

can be contended that this tax was levied for the purpose of discouraging illicit handling of liquor in dry states. In view of the instances in which bootleggers have been permitted to pay the tax to the government in installments. We have been informed that there are a number of people in the dry counties of North Carolina who have paid the Federal Government the \$1,000 tax and are engaged in selling liquor unmolested by agents of the Federal government.

**Experience Elsewhere.**

Speaking of problems and laws of other states, the report says: "The repeal of the Eighteenth Amendment came with such suddenness that many of the states were totally unprepared from the standpoint of legislation to meet the situation. Some of the states have never enacted state prohibition laws, and it immediately became necessary to enact control legislation to meet their needs. Two problems immediately confronted the various legislatures, one was to restrict the use of alcohol within as narrow a limit as possible on account of the well recognized evils of the intemperate use of alcohol as a beverage; and second, to avoid excessive restrictions, which, however sincere, would result in defeating the desired ends. It, therefore, became a problem not so much of combatting evils which had arisen during the prohibition era, but of preventing a recurrence of the evils which had made prohibition an advisable policy.

"Generally speaking, two types of control were enacted. The first was what is known as the State Licensing System, and the second was known as the State Monopoly System.

**Virginia-S. C. Studied.**

Virginia is generally regarded as typical of the State Monopoly Sys-

tem and South Carolina of the State License System. For this reason some of the members of the commission visited each of these states and conferred with the Virginia Control Board and the South Carolina Licensing Board."

Under discussion of the State License System it is pointed out that the State, for a varying consideration, grants a contract or license to a private dealer to sell whiskey. The report says: "The nature of these contracts or licenses depend upon the details of the legislation enactment. License states might authorize sale of liquor in the package to be consumed on the premises either without or with the purchase of food. In South Carolina there is a constitutional provision prohibiting the sale of liquor in amounts of less than one-half pint at the time. In most of the monopoly states there is no provision of the sale of whiskey by the drink. In some of the License States the licenses are handled either by a board or a single commissioner or administrator. Most of these boards appear to be appointive rather than elective, and it seems to be generally conceded that a system of appointment is usually followed by much better results than a system under which the administrative officer is elected. Generally speaking, more competent men are secured under the appointive system than under the elective system.

"The amount of salary paid the members of the licensing board or commission varies from \$4,000 per annum to each of the administrators in Nebraska to \$8,500 to the one administrator in New Jersey. In the license states the number of employees is, of course, much smaller than the number in the Monopoly States where the govern-

ment controls and operates the stores.

**Advertising Controversy.**

"Liquor advertising seems to have been a source of controversy in all the states and particularly in the License States. It goes without saying that if a state is to license a dealer and permit him to make such a profit as he sees fit, it will have to permit him to advertise his merchandise. Furthermore, the basis of all advertising is to increase sales, and these sales are made not only to those whose drinking habits have been more or less established, but to new drinkers as well. The Federal Congress has not, as many had hoped it would, prohibit liquor advertisements. This means that many magazines, newspapers and periodicals with nation-wide circulation are distributed in states which would not prefer to legalize such advertising.

"It has been argued that it would be unfair to the North Carolina publishers to refuse to permit them to carry liquor advertisements when their foreign competitors were permitted to do so. Indeed, North Carolina now has a law which has been construed to permit liquor advertisements in this State. Some of the other states have had the same problem and have met it by authorizing advertising, but with certain restrictions and limitations which must be observed."

The report says that a number of the states, at the repeal of the eighteenth amendment, and in an honest effort to carry out the pledge that the evils of the old-time saloon should not return, adopted the State Monopoly System. The idea is based somewhat on the Canadian system and has as its basis a recognition of the evils arising from the use of alcohol.

**Monopoly State System.**

"In most of the monopoly states," says the report, "a commission of three members administers the state's policy and manages the stores. The members of the commission are appointed by the Governor and in some states the appointments are required to be bipartisan in order to keep liquor out of politics. We doubt, however, if it has met with much success. The monopoly systems have worked better where there has been the most independence and freedom from political pressure. An administrative board constantly harassed by pressure of this nature has seldom proven successful.

"A crucial test faces the monopoly system in the larger cities where there are substantial numbers of places where liquor can be illicitly bought by the drink. Already in some of the larger cities in the monopoly states this question has given trouble. In order to meet this situation three of the monopoly states, Pennsylvania, Ohio and Michigan, have legalized the private sale of liquor by the drink. This has been done in order to meet the illicit retailer.

Speaking of conditions in the State, the report says: "There are two liquor control systems in North Carolina. One is that of absolute prohibition as set forth in the Turlington Act passed by the legislature of 1923. This applies to all the counties of the State except those which were exempted by the legislature of 1935.

"During the five months in which the Commission has been in existence, it has obviously been impossible and perhaps unnecessary to visit every section of the State in order to determine the conditions with reference to the use and handling of liquor.

**Dry County Conditions.**

"When we come to the consideration of conditions in the 82 counties of the State in which ardent spirits are not sold legally, we find difficulty in describing those conditions. These conditions are not uniform throughout the several counties. There are almost as many opinions as to how bad these conditions are, and whether or not they could be improved by the legalized sale of whiskey, as there are persons to give evidence in regard to the same.

