am on March 26, 1977 in the Governor's Conference Room. Again, Chairman Colletta presided. Members present were Senators Hackney and Ziegler. Senators Ray and Ferguson were absent.

Following is a list of individuals who testified at this meeting in regard to Senate Bill 167 relating to license fees and excise tax on alcoholic beverages. Included is a short synopsis of the substance of their testimony.

Commissioner Williamson, Department of Health and Social Services

Stated the twofold purpose of SB167 to be:

- 1) an attempt to collect an additional \$10 million of revenue to offset spending incurred by alcohol related problems
  - a. the estimates used to determine the amount were very conservative
  - b. and deal with direct costs to the state
- 2) to make an experiment of the Schmidt-DeLint theory on alcohol consumption which simply stated says that in a high consumption society there are more alcohol related problems. The theory is that if alcohol is more difficult to come by (e.g. via higher prices) overall alcohol consumption will decrease and so will alcohol related problems.

Dennis Kelso, Director of Analysis of Alcohol Problems Project

Gave a more detailed description of the Schmidt-DeLint theory mentioned previously by Commissioner Williamson. He also stated that consumption in Alaska has recently increased by some 80% from 1958 to 1975. The figure also considers population increases. His presentations of alcohol consumption and related effects were exemplified by the following graphs taken from Volume IV of the Alcohol Report.

Bernard Marsh, Executive Director Cabaret Hotel and Restaurant Association (CHAR)

Mr. Marsh spoke for the Board of Directors of CHAR in stating his opposition to SB 167. He also presented to the Committee numerous petitions signed by approximately 18,000 individuals. Mr. Marsh took issue with Mr. Kelso's statement that Alaska has the 4th highest per capita consumption in the nation, stating that the numbers are vague and do not take into account the temporary influx of populace caused by tourism and pipeline personnel.

Mr. Marsh also questioned the ethics of government levying taxes as a control measure instead merely a means to collect revenue. He states that Alaska now collects the 3rd highest tax on distilled spirits and that the proposed increases would make it the highest tax on distilled spirits.

Richard Loeb, Alaska Distributors, Inc.

Mr. Loeb stated that the people he represents do not feel that the Schmidt-DeLint theory should be made law. Nor do they feel that the entire population should shoulder the costs incurred by the 5% of the population that are alcoholics. Breaking down the per capita consumption figures into an understandable amount of alcohol, it appears as a daily consumption average of 1.6 oz of liquor, 1.4 oz of wine, and about 1-1/2 bottles of beer. He also states that the liquor industry already pays a heavy burden of taxes and sees no good reason for the increase.

John Morris, M.D., Member of Governor's Advisory Board on Alcohol

Dr. Morris commended Mr. Kelso's report. The American Indians and Alaska Natives have the highest incidence of serious alcohol problems known. He mentioned the possibility of genetic tolerance of caucasian populations over years of breeding. Also, he commended the Governor's package on alcohol as a solution worth a try.

Joseph Walsh, Alliance of Hotel and Restaurant Employees.

Mr. Walsh opposed SB 167 on the ground that it will jeopardize the employees of the liquor industry.

Robert Maloney, Midnite Bar in Fairbanks

As a small business operator, he stated his opposition to SB 167. He also mentioned that increased price didn't decrease the amount of liquor consumed. He felt that the Governor was trying to tax the small businesses out of business and had no direction for the \$10 million in taxes that would be generated.

Bill Smart, Ketchikan Bar Owner's Association

Mr. Smart's primary point was that until another means of dealing with the cause of problems is found, people will continue to get drunk.

Fred Miller, Ketchikan Attorney and Member of the Governor's Advisory Board on Alcohol

As an attorney, he stated that 90% of his cases were alcohol related. He made mention of the fact that the control aspect of the bill is aimed not only at the bonafide alcoholics but also the excessive drinkers.

Ivan Widom, City Manager of Dillingham

Mr. Widom supports the tax measure on the grounds that 95% of the crime in Dillingham is alcohol related and any measure that might help should be tried.

Bruce Bartlett, City Manager of Bethel

The City of Bethel drew up a resolution in favor of SB 167 as well as the total package on alcohol, mentioned that the one draw-back might be an increase in bootlegging (SB 167).

Loretta Eakin, Alcoholism Project Director of Kotzebue

Ms Eakin stated that the entire Kotzebue area supported SB167 as well as the entire Governor's package on alcohol.

Maurice Druhl, Member of the Distilled Spirits Council of the U.S.

Mr. Druhl stated his opposition to SB 167 and said previous testimony in favor of the bill was based on inaccurate statistics.

Richard Lauber, U.S. Brewers Association

Mr. Lauber stated that beer is not the beverage of alcoholics and therefore should not be taxed as high as other alcoholic beverages. This state already has the highest tax on beer and only ranks 26th in the nation in beer consumption. Other states do use an excise tax as a measure to prohibit drinking (Georgia, Florida, Louisiana, Mississippi, North and South Carolinas, Oklahoma, and Virginia)

Julie Issac, United Methodist Women in Douglas, Juneau

Ms Issac's group supports SB 167 and would like to see any measure that reduces alcohol availability, including changing closure times of bars and package stores, passed into law.

George Barril, Alaska Native Commission on Alcoholism and Drug Abuse

Mr. Barril mentioned that only 5% of the population of alcoholics are obvious alcoholics. 95% are "closet alcoholics".

He feels there needs to be more availability of treatment in the state.

Mr. Barril stated that alcohol has proved to be an effective means of genocide for native peoples. The ANCADA passed a resolution in support of SB 167.

Thayne Anderson, North Tongass Council on Alcohol

Mr. Anderson stated support of SB 167. He felt the state needs more money to help solve the problem of alcoholism related problems.

Bill Orfitelli, Alaska Native Commission on Alcoholism and Drug Abuse

Mr. Orfitelli advocates an incremental tax increase tied to the consumer price index as a percentage of gross sales receipts.

Diane LaResche, Juneau resident

Ms LaResche supports SB 167 as a revenue measure to make up shortfall in the area of state expenses related to alcohol.

Minutes  
Special Committee on Alcohol

Meeting of  
March 25 and 26, 1977

The Special Committee on Alcohol convened at 1:30 on March 25 in the Governor's Conference Room in Juneau. Chairman Colletta presided. Members present were Senators Ziegler, Ray, and Hackney. Senator Ferguson was not present. At 5:00 pm the meeting was adjourned to convene at 10:00 am on March 26, 1977 in the Governor's Conference Room. Again, Chairman Colletta presided. Members present were Senators Hackney and Ziegler. Senators Ray and Ferguson were absent.

Following is a list of individuals who testified at this meeting in regard to Senate Bill 167 relating to license fees and excise tax on alcoholic beverages. Included is a short synopsis of the substance of their testimony.

Commissioner Williamson, Department of Health and Social Services  
Stated the twofold purpose of SB167 to be:

- 1) an attempt to collect an additional \$10 million of revenue to offset spending incurred by alcohol related problems
  - a. the estimates used to determine the amount were very conservative
  - b. and deal with direct costs to the state
- 2) to make an experiment of the Schmidt-DeLint theory on alcohol consumption which simply stated says that in a high consumption society there are more alcohol related problems. The theory is that if alcohol is more difficult to come by (e.g. via higher prices) overall alcohol consumption will decrease and so will alcohol related problems.

Dennis Kelso, Director of Analysis of Alcohol Problems Project  
Gave a more detailed description of the Schmidt-DeLint theory mentioned previously by Commissioner Williamson. He also stated that consumption in Alaska has recently increased by some 80% from 1958 to 1975. The figure also considers population increases. His presentations of alcohol consumption and related effects were exemplified by the following graphs taken from Volume IV of the Alcohol Report.

Bernard Marsh, Executive Director Cabaret Hotel and Restaurant Association (CHAR)

Mr. Marsh spoke for the Board of Directors of CHAR in stating his opposition to SB 167. He also presented to the Committee numerous petitions signed by approximately 18,000 individuals. Mr. Marsh took issue with Mr. Kelso's statement that Alaska has the 4th highest per capita consumption in the nation, stating that the numbers are vague and do not take into account the temporary influx of populace caused by tourism and pipeline personnel.

Mr. Marsh also questioned the ethics of government levying taxes as a control measure instead merely a means to collect revenue. He states that Alaska now collects the 3rd highest tax on distilled spirits and that the proposed increases would make it the highest tax on distilled spirits.

Richard Loeb, Alaska Distributors, Inc.

Mr. Loeb stated that the people he represents do not feel that the Schmidt-DeLint theory should be made law. Nor do they feel that the entire population should shoulder the costs incurred by the 5% of the population that are alcoholics. Breaking down the per capita consumption figures into an understandable amount of alcohol, it appears as a daily consumption average of 1.6 oz of liquor, 1.4 oz of wine, and about 1-1/2 bottles of beer. He also states that the liquor industry already pays a heavy burden of taxes and sees no good reason for the increase.

John Morris, M.D., Member of Governor's Advisory Board on Alcohol

Dr. Morris commended Mr. Kelso's report. The American Indians and Alaska Natives have the highest incidence of serious alcohol problems known. He mentioned the possibility of genetic tolerance of caucasian populations over years of breeding. Also, he commended the Governor's package on alcohol as a solution worth a try.

Joseph Walsh, Alliance of Hotel and Restaurant Employees.

Mr. Walsh opposed SB 167 on the ground that it will jeopardize the employees of the liquor industry.

Robert Maloney, Midnite Bar in Fairbanks

As a small business operator, he stated his opposition to SB 167. He also mentioned that increased price didn't decrease the amount of liquor consumed. He felt that the Governor was trying to tax the small businesses out of business and had no direction for the \$10 million in taxes that would be generated.

Bill Smart, Ketchikan Bar Owner's Association

Mr. Smart's primary point was that until another means of dealing with the cause of problems is found, people will continue to get drunk.

