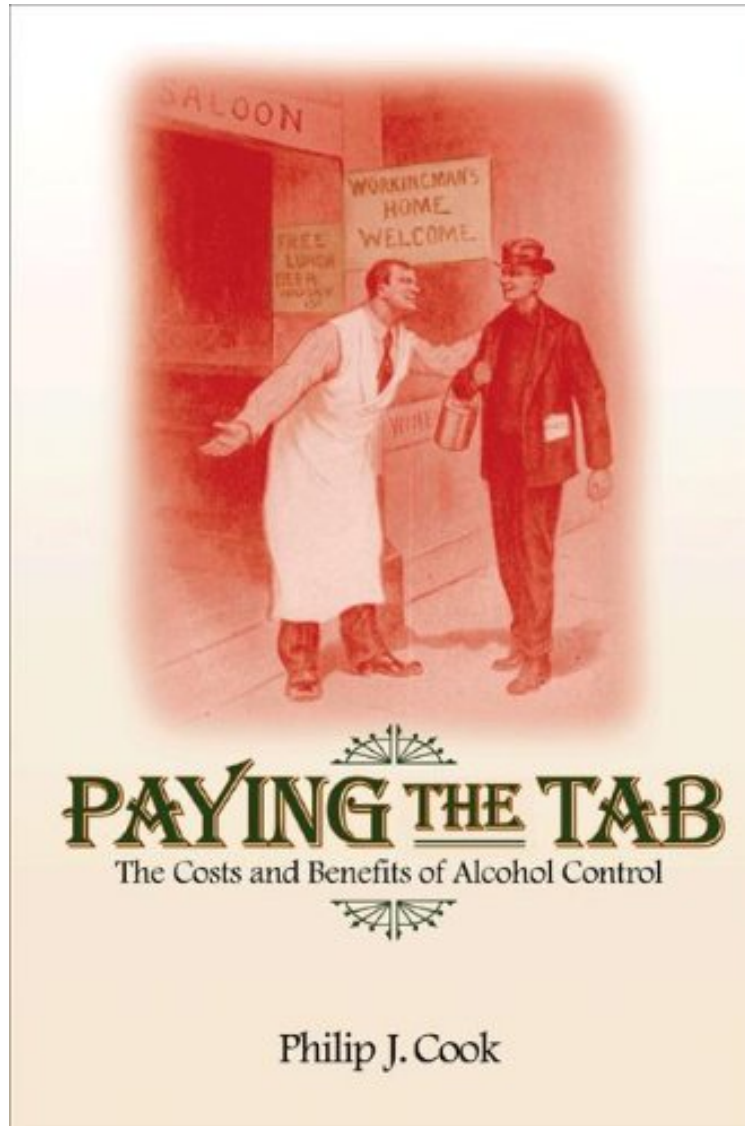


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Paying the Tab: The Costs and Benefits of Alcohol Control

Philip J. Cook

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Philip J. Cook : Paying the Tab: The Costs and Benefits of Alcohol Control before purchasing it in order to gauge whether or not it would be worth my time, and all praised Paying the Tab: The Costs and Benefits of Alcohol Control:

0 of 0 people found the following review helpful. REDUCING THE HARM FROM OUR LEADING DRUG PROBLEM By Paul Froehlich "Alcohol abuse remains our leading drug problem," writes Philip J. Cook. But our presidents never identify alcohol as the drug that causes the most harm to society. Americans support using taxes and other regulations to curb smoking, but there is an aversion to using such policies to curb alcohol abuse. Cook attributes that aversion to the aftereffects of Prohibition. A professor of public policy and economics at Duke University, Cook is a veteran in researching and writing about alcohol and public policy. His book surveys decades of