**Outside Influence.**

"We think it immediately apparent that conditions beyond which North Carolina has no control have greatly affected conditions in the so-called prohibition counties. After the repeal of the Federal Prohibition Act, Virginia, bordering on North Carolina for 312 miles and South Carolina, bordering on North Carolina for approximately 324 miles, have both legalized the sale of liquor. If North Carolina had no liquor stores, South Carolina and Virginia would provide or already have provided such stores within 50 miles of approximately two-thirds of the population of N. Carolina. During 1935, Virginia sold approximately 2,100,000 gallons of liquor and during the past 12 months period South Carolina has sold approximately 1,400,000 gallons. Unquestionably a part of this crossed the state boundary lines for consumption in prohibition counties.

**Liquor County Business.**

From the best information available, for the 12 months period ending October 31, 1936, the stores of the 17 counties sold \$3,213,351.72 of liquor. Based on the last census the population of these counties is approximately 592,697, representing about one-sixth of the State's population. Therefore, the average per capita, per annum expenditure for liquor for all persons in these counties was \$5.42 for the last 12 months. Of course, in considering this figure, it should be understood that not all the liquor was purchased by inhabitants of those counties. If we were to estimate that 75 percent of it was purchased by the inhabitants of the county, it would still mean that the liquor bill for one-sixth of the population of the State for the last 12 months was approximately \$2,410,000. Upon such a basis the liquor bill for the remaining five-sixths of the State in the prohibition counties would amount to approximately \$12,000,000. During the last 12 months period the gross sales in Virginia a-

**TOWN TALK**

Mr. and Mrs. Clyde Liske spent the Christmas holidays with relatives in Mt. Gilead.

Miss Odell Smith of China Grove is spending the Christmas holidays with her parents, Mr. and Mrs. R. T. Smith.

Cecil Pendleton of State is spending the Christmas holidays with Mr. and Mrs. A. O. Pendleton.

Miss Nita Turner was the weekend guest of Mrs. Cebron Jordan near Garysburg.

Allen Webb of Fortress Monroe, Va. spent the Christmas holidays with his parents, Mr. and Mrs. C. A. Webb.

Ervin Pearson, Thomas Pearson of Washington, D. C. visited relatives here Friday night.

mounted to \$13,145,972.50.

**Says Boys, Girls Drinking.**

"One sheriff in one of the prohibition counties estimated that 65 per cent. of the boys and girls of high school age are drinking regularly.

"Sheriffs in the 17 counties having stores who answered said that law enforcement was an easier matter since the opening of the stores.

"All the information leads us to the conclusion that conditions in many of the dry counties are bad. Large quantities of illicit liquors are both manufactured and sold in many of these counties. There is evidence that in practically every county in the State whiskey may be readily obtained by those who frequently use the same if they desire to obtain it. . . . Without going into detail we can say that conditions are bad, and in some of the counties apparently little effort is made to enforce prohibitory laws.

"So long as there remains a condition under which the bootlegger can make a profit and flourish, as he is now doing in many of the dry counties of North Carolina, such conditions as these may be expected to continue. It is impossible for the commission to determine whether the opening of stores has increased or decreased the use of whiskey.

"It is obvious to the commission that the best results have been obtained from the operation of the control stores in those counties where sentiment has been the strongest for legalizing of whiskey, and in those counties which have selected the best control boards.

**Problem of Revenue.**

"It is easy to suggest that profits derived from the sale of liquor should be used for education, and particularly temperance education, law enforcement, hospitals, pensions, charitable institutions, mothers' aid and social security appropriations. No social activity of the government should be financed by liquor revenue. To do so would lead to an irresistible tendency to promote merchandising or to increase the volume of sales in order that funds might be raised for the accomplishment of a particular purpose. That is not sound public finance. We believe that profits should go into general public funds.

**Would Change Hours.**

"There are also other changes. Much of the bootlegging is done after the stores have closed at 6 o'clock. If the county boards are given more discretion as to the opening and closing of stores under State supervision, many of these illicit operations could be eliminated.

"In the appended bill we have not made any provision legalizing the manufacture of whiskey in North Carolina. We have felt that the policy of the State in this respect was a matter which should be left to the determination of the General Assembly. Many of those who answered the questionnaires thought that manufacturing should be prohibited, while others thought that if the sale of whiskey were to be legalized there could be no valid argument against permitting manufacture under strict government supervision."

**WHEN YOU'RE BUYING . . .**



**Tortoise Shell**  
The genuine tortoise shell from nature, rub it briskly on soft cloth. If it has an odor of camelluloid, it is imitation.

the label  
and, hence, of value.  
value for every dollar.  
100 Proof Straight  
ise with the hundreds  
made the happy dis-  
length packs an extra  
ess and richer flavor.  
this fine 100 proof  
just the first sip but  
r-glow of full flavor,  
and full strength.  
Boston tonight. And,  
a flavor, delight in its  
enjoy its genial  
asure by remember-  
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**WHISKEY**

100 PROOF . . . 100 PER CENT SMOOTH