Fred Miller, Ketchikan Attorney and Member of the Governor's Advisory Board on Alcohol

As an attorney, he stated that 90% of his cases were alcohol related. He made mention of the fact that the control aspect of the bill is aimed not only at the bonafide alcoholics but also the excessive drinkers.

Ivan Widom, City Manager of Dillingham

Mr. Widom supports the tax measure on the grounds that 95% of the crime in Dillingham is alcohol related and any measure that might help should be tried.

Bruce Bartlett, City Manager of Bethel

The City of Bethel drew up a resolution in favor of SB 167 as well as the total package on alcohol, mentioned that the one draw-back might be an increase in bootlegging (SB 167).

Loretta Eakin, Alcoholism Project Director of Kotzebue

Ms Eakin stated that the entire Kotzebue area supported SB167 as well as the entire Governor's package on alcohol.

Maurice Druhl, Member of the Distilled Spirits Council of the U.S.

Mr. Druhl stated his opposition to SB 167 and said previous testimony in favor of the bill was based on inaccurate statistics.

Richard Lauber, U.S. Brewers Association

Mr. Lauber stated that beer is not the beverage of alcoholics and therefore should not be taxed as high as other alcoholic beverages. This state already has the highest tax on beer and only ranks 26th in the nation in beer consumption. Other states do use an excise tax as a measure to prohibit drinking (Georgia, Florida, Louisiana, Mississippi, North and South Carolinas, Oklahoma, and Virginia)

Julie Issac, United Methodist Women in Douglas, Juneau

Ms Issac's group supports SB 167 and would like to see any measure that reduces alcohol availability, including changing closure times of bars and package stores, passed into law.

George Barril, Alaska Native Commission on Alcoholism and Drug Abuse

Mr. Barril mentioned that only 5% of the population of alcoholics are obvious alcoholics. 95% are "closet alcoholics".

He feels there needs to be more availability of treatment in the state.

Mr. Barril stated that alcohol has proved to be an effective means of genocide for native peoples. The ANCADA passed a resolution in support of SB 167.

Thayne Anderson, North Tongass Council on Alcohol

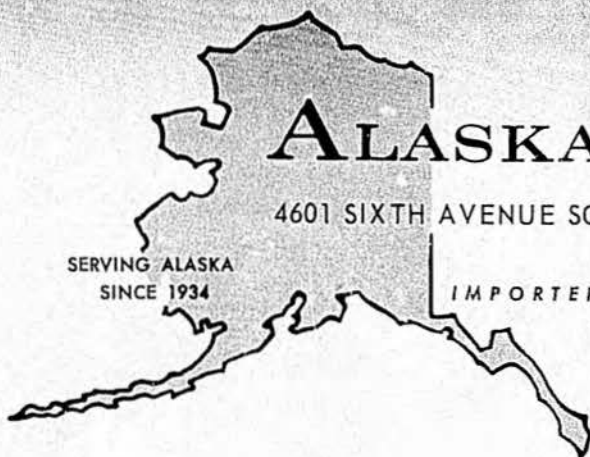
Mr. Anderson stated support of SB 167. He felt the state needs more money to help solve the problem of alcoholism related problems.

Bill Orfitelli, Alaska Native Commission on Alcoholism and Drug Abuse

Mr. Orfitelli advocates an incremental tax increase tied to the consumer price index as a percentage of gross sales receipts.

Diane LaResche, Juneau resident

Ms LaResche supports SB 167 as a revenue measure to make up shortfall in the area of state expenses related to alcohol.



# ALASKA DISTRIBUTORS Co.

4601 SIXTH AVENUE SOUTH • SEATTLE, WASHINGTON 98108 • 622-7311

IMPORTERS AND WHOLESALERS OF LIQUORS, WINES AND BEERS

March 28, 1977

The Honorable Mike Colletta  
Alaska State Senate  
Pouch "V"  
State Capital Building  
Juneau, Alaska 99811

Dear Mike:

Again, thank you for inviting me to testify before your Committee on the Governor's Bill that affect the Alcohol Beverage Industry. When you do plan to come to Seattle during the summer, please let us know and we will be more than happy to appear before your Committee once again.

You asked me to check on a Pistachio Liqueur and it appears that there is one called Pistasha Liqueur which is an imported item and is handled by Odom Company in Alaska. Brooks could probably give you more information as to its availability. This is the only one that I can find that is in general distribution.

Let me know if I can be of any further help.

Very truly yours,

ALASKA DISTRIBUTORS CO.

Richard Loeb

RL:ia

## CENTRAL LODGE

CENTRAL, ALASKA 99730

Mr. Brooks Hanford.  
329 Diston, Ave.  
Juneau, Ak. 99801

Dear Sir,

Regarding: Bill: H.B. #196 It would  
Put some of us small bars & Liquor  
Stores out of business.

It would raise prices in all Bars.  
If our politicians would take  
care of the money coming into the  
state now we won't need to be  
jabbed any harder. -

I'll get some petitions and  
send in a few soon.

Good Luck. -  
Roy O. Riddle



*Oppose*  
The  
Captain Cook hotel

WALTER J. HICKEL, JR.  
GENERAL MANAGER

P. O. BOX 2280, ANCHORAGE, ALASKA 99501  
PHONE (907) 277-4571

March 19, 1977

Senator Mike Colleta  
Senate Floor Leader  
Pouch V  
Juneau, Alaska 99801

Dear Mike:

I would like to express my concern over Governor Hammond's excise tax and license fee bill, HB 196. As one of the largest buyers of distilled spirits, our Company objects to the astronomical increases of existing liquor prices which will only continue to fuel inflation by further increasing retail prices.

I cannot comprehend the Governors position in attempting to make Alaska dry - which is totally unrealistic in a Northern environment. Further regulations of the industry by the State will only heighten the opportunity for the rural villagers to bootleg.

We are asking for your support in opposing the Governor's bill and I believe a coalition of the liquor industry in cooperation with our friends in Juneau will defeat this bill.

Sincerely,

THE HOTEL CAPTAIN COOK

*Wally*  
Wally Hickel, Jr. General Manager

WHJr/tch



The Beverage Alcohol Industry

# Public Attitudes and Economic Progress



DISCUS Facts Book 1975

# State Revenue Collections

1974 distilled spirits and alcohol beverages in relation to total state tax collections (in thousands of dollars)

	Total Tax Collections All Sources <sup>1</sup>	State-Level Alcohol Beverage Revenues	Alcohol Beverage as % of Total State Tax Collections	Revenues From Distilled Spirits	Distilled Spirits as % of Total Tax Collections
Alabama	1,023,241	85,209	8.3%	44,693	4.4%
Alaska	125,115	6,489	5.2	4,071	3.2
Arizona	744,418	26,276	3.5	13,010	1.7
Arkansas	605,566	18,131	3.0	5,306	0.9
California	8,001,516	275,846	3.4	169,276	2.1
Colorado	800,073	27,084	3.4	16,077	2.0
Connecticut	1,099,518	63,761	5.8	38,877	3.5
Delaware	309,221	4,874	1.6	3,570	1.2
D.C.	551,469	25,168	4.6	18,697	3.4
Florida	2,788,375	216,878	7.8	100,783	3.6
Georgia	1,515,528	111,321	7.3	50,201	3.3
Hawaii	498,539	16,145	3.2	7,588	1.5
Idaho*	265,446	16,800	6.3	9,642	3.6
Illinois	4,083,053	133,088	3.2	80,477	2.0
Indiana	1,680,101	54,348	3.2	27,110	1.6
Iowa*	1,036,670	50,620	4.9	34,667	3.3
Kansas	702,709	17,573	2.5	6,107	0.9
Kentucky	1,111,391	31,360	2.8	17,457	1.6
Louisiana	1,319,602	55,682	4.2	20,831	1.6
Maine*	340,006	24,999	7.4	13,776	4.0
Maryland	1,595,021	52,870	3.3	28,615	1.8
Massachusetts	2,205,173	98,547	4.5	62,130	2.8
Michigan*	3,752,991	194,758	5.2	105,095	2.8
Minnesota	1,843,559	65,002	3.5	41,481	2.2
Mississippi*	747,334	47,231	6.3	21,823	2.9
Missouri	1,300,435	41,119	3.2	23,130	1.8
Montana*	230,072	15,102	6.6	11,594	5.0
Nebraska	405,615	15,196	3.7	7,979	2.0
Nevada	251,923	15,345	6.1	10,815	4.3
New Hampshire*	189,664	27,025	14.2	21,541	11.4
New Jersey	2,068,509	112,957	5.5	73,686	3.6
New Mexico	439,605	15,483	3.5	6,308	1.4
New York	8,529,908	313,116	3.7	221,133	2.6
North Carolina* <sup>2</sup>	1,806,433	77,454	4.3	35,172	1.9
North Dakota	218,693	10,081	4.6	5,474	2.5
Ohio*	2,866,091	210,664	7.4	138,379	4.8
Oklahoma	780,845	32,878	4.2	16,513	2.1
Oregon*	745,376	47,047	6.3	30,539	4.1
Pennsylvania*	4,670,618	196,076	4.2	123,616	2.6
Rhode Island	335,096	16,483	4.9	9,086	2.7
South Carolina	902,911	79,143	8.8	35,810	4.0
South Dakota	166,415	9,907	6.0	5,314	3.2
Tennessee	1,095,737	48,622	4.4	30,047	2.7
Texas	3,288,466	174,043	5.3	83,296	2.5
Utah*	373,276	16,366	4.4	11,942	3.2
Vermont*	182,050	13,566	7.4	8,729	4.8
Virginia*	1,550,192	96,866	6.2	55,117	3.6
Washington*	1,393,385	121,179	8.7	74,242	5.3
West Virginia*	622,966	34,142	5.5	17,612	2.8
Wisconsin	2,035,802	72,057	3.5	41,372	2.0
Wyoming*	125,397	4,770	3.8	3,316	2.6
Grand Total	75,321,137	3,536,749	4.7	2,029,366	2.7

(\* Control States)

<sup>1</sup> Total tax collections are for the fiscal year and include net profit of state liquor operations in monopoly states. Distilled spirits and all alcohol beverage collections are for fiscal or calendar year as available.