research in explaining how much excess drinking costs society, and which policies work and which don't to curb the harm. The cost to society, aka the "bar tab," is "much larger than it needs to be or should be." One reason is that the cost of alcoholic beverages has declined in constant dollars since the 1950s. That's because the federal excise tax on alcohol in the 1950s, in inflation adjusted dollars, was more than six times as high as it is today. The excise tax is based upon volume, not value, and the tax has been raised only once since 1951. The research is clear that a higher "user fee" would save lives while imposing most of the cost on the ten percent of drinkers who consume the most alcohol. There is no question that price increases for cigarettes reduce sales and underage smoking. That happens even though almost all smokers are dependent, compared to perhaps one in ten drinkers. Prices matter with alcohol as well. When prices are cut in half at a happy hour, both casual and heavy drinkers quaff twice as much. The alcohol industry is aware that higher taxes reduce sales, which is why the industry lobbies so tenaciously against tax hikes. The research shows that young people are particularly price sensitive. "Contrary to conventional wisdom, prices even matter for chronic heavy drinkers... The evidence supporting the public health benefits of increased alcohol taxes is every bit as strong as for cigarette taxes." Former Surgeon General C. Everett Koop recognized that the social costs of alcohol abuse far exceed the declining value of the excise taxes. Consequently, he "strongly recommended" a nickel a drink increase in the alcohol user fee. The evidence suggests that a nickel a drink increase would reduce consumption by 12 percent, motor vehicle deaths by 7 percent, suicides by 6 percent and the cirrhosis death rate by 32 percent. Another reason for the big bar tab is that public policy is mainly used to address only one source of harm from excess drinking, namely DUI. As a result, DUI has declined markedly since the early 1980s. But the alcohol problem is not limited to the highways, and other harms get neglected. Among those are suicide, the transmission of STDs, and fetal alcohol spectrum disorder. One more is from violence that occurs in barroom brawls, date rape, domestic battery and murder. Drinking is involved in at least two out of five injury deaths. When it comes to tobacco, the public recognizes that availability matters. Consequently, cigarette vending machines were eliminated, and tobacco ads were taken off the air. The public is doubtful, however, that such regulations would work with alcohol. Cook's review of the research finds that availability does matter: "A ten percent increase in per capita drinking is associated with a 5 percent increase in homicide and suicide, a 9 or 10 percent increase in accidents, and a 15 percent increase in cirrhosis deaths." The reformers who abolished Prohibition, such as John D. Rockefeller, Jr., advocated a variety of controls on drinking to prevent abuse. He recommended state monopolies for distribution and retail sales in order to eliminate the private profit motive, and with it the motive to stimulate sales and increase intemperance. Seventeen states did adopt a monopoly system of wholesale distribution for liquor though some included wine as well. The Illinois Liquor Control Act of 1934, which is still on the books, reflects that Rockefeller attitude by explicitly advocating moderation: "This Act shall be liberally construed, to the end that the health, safety, and welfare of the People of the State of Illinois shall be protected and temperance in the consumption of alcoholic liquors shall be fostered and promoted by sound and careful control and regulation of the manufacture, sale, and distribution of alcoholic liquors." Interesting facts: • The whiskey tax was the first internal revenue measure imposed by the first Congress in 1791. It was advocated by Alexander Hamilton, who contended the liquor tax would produce adequate revenue as well as encourage moderation. • The whiskey tax was replaced as the main source of federal revenue when the Sixteenth Amendment passed in 1916 authorizing the income tax. Thus the Sixteenth Amendment made possible the 18th Amendment for Prohibition. • Though Prohibition was a political failure, it nevertheless resulted in a substantial reduction in consumption, particularly of beer. • After the repeal of Prohibition, bootleggers continued to supply 45 million gallons per year until enforcement was ramped up and deflated the black market within four years. • If the top ten percent who drink the most could reduce their consumption to that of the next highest drinking decile, then alcohol sales would drop by 60 percent. • Opponents of raising the alcohol user fee call it a regressive tax, even though the heaviest drinkers would pay most of it, while teetotalers wouldn't be affected, and light drinkers would hardly notice. Besides, alcohol is not a necessity, like food or electricity, and people of modest means could avoid paying more by reducing how much they drink. • When it comes to the age-21 laws, the allure of forbidden fruit exists. But research shows that those laws have the overall effect of reducing the likelihood minors will drink and abuse alcohol. "Alcohol is the source of great enjoyment and also great harm." Cook makes a persuasive case that the social costs can be significantly reduced without infringing on the enjoyment, by employing effective public policies to reduce the harm..

###0 of 0 people found the following review helpful. Big Alcohol following Big Tobacco By T. O. Whitehead Author Philip J. Cook really knows what he is talking about. He presents data showing (among other things) that the alcohol industry makes most of its sales to very heavy drinkers - many of whom are likely alcoholics. The average consumption in this group is 74 drinks per week. So the foundation upon which the alcohol industry rests is, shockingly, addiction and alcohol abuse. Big Alcohol is essentially following in the footsteps of Big Tobacco. The author carefully reviews ways of curbing the damage caused by alcohol. A book well worth reading.

2 of 2 people found the following review helpful. Taxes that Make Sense By SMFCThis book was a textbook in one of my wife's college classes. I decided to thumb through it, if for nothing else, casual curiosity. However, once I started reading it, the text drew me in, and I ended up surprising myself by flipping electronic pages until presented the five-star lottery.

Cook's analysis is both thorough and interesting. Read it yourself and decide.

What drug provides Americans with the greatest pleasure and the greatest pain? The answer, hands down, is alcohol. The pain comes not only from drunk driving and lost lives but also addiction, family strife, crime, violence, poor health, and squandered human potential. Young and old, drinkers and abstainers alike, all are affected. Every American is paying for alcohol abuse. *Paying the Tab*, the first comprehensive analysis of this complex policy issue, calls for broadening our approach to curbing destructive drinking. Over the last few decades, efforts to reduce the societal costs--curbing youth drinking and cracking down on drunk driving--have been somewhat effective, but woefully incomplete. In fact, American policymakers have ignored the influence of the supply side of the equation. Beer and liquor are far cheaper and more readily available today than in the 1950s and 1960s. Philip Cook's well-researched and engaging account chronicles the history of our attempts to "legislate morality," the overlooked lessons from Prohibition, and the rise of Alcoholics Anonymous. He provides a thorough account of the scientific evidence that has accumulated over the last twenty-five years of economic and public-health research, which demonstrates that higher alcohol excise taxes and other supply restrictions are effective and underutilized policy tools that can cut abuse while preserving the pleasures of moderate consumption. *Paying the Tab* makes a powerful case for a policy course correction. Alcohol is too cheap, and it's costing all of us.