<sup>2</sup> County dispensary system.

SOURCE: United States Department of Commerce and the several states.

*Support*

Testimony Before Senate Special  
Committee On Alcoholism  
SB167

March 25, 1977

My name is Ray Paddock, Jr. Currently, I am president of the Central Council of Tlingit and Haida Indians of Alaska. I am not testifying in that capacity, however, but as a citizen and taxpayer with considerable experience and knowledge of the problems of rural Alaska. My remarks are my own.

I wholeheartedly support the proposed increase in the excise tax. According to the Interdepartmental Coordinating Committee Report to the Governor, there has not been an increase in the excise tax in this State since 1961. At the same time the economic costs associated with alcohol abuse and alcoholism have risen dramatically. According to the recent study by the State Office of Alcoholism (Volume 1 - Economic Impact of Alcoholism and Alcohol Abuse In Alaska, p. 122), the total economic cost for Alaska was cited at a staggering 131.2M while the total economic benefits to the State from the sale and consumption of beverages alcohol is approximately 94.1M. Now, I am aware that there are those of you on this Committee who do not agree with the concept of taxing the consumer of alcohol to pay for the abuser of alcohol, but purely from an economic standpoint, those costs do exist, and we (the taxpayer) are all paying for those costs right now in lost production, increased motor vehicle accidents, prosecution and incarceration of individuals for alcohol-related offenses, use of hospital beds for alcohol

related admissions, and increased child protective services. The facts are all there in the Volume, and I urge the members of this Committee to take a serious look at those statistics, and to ask the question - who should pay for those costs?

I do not think that it is a new idea for consumers of a special product or service to pay for its use. I cite as one example the gasoline tax on motor vehicle owners, with the resulting revenues being used for highway construction and maintenance. The fact that this is an increase in a tax already established and not a new tax, is, I think, an important point for this Committee to remember, and the fact that the proposed increase is not totally unreasonable (50¢ on a 1/5 of liquor, 30¢ on a 1/5 of light wine, and 28¢ on a 6 pack of beer) should also be seriously considered. Revenues from this proposed tax certainly are not the final answer. It is just a very needed drop in an unfilled bucket.

Let me now speak to the specific needs and problems of the Southeast Indian community. In the Federal Programs and Alaska Native study published in 1974, the following is quoted:

"Alcoholism is one of the leading causes of deaths among Alaska Natives, with an average death rate of 39.4 per 100,000 population for the period 1968-1972... There is no question that alcoholism is a leading Native health and social problem. It ranked 10th in causes of hospitalization in Alaska Native Health Service hospitals in 1973, in terms of inpatient days. (Federal Programs and Alaska Native Study, Task 1, Part A, Section 1, Analytical Narrative, p. 9)

The Southeast Regional Health Corporation just recently has ranked alcoholism as a #2 health priority for this region.

As early as 1975, the Southeast Alaska Community Action Program (SEACAP) identified alcoholism as a #1 priority emphasizing the necessity for rural-based alcoholism programs with qualified personnel. Within the past year, three additional rural communities with predominately native populations (Hoonah, Kake, and Hydaburg) have incorporated Councils On Alcoholism, indicating that rural communities in Southeast have publicly identified that alcoholism is a priority health need that needs to be addressed immediately. That brings me to the inevitable dollar question, where will the money come from? In the past years, program dollars from the State Office of Alcoholism (a portion of which is from the State General Fund - \$400,000), have gone mostly to urban-based programs. In our region, Yakutat is the only rural community that receives State program dollars. Without extra revenue, the Governor's Advisory Board and the State Office of Alcoholism will be placed in a position of not being able to fund all approved grant applications. I know for a fact that for the first time, at least four rural Southeast communities will be applying to the State Office this grant period, and hopefully, these grants will be approved and funded, but my concern is that they will be approved and not funded for lack of money.

On the federal level, the situation is approximately the same. At present, there is over 30M of approved but unfunded NIAAA grants nationally (700,000 for Alaska). I will quote briefly from a letter received recently in my office from Dr. Raymond Leatham, Chief of the Indian Desk, NIAAA, Washington, D.C.:

"There has been no change in the fiscal situation to fund new grants at this time. The budget allocation for alcoholism programs is only sufficient to honor continuation requirements of existing programs."(2-28-77)

The funding situation is critical then. At a time when the disease of alcoholism has finally been publicly identified as a priority need, funding sources both on the federal and State level are financially strapped. My immediate concern is for increased program dollars for rural communities this fiscal year. The only way that I see that happening is through an increase in the State General Fund portion of the State Office of Alcoholism budget. That increase, I believe, should be borne by the consumers of beverage alcohol.

WHO SHALL PAY? That is the question facing this Committee. In the long run, all of us are paying right now. Lost production must have an effect on the increased costs of goods and services. Motor vehicle accidents due to drinking helps to raise our insurance policies. The adjudication of alcohol related crimes and incarceration of individuals for alcohol related offenses is handed over to the taxpayer in the form of bond issues for new facilities, and the list goes on and on.

The costs are there, gentlemen. They cannot be taken lightly and they must be addressed now.

TESTIMONY BEFORE SENATE SPECIAL COMMITTEE ON ALCOHOLISM, MARCH 25, 1977, PROVIDED BY THOMAS L. STOWER, FIELD DEPUTY, ANCADA.

"WHO SHALL LIVE. AS EVIDENCED BY ECONOMICS AND SOCIAL CHOICE?"

"THE THEORY OF ECONOMICS DOES NOT FURNISH A BODY OF SETTLED CONCLUSIONS IMMEDIATELY APPLICABLE TO POLICY. IT IS A METHOD RATHER THAN A DOCTRINE, AN APPARATUS OF THE MIND, A TECHNIQUE OF THINKING WHICH HELPS ITS POSSESSOR TO DRAW CORRECT CONCLUSIONS."<sup>1/</sup>

I SPEAK TODAY PRIMARILY AS A CITIZEN, BUT AS WELL AS A MEMBER OF A RECOGNIZED STATEWIDE AGENCY, AIMED AT THE AMELIORATION OF ALCOHOLISM.

MY PRIMARY POINT OF CONCERN WITH THIS ADDRESS, WILL SPEAK TO THE COMPARTMENTALIZED CAMPS OF THE ALCOHOLISM TREATMENT FIELD, THE SPECIAL INTEREST GROUPS BURIED WITHIN THE POLITICAL MILIEU OF OPINION MAKING PROCESS, AND TO THE GENERAL CONSTITUENCY OF THIS STATE THAT, FOR GENERATIONS, HAVE HELD AN INTRINSIC WISDOM, ACCUMULATED THROUGH ITS WEALTH OF TRADITIONS AND COMMON UNDERSTANDING.

WE TEND TO OVERLOOK, AT A TIME WHEN SOME OF OUR SOCIETIES MOST INTRACTABLE PROBLEMS EMERGE TO THE SURFACE, THE SOVEREIGN RIGHT TO SPEAK, OPENLY AND HONESTLY BEFORE OUR PEERS, UPON THE MOST MUNDANE AND PROVOCATIVE OF ISSUES.

BY THE INTERWOVEN PROCESS OF INTERNECINE MECHANICS, THE PUBLIC FORUM OF POLITICAL DEBATE, OFTEN COMPROMISES ACCESSABILITY OF COMMON UNDERSTANDING. PUBLIC FORUM IDEALLY PROVIDES A DIALOGUE WITHIN A PROBLEM SOLVING ARENA, EXAMINING ITS CONTROVERSIAL ISSUES, ITS MOST INTRACTABLE PROBLEMS AND PROCESSES FROM BELOW,

---

<sup>1/</sup> JOHN MAYNARD KEYNES.

RATHER THAN FROM ABOVE. HOWEVER, AS WE ORGANIZE OUR AGENDAS, TYPICALLY, WE RESORT TO THE REAL WORLD, A REALM OF POLITICAL STRATEGY THAT CANNOT COMMIT ITSELF TO RESOLUTION OF A "CONFLICT-OF-NEED" ON A "WIN-WIN" BASIS; RATHER, BY THE SOPHISTICATED PROWESS OF MANEUVERABILITY OF POWER AND AUTHORITARIAN DEVICE, TO PERPETUATE THE CLASSIC "WIN-LOSE" CONTINUUM.

AS WE EXAMINE, OR APPEAR TO EXAMINE THE ISSUES BROUGHT BEFORE THIS HEARING, LET US CONSIDER AN EXAMINATION OF OUR INDIVIDUAL ROLES AND THEIR IMPACT COLLECTIVELY UPON THE COMMON WEALTH OF THIS STATE. THE MOST OBVIOUS OF INTENT HAS BEEN DEMONSTRATED BY OUR GOVERNOR TO CALL UPON THE WISDOM OF THE COMMONWEALTH OF ALASKA FOR ITS HISTORICAL SUPPORT, EVIDENCED AS FAR BACK AS 1951 ON ALCOHOLISM ISSUES.

AT PRESENT THOUGH, THE DIVIDED GROUPS OF OPPOSITION HAVE SET THE STAGE OF CONFRONTATION FOR CONFRONTATIONS SAKE OR HAVE REMAINED MUTE IN THE WINGS, COMPLACENTLY WAITING FOR THE SPOILS OF SHARED PUBLIC ALLOCATION. THE EXCLUSIVE AND PRIVATE "CLUBS" OF INFLUENCE ARE CONTENT WITH THEIR PLATITUDES OF ALTRUISM, WHILE THE FACILITATORS OF SOCIAL CHANGE ARE DEVOURING ANTACID TABLETS AND PHONING THE LOCAL SHRINK. WHERE DOES ALL OF THIS REMAIN?

THERE IS A COMMON CALL TO THE FORUM; HOWEVER, SHOULD A TIDE OF OPPRESSIVE INFLUENCE EBB OVER THE DOMESTIC AND SOVEREIGN RIGHT OF CHOICE, OF THIS COMMONWEALTH, THE CONSEQUENCE OF SUCH VIOLATES THE BASIC INTEGRITY OF DOMESTIC AND SOCIAL WELL BEING.

WE HAVE ESTABLISHED ECONOMICS AND LAW AS NEGOTIABLE COMMODITIES, BUT THE INTRINSIC CULTURAL AND HERITAGE VALUES OF THE COMMON WEALTH OF ALASKA ARE NOT NEGOTIABLE. AND TO REMAIN MUTE TO THE CALL AT THE FORUM IS A PASSIVE ACT OF MORAL COWARDICE WHICH ONLY COMPLIMENTS THE COMPROMISE OF NEGOTIATING SUCH VALUES.

I CALL CHALLENGE, TO THE COMPARTMENTALIZED CAMPS OF ALCOHOLISM TREATMENT THAT RELY UPON THE GENERAL FUND FOR SUPPORT OF NEEDS AND WHO CHOOSE TO SIDELINE THIS VENTURE. I ASK, WHOSE NEEDS ARE REALLY BEING MET?

I CALL CHALLENGE TO THE ADVISORY BODY OF THE BEVERAGE LIQUOR INDUSTRY THAT HAVE NOT CONTRIBUTED TO THE ALLEVIATION OF OUR MOST CRITICAL AREA OF SOCIAL HEALTH, BUT HAVE RATHER CHOSEN ONLY TO THWART ANY POSITIVE THRUST IN SUCH DIRECTION BY FUNDAMENTALIST'S ATTITUDE BARRIERS, SANCTIONED ONLY UPON MORAL MISCONCEPTION AND MYTH.

I CALL CHALLENGE TO THE EXCLUSIVE CLUBS OF INFLUENCE, WHO IN THE LINE OF PURIST ALTRUISM CLAIM NO SPECIAL INTEREST, TO RESOLVE YOURSELVES TO A COMMITMENT OF OPEN DIALOGUE WITH THE COMMON WEALTH WITHOUT THE PROWESS OF AUTHORITARIAN INTERVENTION.

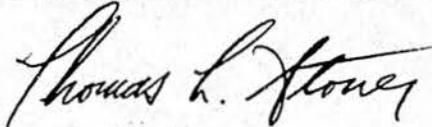
I CALL CHALLENGE TO THOSE OF US REMAINING DISILLUSIONED BY SUCH PROCESS TO SHARE IN THE WISDOM ACCUMULATED BY TRADITIONS OF GENERATIONS, AND TO REFLECT UPON A RESOLVE OF DIGNITY FOR THOSE GENERATIONS YET TO COME.

THESE ISSUES ARRIVE AS A CONSEQUENCE OF COMPLACENCY OVER THE PAST TWENTY-FIVE YEARS, BUT THE RISKS ARE EVEN GREATER TODAY! AS MARK TWAIN ONCE FOUND HIMSELF COMMENTING UPON THE

CLAIM TO HEROISM BY THE AMERICAN PEOPLE AS HISTORY HAS  
DOCUMENTED THE INVASION OF THE PHILIPINES - SO TOO, TODAY,  
SUCH HEROISM HAS ITS OWN CLAIM TO VIRTUE, BY FAILING TO  
CONFRONT THE CRITICAL FACTS - ITS COMMON DENOMINATOR REMAINS -  
"MORAL COWARDICE".

THANK YOU.

RESPECTFULLY SUBMITTED



THOMAS L. STONER

**Alaska Native Commission  
on Alcoholism and Drug Abuse**

**Thomas L. Stoner**  
Office for Technical Assistance  
Field Deputy

750 E. Fireweed Lane, Suite 2  
Anchorage, Alaska 99503

Phone (907) 274-5531

I am Gerald Mikesell, an Asst. Professor of Education at the University of Alaska, Juneau & a resident of Juneau. However, for the purposes of this testimony represent the Church of Jesus Christ of Latter Day Saints as the First Counselor in the District Presidency. The Juneau Alaska district includes all of Southeastern Alaska.

Since alcoholism and alcohol related problems are such serious problems for the citizens of this state and since they take such a toll in lives, property and human misery we wholeheartedly support and applaud any legislation that makes alcohol less desirable or available.

In view of reports of the past couple of days which state that between 40 and 45 percent of our youth have tried alcohol by the time they are 10 years of age, we further recommend that steps be taken to enforce laws which prohibit making alcohol available to minors.

Attempts need to be made to find answers to the severe problems that are listed. While this effort may not be successful it is at least a try at solving the problems. We surely will be amiss if we don't try.

We need to address the problem at the level at which most people enter the problem. Probably most people get their introduction to alcohol through beer. Maybe an even higher tax on beer ought to be imposed.

Thank you  
Gerald L. Mikesell



# CITY of BETHEL

P. O. Box 388 • Bethel, Alaska 99559  
543-2297 — Area Code 907

March 22, 1977

Honorable Jay S. Hammond  
Governor  
State of Alaska  
Pouch A  
Juneau, Alaska 99811

Dear Governor Hammond:

Pursuant to your proposals for legislative action addressing the problems of alcoholism and alcohol abuse within the State of Alaska, the Municipality of Bethel's City Council and Administration endorse and support the salient elements of the proposals. On March 21, 1977, the City Council held a public hearing to receive comments on such proposals from the community-at-large. At the conclusion of the public hearing, a majority of the City Council in-conjunction with members of the City's Administration voiced support for and simultaneously requested additional clarification and amendments with respect to the following:

- A. Increasing the excise tax proposal was endorsed without recommended amendments, with the understanding that \$1.5 million additional funding from the increased revenue will be allocated for prevention, education and treatment programs for alcoholism and alcohol abuse.
- B. The sales tax proposal enabling municipalities to tax beverage alcohol at a rate higher than other commodities was endorsed without recommended amendments, with the understanding and recommendation that an unlimited taxing maximum be included in such legislation.
- C. The options delineated under the local option election section of existing alcohol law within the State were endorsed by the Council and Administration with the following request for clarification: Would a municipality be required to place on the ballot all four (4) options presented within your legislative proposals, or would fewer than the four (4) options be allowed, depending upon petition stipulations? In addition, greater clarity (definition) was requested by the Council with reference to the banning of shipment of mail or telephone ordered alcohol.


- D. Concommitantly, a question asked by a community member at the public hearing requested greater clarity with reference to the Community Liquor License option in terms of whether or not such a license would encompass community managed and/or controlled bars as compared to liquor stores?
- E. The various legislative measures under the dry communities section of your proposals were endorsed by the Council and Administration with the following recommended amendments: That the monetary compensation proposed for dry communities, because of lost tax revenue from beverage alcohol, should be higher than the \$10 per resident in order to encourage such communities to remain dry and restore sales tax revenue to a level which is economically beneficial relative to providing public services, including alcoholism and alcohol abuse treatment programs; that the possession limits be established by local ordinance; and that the provision for confiscation of vehicles used in illegal sales be expanded to include all motorized vehicles.
- F. The proposal for combining the Offices of Alcoholism and Drug Abuse was supported by the Council and Administration relative to all sections delineated in your legislative package.

On March 22, 1977, the City Council held a special meeting to consider Resolution No. 192, a Resolution of the City of Bethel, Alaska, endorsing the Governor's proposals for legislative action addressing the problems of alcoholism and alcohol abuse within the State of Alaska. The Resolution was passed and approved by a unanimous vote and is to be considered as a part of the endorsements by the City Council and Administration. (refer to attachment.)

This letter is to serve as written testimony for subsequent legislative hearings to be conducted by the House and Senate with respect to all of your proposals. Furthermore, the City Council and Administration wish to commend you for your initiatives within this area, and if your office requires additional information and/or supporting documentation, please contact the Administrative Offices of the City of Bethel.

Best Wishes.

Sincerely,

  
Bruce L. Bartlett  
City Manager

cc: Senator George Hohman  
Rep. Philip Guy  
Senator Colletta  
Senator Ziegler  
Senator Hackney  
Senator Ferguson  
Senator Ray  
City Council

City Council  
Lyman Hoffman, Assistant City  
Manager  
Ben Esch, City Attorney

CITY OF BETHEL, ALASKA

RESOLUTION NO. 192

A RESOLUTION OF THE CITY OF BETHEL, ALASKA, ENDORSING THE GOVERNOR'S PROPOSALS FOR LEGISLATIVE ACTION ADDRESSING THE PROBLEMS OF ALCOHOLISM AND ALCOHOL ABUSE WITHIN THE STATE OF ALASKA.

WHEREAS, the City of Bethel's City Council has determined, through the public hearing process, that it is in the public interest of the City to support the Governor's proposals for legislative action addressing the problems of alcoholism and alcohol abuse within the State of Alaska;

WHEREAS, there is an estimated 30,000 problem drinkers within the State which directly affect an additional 75,000 family members;

WHEREAS, alcoholism and alcohol abuse account for increases in incidents of child abuse and neglect, traffic fatalities, violent and non-violent crimes, decay of the family unit, unemployment and underemployment, and the degradation of self-esteem;

WHEREAS, the human and economic costs of excessive alcohol consumption are high in comparison to the limited number of actions that State and local governments can now take to combat the problems of alcoholism and alcohol abuse;


WHEREAS, the City of Bethel is a dry community which completely restricts the sale of beverage alcohol and is continually concerned with the problems of bootlegging and lack of adequate compensation because of a loss of sales tax revenue associated with liquor sales; and

WHEREAS, the legislative proposals introduced by the Governor offer more options to communities which want to limit the sale of alcohol, encourage more effective enforcement of bootlegging laws and raise the excise tax on beverage alcohol so that alcohol consumers assist in paying a greater share of alcohol related costs.

NOW THEREFORE LET IS BE RESOLVED, that the City Council of the City of Bethel hereby endorse and support the Governor's proposals or legislative action addressing the problems of alcoholism and alcohol abuse within the State of Alaska and encourage the State Legislature to pass and approve the salient elements of the aforementioned legislative proposals.