"A wonderful little book. . . . Draws on history, political philosophy and straight economics to point out that higher alcohol taxes would fit squarely in the American tradition."--David Leonhardt, *New York Times*"As laws against smoking and drugs become more draconian, the relative regulatory neglect of alcohol remains a mystery. Much of this mystery--at least in the US context--has recently been dispelled in *Paying the Tab*, a gem of social science by the Duke University economist Philip Cook.... Mr. Cook's original and very literary book shows how certain principles of markets and regulation break down when a cherished commodity happens to be a mind-altering (and judgment-impairing) drug."--Christopher Caldwell, *Financial Times*"As one of the nation's leading public policy scholars, Cook brings his substantial background in applied economics research to bear on the topic of alcohol policy. In the process, he presents a first-rate example of how to approach a controversial social issue using economic reasoning. Ultimately arguing in favor of enhanced control (but far short of prohibition) to reduce the incidence of drinking, Cook does not reach this conclusion casually. Instead, he considers a full range of costs and benefits of alcohol control policy, including the enjoyment moderate drinking brings to many people...Cook provides the reader with an accessible, up-to-date treatise that is essential reading for anyone interested in social policy relating to alcohol control. *Paying the Tab* should be on every public policy professor's reading list."--H. Winter, *Choice*"In his book *Paying the Tab*, Philip Cook presents a comprehensive in-depth analysis of this complex policy issue. The book includes a review of the history of alcohol control in the United States, determines the evidence of its effectiveness, and provides an assessment of the proven policy options intended to curb alcohol use. I highly recommend this book to anyone who seeks to understand the effect of alcohol control policies in the United States. It is a must-read for anyone involved in legislative efforts to implement and strengthen such policies."--Bernd Wollschlaeger, *Journal of the American Medical Association*"*Paying the Tab* offers a wide-ranging historical and social scientific perspective on alcohol in the United States and argues that more must be done to control the consumption of alcohol."--Jennifer Prah Ruger, Ph.D., *New England Journal of Medicine*"Philip Cook does not offer us an economic history here, but his book should still be of interest to American economic historians and anyone interested in addiction, alcohol and related problems. He ably reviews and dissects an extensive literature to make the case for additional alcohol control policies."--Mark Thornton, *EH.Net*"Philip Cook's book, *Paying the Tab*, is an excellent book for academics, policy analysts, and graduate students to use as a primary source on U.S. alcohol policy. . . . Cook sets precedence for all other authors who write on substance abuse policy should follow. He provides both an in-depth analysis of one drug by examining it through historical, economic and social viewpoints."--Dwight Vick, *International Journal of Drug Policy*From the Back Cover"There is a vast literature on the illicit drugs, a large literature on nicotine, and nothing up-to-date and authoritative on the second most deadly, and arguably the most damaging, alcohol. Phil Cook, with a modesty and understatement that inspire trust, explores the options for reducing the harms, allowing the benefits, and respecting personal liberty. This is a masterly combination of analysis and evidence. It is also beautifully written."--Thomas C. Schelling, Nobel Prize-winning economist"The war on tobacco was won: the harms were recognized and measures taken to reduce them. In this compelling book, Philip Cook shows that the war on alcohol, too, can be won if policymakers act on the overwhelming and converging evidence that simple measures can reduce the short-term and long-term harms caused by drinking. He brings order to a highly complicated set of causal issues by telling us what may be true, what is probably true, and what is indisputably true; and he shows how large gains can be made simply by taking account of the last set of facts."--Jon Elster, Columbia University"This book contains the most thorough and penetrating analysis of alcohol-control policy to date. It is certain to become a landmark in the fields of health, economic, and public policy. It is a tour de force of virtually every aspect required to formulate sound policy in this crucial area. Bravo!"--Michael Grossman, City University of New York Graduate Center"No previous book has brought alcohol policy

issues together as comprehensively and set them in context as effectively as this one does. Perhaps most impressive is its author's ability to incorporate research from many fields and to translate this evidence and the evidence from his original analyses into a book that is both highly readable and accessible to a wide audience--an audience ranging from policy researchers and policymakers to public health professionals, historians, economists, and general readers."-- Frank J. Chaloupka, University of Illinois, Chicago, and director of ImpacTeen "Paying the Tab is unequivocally a major contribution to the field. Fully covering issues on both the supply and demand side of the market, with a wealth of new data, it provides the most comprehensive discussion of alcohol control that I am aware of. Economists will benefit tremendously from its presentation of the context for our current approach to the issue, and noneconomists will welcome the clear yet complete exposition of the methods used by economists to evaluate public policy."--Sara Markowitz, Rutgers University

About the Author Philip J. Cook is professor of public policy and economics at Duke University and former director of the university's Sanford Institute of Public Policy. His books include *Gun Violence*, *The Winner-Take-All Society*, and *Selling Hope*.