Passed and approved this 22nd day of March, 1977.

APPROVED:

  
MAYOR

ATTEST:

  
CITY CLERK

MAYOR'S OFFICE  
EXT. 211

ADMINISTRATION AND FINANCE  
EXT. 210

PUBLIC WORKS DEPARTMENT  
EXT. 249

PLANNING DEPARTMENT  
EXT. 245

ACCOUNTING  
EXT. 239

NORTH SLOPE BOROUGH

P. O. BOX 69  
BARROW, ALASKA 99723  
(907) 852-2611

DEPARTMENT OF PUBLIC SAFETY

March 21, 1977

*Copies for all  
members  
sent to  
Sr Hackney*

ASSESSING  
EXT. 263

TREASURY  
EXT. 237

HOUSING AGENCY  
EXT. 243

HEALTH AGENCY  
EXT. 255

Senator Glenn Hackney  
Senate Special Committee on Alcoholism  
Pouch V  
Juneau, Alaska 99811

Dear Senator Hackney:

I have very carefully reviewed Senate Bill 167 "Excise Tax" on alcohol, and House Bill 196. While I certainly cannot speak as vociferously as the well-greased liquor lobby in Juneau and elsewhere, I do want my feelings known to you and the Committee. Both as a police officer in Barrow and, now, as the Director of Public Safety for the North Slope Borough, it is my responsibility to speak out on issues which directly affect public peace and safety.

During 1975 when the City of Barrow had voted "wet" and operated a community liquor store, a dozen people between the ages of 6 months and 30 years died as a direct result of alcohol abuse. In 1976, when the community voted "dry", deaths attributed to alcohol abuse went down to zero. In the first two months of 1977, seven people have died. Two were babies neglected to death by intoxicated mothers, one young man who shot himself in the neck while drunk, dying instantly, a young mother who overdosed on barbituates while drunk, and on and on for 1977 to .....?

Crime during the 1976 "dry" year dropped 300%. During the first two months of 1977 ("wet" year), crime has shot up from between 500% to 1,000%. The single highest killer of the young in Barrow (including all medical and accidental causes) is alcohol.

I hope all members of the Senate and House will find time to pause for one moment to let the early dead speak to them about how much money their lives were worth to the liquor industry. I realize Governor Hammond's alcohol package is looked upon by many in dollars and cents, but the extinguished life of 3-1/2 month old Panigeo, whose mother suffocated him while drunk, would like to know how much he was worth? Is he worth 50¢ more for a bottle of Calvert's whiskey...28¢ more for a six-pack of beer? I could go on and on but it would be belaboring the point.

Senator Glenn Hackney  
March 21, 1977  
Page 2.

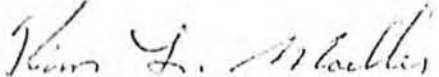
Seven dead in two months.

Barrow is a poor community. It cannot afford to build and run a sleep-off center where intoxicated people can be taken and cared for before they freeze to death outdoors: we put them in jail to protect their lives. There is nowhere else. With the passage of SB 167/HB 196, money would be available to Barrow on a 50-50 match to build a sleep-off center through the Legislature's HB 241/SB 168 appropriation.

Needless to say, I support not only the Excise Tax bill but the whole package as a major step in putting the value of life above the value of money. In addition, for the North Slope Borough - and probably for any rural area of Alaska - overall crime incidents would drop so hard that police departments would need fewer men instead of more. If, as it is acknowledged by all criminal justice practitioners, bush crime is 95% to 100% alcohol-related, the reduction of consumption and abuse should equally reduce crime. That is the key principle of my department and for public safety on the North Slope.

Please consider this letter in your deliberations.

Sincerely,

  
Kim L. Moeller, Director  
Department of Public Safety



# PRINZ BRÄU

Prinz Bräu Alaska, Inc. Brewery Drive P.O. Box 6028 Anchorage, Alaska 99502 (907) 349-3571 Telex 26-415

Senator  
Mike Colletta, Chairman  
Special Committee on Alcoholism  
P.O. Box 3188  
Anchorage, Alaska 99501

March 18, 1977

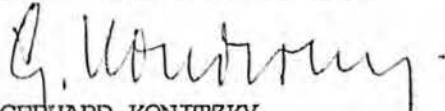
Dear Senator Colletta,

thank you very much for your invitation to attend the meeting at the Governor's Conference Room, March 25, 1977 in connection with the Liquor Licence and Excise Tax Bills.

Unfortunately, I will not be in Alaska on March 25, 1977 and will not be in the position to attend the meeting. I have sent your letter together with the attached bill to our representative in Juneau, Mr. Norman Gorsuch. If you have any questions in connection with the Bill Nr.167, please dont hesitate to contact Mr. Norman Gorsuch.

With kindest regards, I remain.

Sincerely,  
PRINZ BRAU ALASKA, INC.

  
GERHARD KONITZKY  
Executive Vice President



gk/ep



*Staton's*

P.O. BOX 829  
SITKA, ALASKA 99835  
TELEPHONE 747-3396

Norman & Ethel Staton, Owners

March 18, 1977

Alaska State Senate  
Pouch V  
Juneau, Alaska 99811

Attention: Senator Mike Colletta, Chairman  
Special Committee on Alcoholism

Dear Senator Colletta,

We would like to Thank You for asking for our in-put on Senate Bill 167.

We are against raising the taxes at this time and do hope that your committee will defeat this bill.

All small liquor businesses in Alaska will be hurt by this proposal. It is hard enough to stay in business in Alaska with the higher costs of the product, wages, insurance, freight rates and now the taxes.

It seems as though the Governon is defeating his purpose and that is to push and promote tourism in our State. Then, we as small businessmen would have to charge more for liquor to the tourist and our local Alaskans and run them out.

The Ferry System has a fifteen million dollar budget to bring people to our State and it is not paying for itself, so raise the rate. Do not single out the liquor industry to keep raising the taxes. Maybe, the Governon should have a tax on grocery stores for the people who over-eat.

This bill will not help on stop the Alcoholic but it might raise our crime rate. Alcoholics will steal for money to get more liquor.

Sincerely yours,

*Norman Staton*

Norman Staton

*Ethel Staton*

Ethel Staton

3-17-76

Our Liquor Store  
4343 Spenard Rd.  
Anchorage, Alaska 99503

Senator Mike Calletta  
Pouch V  
Juneau, Alaska 99811

Re: House Bill #196 - Senate Bill #167

Dear Sir:

In reading and discussing this bill we feel that our honorable governor is really hacking at a group of business people which as a result of the bill will put a certain portion of them out of business.

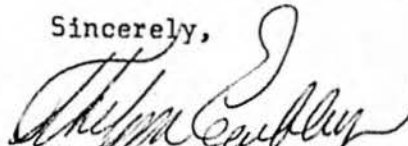
We all realize that there is a problem but we feel that if the existing laws were enforced a night club would be a decent place to go. There is no reason for the way some are allowed to consume alcohol on the premises.

The tax to be placed on alcohol is ridiculous. We already pay as much as or more than any other state and we feel that such an increase would be an unfair tax for our government to place upon the whole public.

The bill not only places a burden on the public so that a business will see a great decrease in their income, it also hacks away at businesses again by increasing their license by 40%.

No way are we in favor of this bill.....

Sincerely,

  
Our Liquor Store  
Thelma Embley, President



ALASKA ALLIANCE OF HOTEL  
AND RESTAURANT EMPLOYEES  
AND BARTENDERS



PRESIDENT Joseph R. Walsh



SECRETARY Goldie A. Baer

March 16, 1977

Senator Mike Colletta  
Special Committee on Alcoholism  
Juneau, Alaska 99801

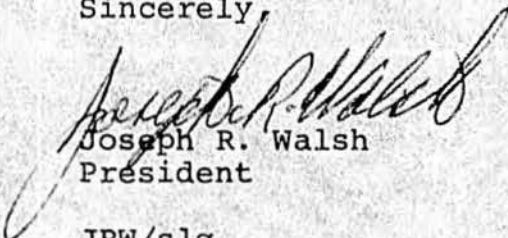
Dear Mike,

Thank you for your letter informing us of the hearing  
on S. B. 167, which will be held on March 25, 1977.

This letter is to inform you that myself, as President of  
the Alaska Alliance of Hotel and Restaurant Employees  
and Bartenders Union, and Ruth Callan, Secretary-Treasurer  
of Local 878 and Vice President of the Alaska State Fed-  
eration of Labor, AFL-CIO, will be in Juneau, and hope  
to appear at this hearing.

We shall be looking forward to visiting with you while  
in Juneau.

Sincerely,

  
Joseph R. Walsh  
President

JRW/slg



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

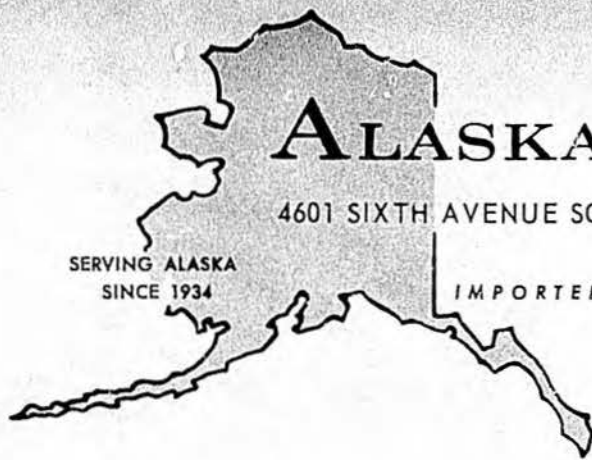
March 21, 1977

Senator Colletta:

Dr. John Morris of Fairbanks telephoned this office that he would like to testify on SB 167 on the 25th. He would like to be scheduled as early as possible in the hearing.

Thanks.

*Fran*  
Fran Ulmer



# ALASKA DISTRIBUTORS Co.

4601 SIXTH AVENUE SOUTH • SEATTLE, WASHINGTON 98108 • 522-7311

IMPORTERS AND WHOLESALERS OF LIQUORS, WINES AND BEERS

March 10, 1977

Senator Mike Colletta  
Pouch V  
Juneau, Alaska 99811

Dear Senator:

Thank you for your letter of March 8, 1977. It will be my pleasure to appear before your Committee and testify on the Liquor License and Excise Tax Bill on March 25, 1977 at 1:30.

Very truly yours,

ALASKA DISTRIBUTORS CO.

Richard Loe's

RL:1a

Alaska Distributors Co.  
4601 6th Ave. South  
Seattle, Wash. 98108

Richard Loeb

Odom Co.  
240 W. 1st Ave.  
Anchorage, AK

K & L Distributors  
4504 Lois Drive  
Anchorage, AK

Brown Jug Liquor Stores

3838 Seward Hwy  
3401 Tudor Road  
5435 E. Northern Lights Blvd  
867 E. Loop Road  
Boniface & Glenn Hwy  
119 S. Klevin  
3838 Seward Hwy  
1317 W. Northern Lights Blvd  
2111 E. 5th Ave.  
8915 Jewel Lake Rd  
365 Muldoon Road  
3727 Spenard Road

I have enclosed for your perusal the 6 bills that comprise the Governor's Alcohol Package.

On March 25, 1977 at 1:30 - ~~we will be holding hearings for the purpose~~ in the Governors Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills inc in ~~this package~~. Your participation would be welcome. Please notify my office for further information.

Cabaret Hotel and Restaurant Assoc.  
505 W. Northern Lights Blvd.

Ben Marsh

Get list from Ben Marsh of all members of CHAR

Gill

the Gov. Alcohol Package.

Alaska State Legislature

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811



Senate

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

Cabaret Hotel and Restaurant Assoc.  
505 W. Northern Lights Blvd.  
Anchorage, AK 99503

Dear Ben:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Your participation would be welcome. Please notify my office for further information.

Sincerely,

Mike Colletta  
Senate Floor Leader

dsf

# Alaska State Legislature



Senate

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

Richard Loeb  
Alaska Distributors Co  
4601 Sixth Ave. South  
Seattle, Wash. 98108

Dear Mr. Loeb:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Your participation would be welcomed. Please notify my office if you need further information.

Sincerely,

Mike Colletta, Chairman  
Special Committee on Alcoholism

dsf

# Alaska State Legislature



Senate

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

West Coast Distributors Co.  
240 W. 1st Ave.  
Anchorage, AK 99501

Dear Sir:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Your participation would be welcomed. Please notify my office if you need further information.

Sincerely,

Mike Colletta, Chairman  
Special Committee on Alcoholism

dsf

Alaska State Legislature

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811



Senate

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

Fran Ulmer  
Office of the Governor  
State of Alaska

Dear Fran:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Testimony from the Governor's Office would be welcomed at this meeting. Please notify my office if you need further information.

Sincerely,

Mike Colletta  
Special Committee on Alcoholism

dsf

# Alaska State Legislature



Senate

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

Sterling Gallagher, Commissioner  
Department of Revenue  
Pouch S  
Juneau, AK 99811

Dear Sterling:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Testimony from your office would certainly be welcome. Please notify my office if you need further information.

Sincerely,

Mike Colletta  
Special Committee on Alcoholism

dsf

Alaska State Legislature



Senate

SENATOR  
MIKE COLLETTA  
P. O. BOX 3188  
ANCHORAGE, ALASKA 99501

WHILE IN JUNEAU  
POUCH V  
JUNEAU, ALASKA 99811

Minority Leader

HEALTH & SOCIAL SERVICES  
COMMERCE  
STATE AFFAIRS

March 8, 1977

Robert J. Cole  
Office of Alcoholism  
210 Ferry Way  
Juneau, AK 99801

Dear Mr. Cole:

On March 25, 1977 at 1:30 in the Governor's Conference Room, the Special Committee on Alcoholism will be hearing testimony on the liquor license and excise tax bills included in the Governor's Alcohol Package. Testimony from your office would certainly be welcome. Please notify my office if you need further information.

Sincerely,

Mike Colletta  
Special Committee on Alcoholism

dsf

**Municipality  
of  
Anchorage**



POUCH 6-650  
ANCHORAGE, ALASKA 99502  
(907) 279-2511

GEORGE M. SULLIVAN,  
MAYOR

DEPARTMENT OF HEALTH AND ENVIRONMENTAL PROTECTION  
(825 "L" Street)

March 9, 1977

Senator Mike Colletta  
Alaska State Legislature  
Pouch V  
Juneau, Alaska 99811

Dear Mike:

I wanted to drop you a line to let you know that I plan to be in Juneau to attend the Governor's Advisory Board on Alcoholism meeting on March 25th and 26th. I am going to try to be in Juneau a day or two early and would like to meet with you at your convenience to discuss with you the alcoholism program in the Anchorage Area. We are aware that there have been several concerns generated by the Nugens and other parties that the alcoholism program is not providing the services that was intended. I would like to sit down and discuss this with you and clarify some areas if you have the time. I will be staying at the Hilton Hotel and if there is any time available during your busy day, I would appreciate the opportunity to meet with you to discuss these matters.

I hope to see you in Juneau and I will call your office upon my arrival to make an appointment with you.

Sincerely,

Ed C. Stewart  
Alcoholism Program Manager

/kjb

# TELEGRAM

ALASKA COMMUNICATIONS

PHONE: 586-6440

NOYAH, ALASKA 99501

#

13007 NL KETCHIKAN ALASKA 50 03-078MM0378 BST  
M 12 12

PMS SEN MIKE COLLETTA

1626

JUN

DEAR SIR I AM IN RECEIPT OF YOUR LETTER CONCERNING THE  
GOVERNOR'S ALCOHOL PACKAGE. PLEASE BE ADVISED THAT I PERSONALLY  
WILL BE UNABLE TO ATTEND THE HEARING BUT THERE WILL BE REP-  
RESENTATIVES FROM THIS AREA IN ATTENDANCE. FURTHER- SENATOR  
ZIEGLER IS WELL AWARE OF MY STANCE CONCERNING THIS BILL. THANK  
YOU FOR YOUR THOUGHTFULNESS AND INVITATION

BILL SNELLER THE GATEWAY CLUB KETCHIKAN

# TESTIMONY OF RICHARD LOEB

Good <sup>HERNING</sup> ~~\_\_\_\_\_~~ As a way of introduction, I have been in the Alcoholic Beverage Industry 19 years, all of it with Alaska Distributors Co. During this period I have served for six years on the Board of Directors of the Wine & Spirits Wholesalers of America, as President of the Seagram Family Association and also as a member of <sup>THE</sup> Hiram Walker Distributor Advisory Board. The only reason for detailing these activities is to emphasize the fact that Alaska Distributors as a company and myself personally are interested in the problems of the Alcoholic Beverage Industry.

In all of my experience I have never come across any responsible person in the industry who is a proponent of alcoholism. All facets of the Alcoholic Beverage Industry are very much aware of the problem and I know that you will find that everyone advocates responsible drinking. The Governor, in his speech of February 18, 1977, put forth some statistics which we believe bear scrutiny. I will remark further on some of these later on.

We agree with the Governor that some individuals in Alaska have an alcohol~~ism~~ problem. However, we feel that while he <sup>has</sup> the right problem, he has the wrong solution. <sup>As we know,</sup> The Governor and the Director of the Alcoholic Beverage Control Board are advocates of the Schmidt/de Lint theory on the control of alcoholism. ~~This theory advocates the concept that beverage alcohol taxes and therefore prices should be manipulated in order to reduce consumption and alcohol problems. This theory also advocates prohibition of types of advertising of alcoholic beverage products, limitation of licenses and amongst other things the limitation of the number of hours alcoholic beverages can be sold.~~

The one problem is that the Schmidt/de Lint theory is just a theory and at this point in time we do not feel that it should be reduced to law. ~~\_\_\_\_\_~~

Why, if 80% of the population drink responsibly, and 5% do not and are the cause of the problems, should the prevention strategies be aimed at the entire population. The proponents of the Schmidt/de Lint theory claim that alcoholic beverage consumption is at a crisis level. We do not think that the facts bear this out.

The Governor, in his speech, stated that Alaskans currently drink 57% more alcohol per capita than the national average. According to figures recently given to me by the nation's largest distiller, per capita consumption <sup>in the</sup> ~~in the~~ United States <sup>during 1976</sup> ~~for~~ people 18 years and older <sup>was</sup> ~~is~~ 2.9 gallons of liquor, 2.6 gallons of wine and 32 gallons of beer. ~~\_\_\_\_\_~~

~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~  
~~\_\_\_\_\_~~

If we take the Governor's figure that the per capita consumption in Alaska is 57% more than the national average, we come up with the figures for Alaska that total consumption per adult of drinking age would be 4.55 gallons of liquor, 4.1 gallons of wine and 50 gallons of beer. ~~But the question that we haven't asked ourselves yet is what did the effect of all of the pipeline workers and tourists have on this consumption. Our personal feeling is that both of these factors had great bearing on the consumption figures.~~

Let us go one step further and ~~the~~ <sup>show</sup> the consumption ~~we can~~ <sup>INCREASED bottles so</sup> understand it a little better. If we assume that the pipeline workers and also the tourists had absolutely no effect on the consumption figures, i.e. did not drink at all, then each adult in the State of Alaska would consume approximately one case and 11 bottles of liquor per year, approximately one case and eight bottles of wine per year and approximately 22 cases of beer. Breaking this down ~~we~~ <sup>we</sup> come up with a daily consumption of 1.6 oz. of liquor, 1.4 oz. of wine and about 1½ bottles of beer. I am not going to comment further on how tourism or the pipeline workers affected these figures nor am I going to comment on whether the per day consumption is excessive. As we all know, different guidelines prevail for different people and situations. I will just leave you with these figures to do with as you wish.

*insert* →

~~The Governor also states that today 80% more alcohol is consumed in Alaska than was consumed in 1958. However, what he does not point out is that population has increased more than 80% since that year.~~

→

We do not believe that the tax on alcoholic beverages nor the license fees on wholesalers and retailers should be increased one penny. We believe that the Alcoholic Beverage Industry in the State of Alaska is paying its share in taxes and fees. In addition to the approximately seven million dollars that is paid in excise taxes, there are hundreds of thousands of dollars more paid in license fees and no mention has been made of the sales taxes and income taxes paid by all retailers and wholesalers. Contrary to a belief held by many that all you have to do when you are in the alcoholic beverage industry, any form of it, is to open your door and you will automatically make money, this is not true. I know the problems of the retailers and I also know that with the cost of doing business today and with the competitiveness of the business, any increases in taxes will

cause a hardship <sup>for</sup> many operators. ~~It is certain that Mr. [redacted] will detail~~  
~~the problems that face his area of the industry more explicitly than I can.~~ The  
 wholesale <sup>SEGMENT</sup> ~~part~~ of the industry has the same problems as any type of distribution  
 business. Costs are high and if we are forced to pay any additional fees or  
 taxes, we will not only have to pass them on in their entirety but we will have  
 to add the cost of borrowing the money to pay the additional costs incurred.

~~One other thought that the Committee should consider and that is that a high tax~~  
~~is a protective tariff for the bootlegger. It is true that Alaska is a long way~~  
~~from the "lower 48". However, if you enact the taxes that are put forth in the~~  
~~Governor's bill you increase the chance of bootleggers from an outside area bringing~~  
~~merchandise into this state.~~

We do not believe that prohibitive taxation and the other measures proposed by  
 the Governor will cure alcoholism. We feel that prohibition does not cure anything.  
 The cause must be found. Alcohol <sup>above</sup> ~~is~~ the effect of a problem that exists. Under-  
 standing the cause of a problem can be the first step towards solving it. ~~and~~

~~.....~~  
~~.....~~  
~~.....~~  
~~.....~~  
~~.....~~

Again, we feel that no increase in taxes or  
 fees, no additional burden should be placed on the Alaska Alcoholic Beverage  
 Industry. We feel that while the Governor <sup>MAY HAVE</sup> ~~has~~ the right problem, he has the wrong  
 solution.

DR. Kelso, in his comments this afternoon STATED the objective is zero growth in per capita consumption.

He STATED that per capita consumption had risen 80% from 1958 thru 1975. He further STATED that of this 80%, 12% took place from 1970 thru 1975. He makes a point of the trend of the curve.

Following his REASONING that ALASKA will no doubt follow the NATIONAL trend, and that the projection for NATIONAL consumption for the next five years is down, then it appears that the goal MR Kelso, and others, are looking for will be accomplished without adopting the measures suggested

Second, the apparent consumption of absolute alcohol in Alaska has increased steadily since statehood--a trend consistent with international and national patterns. Finally, and most importantly, the rate of increasing annual consumption is alarmingly greater for Alaskans than the rate of increase for the national average--almost twice the rate of increase.

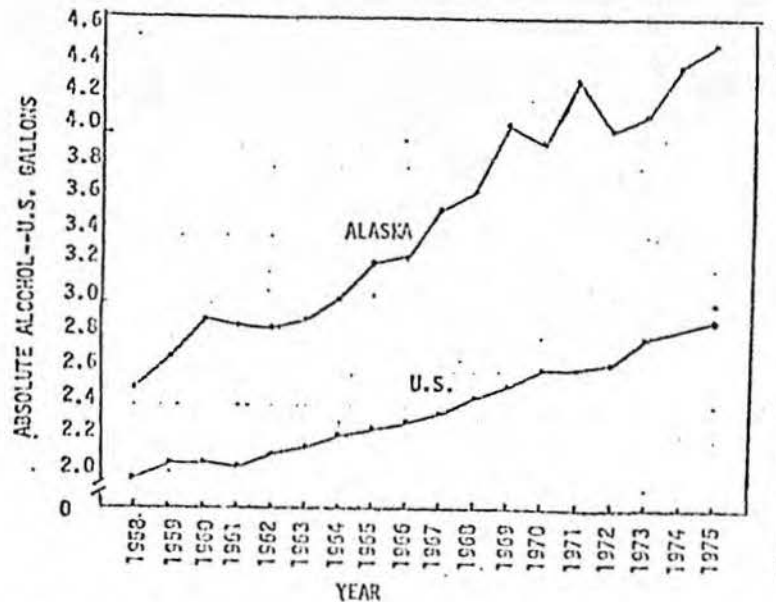


FIGURE IV-1 Apparent consumption of beverage alcohol in U.S. gallons of absolute alcohol per person in drinking age population, Alaska and United States--1958-1975.

#### Consumption of Specific Types of Beverage Alcohol

The conventional categories or types of beverage alcohol for purposes of analysis are beer, wine, and liquor. Each type has its own distinguishing characteristics and, of course, many types are included within each category. The primary characteristic of concern for division of types of beverage alcohol, however, is the alcoholic content, or percentage of absolute alcohol per unit of volume. Generally, wines contain a higher percentage of absolute alcohol (average of 14%) per unit volume than beer (average of 4.5%), while liquors contain the highest percentage of all (average of 43%).

Two major international trends have become apparent within the

INCONSISTANCY

Annual Average Consumption in 1974 and 1975  
in ALASKA higher than 1972 but Alcoholism  
death rate lower - ~~inconsistent~~

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

of the liver per 1000 persons in the drinking age population for the same period. As can be seen, the dramatic increases in Alaska's annual average consumption of absolute alcohol since 1958 have been matched very closely by equally significant increases in the death rate due to cirrhosis of the liver.

Figure IV-5 presents similar information for the state, but in this case shows the relationship between rate of consumption and rate of death due to alcoholism (as a reported cause of death).

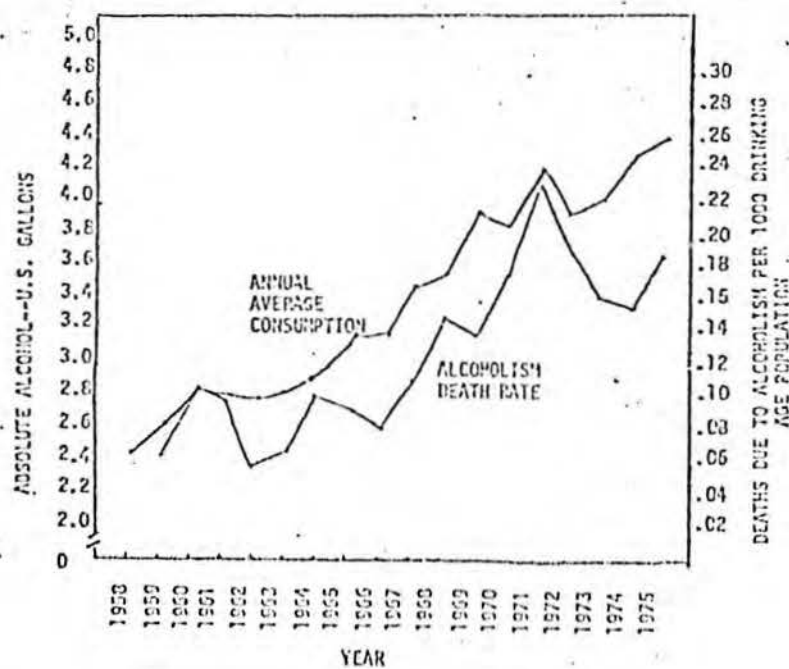


FIGURE IV-5 Annual per capita consumption and deaths due to alcoholism per 1000 in the drinking age population, Alaska, 1958-1975.

Source: Consumption figures from Table 17-2, this Volume. Death information compiled from statistics provided by the Health Information Systems Section, Department of Health and Social Services.

The findings are the same for this comparison. The rate of death due to alcoholism in Alaska has increased significantly from 1958 to 1975, and corresponds directly with the known increases in the annual average

beverage is distilled spirits.

TABLE IV-3

PERCENTAGE INCREASES IN THE CONSUMPTION OF WINE, BEER AND DISTILLED SPIRITS IN PREDOMINANTLY WINE, BEER AND DISTILLED SPIRITS CONSUMING COUNTRIES, 1973 (1960=100)

Beverage of Preference	Country	Wine	Beer	Distilled Spirits
A Wine	France	-19	22	10
	Hungary	20	57	93
	Italy	-1	157	131
	Portugal	3	733	96
	Spain	35	287	56
	Switzerland	19	22	34
	Yugoslavia	11	359	8
B Beer	Australia	84	24	23
	Austria	75	57	4
	Belgium	97	27	127
	Canada	181	23	65
	C.S.S.R.	-15	37	161
	Denmark	241	53	140
	E. Germany	73	36	119
	Luxembourg	30	13	162
	Netherlands	339	191	111
	New Zealand	257	18	28
	Rep. of Ireland	225	59	143
	Great Britain	228	33	86
	U.S.A.	75	26	42
W. Germany	112	57	60	
C Distilled Spirits	Finland	359	98	75
	Norway	135	68	28
	Poland	28	48	55
	Sweden	118	49	14
	Alaska	180	41	34

Source: Jan de Lint, "Alcohol Consumption and Alcohol Problems from an Epidemiological Perspective," (unpublished manuscript, Addiction Research Foundation, Toronto, Canada, 1976), Table 5.

The shift away from the consumption of distilled spirits to greater consumption of beer and wine has been a gradual but nevertheless definite trend in the United States for the last 100 years. In 1850 distilled spirits accounted for 90% of the total absolute alcohol consumed in this country. By 1974, spirits accounted for less than half of the total absolute alcohol consumed yearly. Beer now leads as the most popular alcoholic beverage among American drinkers. For the United States, 46% of the total absolute alcohol consumed was in the form of beer; 42% from distilled spirits.

Although Alaska differs from the nation as a whole in still preferring distilled spirits, the national and international trend toward increased wine and beer consumption can nonetheless be seen in Alaska, too.

As indicated by Table IV-4, distilled spirits accounted for 53% of the total absolute alcohol consumed in Alaska in 1975, (down from 58% in 1958), while beer increased from 35% in 1958 to 36% in 1975, and wine increased from 7% in 1958 to about 11% in 1975.

TABLE IV-4  
ALASKA SPECIFIC BEVERAGE CONSUMPTION IN GALLONS OF ABSOLUTE ALCOHOL  
PERCENTAGE OF TOTAL ABSOLUTE ALCOHOL CONSUMED  
(Per Capita 18 years +)

Year	Spirits		Wine		Beer		Total	
	A/A	%	A/A	%	A/A	%	A/A	%
1958*	1.46	58%	.18	7%	.88	35%	2.52	100%
1959*	1.54	57%	.18	7%	.98	36%	2.70	100%
1960	1.70	58%	.20	7%	1.01	35%	2.91	100%
1961	1.71	59%	.20	7%	.97	34%	2.88	100%
1962	1.64	57%	.21	7%	1.02	36%	2.87	100%
1963	1.72	59%	.20	7%	.99	34%	2.91	100%
1964	1.84	60%	.22	7%	1.02	33%	3.08	100%
1965	1.99	62%	.24	7%	1.02	31%	3.25	100%
1966	1.97	60%	.24	7%	1.07	33%	3.28	100%
1967	2.06	58%	.29	8%	1.23	34%	3.58	100%
1968	2.12	58%	.29	8%	1.23	34%	3.64	100%
1969	2.33	58%	.37	9%	1.34	33%	4.04	100%
1970	2.25	57%	.36	9%	1.34	34%	3.95	100%
1971	2.37	55%	.44	10%	1.53	35%	4.34	100%
1972	2.16	54%	.46	11%	1.41	35%	4.03	100%
1973	2.18	53%	.48	12%	1.46	35%	4.13	100%
1974	2.27	52%	.52	12%	1.61	36%	4.40	100%
1975	2.40	53%	.50	11%	1.64	36%	4.54	100%

\*Fiscal Year

Compiled from gallonage totals contained in Alaska Department of Revenue monthly reports, "Report of Alcoholic Beverages Distributed or Sold in Alaska."

Although it is useful to compare Alaska's drinking patterns with the nation as a whole, a more informative picture can be obtained by comparison with other states and regions in the country. Table IV-5 shows the ranking of states according to apparent consumption for all types of beverage alcohol, and for each type separately, for 1972 (the most recent year of readily available information). Table IV-6 is a graphic representation of the total absolute alcohol consumed, and

TABLE IV-5

APPARENT CONSUMPTION OF SPIRITS, WINE, AND BEER, AND OF ABSOLUTE ALCOHOL FROM EACH, AND OF TOTAL ALCOHOL, IN U.S. GALLONS PER PERSON IN THE DRINKING-AGE POPULATION, U.S.A. AND BY STATES, 1972

State	Distilled Spirits	Absolute Alcohol	Wine	Absolute Alcohol	Beer	Absolute Alcohol	TOTAL Absolute Alcohol	Rank Order
Alabama	1.86	0.80	0.63	0.09	16.93	0.76	1.65	43
Alaska	5.06	2.18	2.93	0.43	27.87	1.25	3.86	4
Arizona	2.61	1.12	2.46	0.36	34.70	1.56	3.04	9-10
Arkansas	1.38	0.59	0.95	0.14	17.66	0.79	1.52	50
California	3.17	1.35	4.66	0.68	26.60	1.20	3.24	6
Colorado	2.95	1.27	2.64	0.38	29.61	1.33	2.98	12
Connecticut	3.26	1.40	2.43	0.35	21.81	0.98	2.73	21
Delaware	3.79	1.63	1.87	0.27	28.15	1.27	3.17	8
Florida	3.69	1.59	2.36	0.34	28.99	1.30	3.23	7
Georgia	2.69	1.16	1.11	0.16	20.64	0.93	2.25	36
Hawaii	2.56	1.10	1.91	0.28	24.43	1.10	2.48	29
Idaho	1.80	0.77	1.94	0.28	30.65	1.38	2.43	32
Illinois	3.16	1.36	2.18	0.32	27.36	1.23	2.91	14-15
Indiana	1.72	0.74	0.88	0.13	22.76	1.02	1.89	41
Iowa	1.63	0.70	0.56	0.02	25.27	1.14	1.86	43
Kansas	1.59	0.69	0.57	0.08	21.32	0.96	1.72	47
Kentucky	1.93	0.83	0.70	0.10	22.39	1.01	1.94	39
Louisiana	2.04	0.88	2.20	0.32	28.11	1.26	2.46	30
Maine	2.35	1.01	1.68	0.24	29.92	1.35	2.60	26
Maryland	3.37	1.45	2.10	0.30	28.68	1.29	3.04	9-10
Massachusetts	3.18	1.37	2.54	0.37	26.50	1.19	2.93	13
Michigan	2.51	1.08	1.92	0.28	31.25	1.41	2.77	20
Minnesota	2.65	1.14	1.41	0.20	25.61	1.16	2.50	27-28
Mississippi	1.82	0.78	0.82	0.11	21.93	0.99	1.88	42
Missouri	2.18	0.94	1.34	0.19	25.66	1.15	2.28	35
Montana	2.52	1.08	1.14	0.16	34.95	1.57	2.81	18-19
Nebraska	2.42	1.04	1.10	0.16	28.81	1.30	2.50	27-28
Nevada	8.26	3.55	5.23	0.76	41.86	1.88	6.19	1
New Hampshire	7.41	3.19	2.67	0.39	40.93	1.84	5.42	2
New Jersey	3.14	1.35	2.90	0.42	25.32	1.14	2.91	14-15
New Mexico	2.38	1.02	2.42	0.35	32.08	1.44	2.81	18-19
New York	2.93	1.26	3.06	0.44	25.78	1.16	2.86	15
North Carolina	2.08	0.89	1.50	0.22	18.33	0.82	1.93	40
North Dakota	2.80	1.20	1.15	0.17	29.26	1.32	2.69	24
Ohio	1.84	0.79	1.40	0.20	38.33	1.72	2.71	22-23
Oklahoma	1.79	0.77	1.05	0.15	19.67	0.88	1.80	44
Oregon	2.13	0.92	3.29	0.48	28.15	1.27	2.67	25
Pennsylvania	1.88	0.81	1.50	0.22	28.66	1.29	2.32	21
Rhode Island	2.77	1.19	2.97	0.43	30.62	1.38	3.00	11
South Carolina	2.95	1.27	1.52	0.22	21.17	0.95	2.44	31
South Dakota	2.19	0.94	1.15	0.17	23.44	1.05	2.16	38
Tennessee	1.50	0.64	0.79	0.11	22.09	0.99	1.74	46
Texas	1.76	0.76	1.42	0.21	31.95	1.44	2.11	33
Utah	1.37	0.59	1.05	0.15	18.15	0.82	1.56	49
Vermont	4.41	1.90	3.15	0.46	34.78	1.56	3.92	3
Virginia	2.35	1.01	1.51	0.22	22.29	1.00	2.23	37
Washington	2.36	1.01	3.03	0.44	28.05	1.26	2.71	22-23
West Virginia	1.74	0.75	0.69	0.10	20.00	0.90	1.75	45
Wisconsin	3.04	1.31	1.87	0.27	39.73	1.79	3.37	5
Wyoming	2.81	1.21	1.36	0.20	32.10	1.44	2.85	17
District of Columbia	9.91	4.26	6.31	0.91	30.56	1.37	6.54	
U.S.A.	2.60	1.12	2.16	0.31	26.62	1.20	2.63	

Amounts calculated from tax-paid withdrawals only. The drinking-age population is taken as 15 years and older.

Source: Mark Keller, ed., Alcohol and Health, 1974. (Washington, D.C.: Government Printing Office, 1974), p. 2, Table 1.

\*Figures for Alaska in this Table vary somewhat from Table IV-4, due to use of drinker population as 18 and over and inclusion of consumption by military (non-taxable) in Table IV-4.

percentage by beverage type, in each of the nine U.S. Census Regions.

As can be seen in Table IV-5, Alaska ranked as the fourth highest state in consumption of absolute alcohol in 1972. Although border-crossing by tourists, vacationers, travelers, and others seeking lower prices or drinking ages may cause some distortion in these figures, Alaska's relative isolation, despite the presence of tourists, suggests that the figure for Alaska is not underestimated. In fact, because the top three states--Nevada, New Hampshire and Vermont--are more likely to experience border-crossing than is Alaska, it is quite possible that this state had the dubious distinction of having the highest consumption (real consumption, by residents) of absolute alcohol in 1972.

TABLE IV-6  
REGIONAL SPECIFIC BEVERAGE CONSUMPTION AS A PERCENTAGE OF TOTAL CONSUMPTION AND TOTAL CONSUMPTION OF ABSOLUTE ALCOHOL IN U.S. GALLONS, 1972<sup>a</sup>

	Spirits	Wine	Beer	
Alaska <sup>b</sup>	57%	11	32%	3.86
Pacific <sup>c</sup>	41%	20%	39%	3.10
New England	49%	12	39%	3.00
Mountain	41%	11	48%	2.92
Middle Atlantic	42%	14	44%	2.70
South Atlantic	49%	10	41%	2.63
East North Central	41%	10	49%	2.58
West North Central	42%	7	51%	2.23
West South Central	35%	10	55%	2.18
East South Central	42%	2	52%	1.31
U.S.A.	42%	12	46%	2.63

<sup>a</sup>Source: Modified from Alcohol and Health, Mark Keller, ed. (Washington, D.C.: Gov't Printing Office, 1974), p. 4.

<sup>b</sup>Computed from information in Table IV-5.

<sup>c</sup>Pacific Region includes Washington, Oregon, California, Hawaii and Alaska.

As can be seen from Table IV-6 Alaska is also within the region (Pacific) with the highest annual consumption of absolute alcohol

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.