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With Business Leading a Push, Liquor Comes to Dry Bible Belt

By [MELANIE WARNER](#)

While much of America put Prohibition to rest 73 years ago, large parts of the South have remained strictly off-limits to alcohol sales.

But local and national business interests that stand to profit from the sale of alcohol, including real estate developers, grocery chains, restaurant groups and [Wal-Mart](#), are combining their political and financial muscle to try to persuade hundreds of dry towns and counties to go wet. In the process, they are changing the face of the once staunchly prohibitionist Bible Belt.

Since 2002, business groups have spent upwards of \$15 million on campaigns, including professional lobbyists, to persuade voters in some 200 dry towns and 25 dry counties in six Southern states to legalize alcohol sales in stores and restaurants.

Wal-Mart has financed dozens of local elections, contributing from \$5,000 to \$20,000 a campaign, said Tim Reeves of Beverage Election Specialists, which supports local alcohol referendums.

Wal-Mart, based in a dry county in Arkansas, forbids drinking at events held at corporate headquarters. But the giant retailer has made a push in the last year to sell more liquor, along with beer and wine, in its stores.

Attempts by Wal-Mart and others to allow alcohol sales in other places that remain dry — 415 counties in the South and in Kansas still prohibit such sales — are meeting fierce resistance from some church groups and religious leaders. They argue that returning to the days when liquor flowed will mean more family violence, under-age drinking, drunken driving and a general moral decay in the community.

But voters are increasingly likely to follow their pocketbooks rather than the words of their pastors. Alcohol proponents often make the case that liberalizing laws will increase tax

revenue and reduce the need for property tax increases, an issue looming large in voters' minds.

More dry-to-wet measures have passed than have been defeated in the last four years in Texas, Alabama, Kentucky, North Carolina, Tennessee and Kansas, the states where the battles are concentrated. "The communities who effectively make arguments about economic development and tax dollars typically win the votes," said John Hatch, a political strategist based in Austin, Tex.

Some churches are taking a moderate stand on drinking. The Rev. Mike Hunter, senior minister at the First Christian Church in Lufkin, Tex., said he was invited by some of the more conservative clergy members in town to participate in meetings to oppose legalizing alcohol, but declined. "It's a decision we leave up to individuals," he said. "The legal, responsible consumption of alcohol is not a pulpit point in our congregation."

The issue is now playing out in Lufkin, an old railroad town in the heart of the Texas Bible Belt 115 miles northeast of Houston. On a recent Monday night, 175 citizens gathered at the town's civic center to voice their opposition to a referendum proposal, scheduled for a vote in November, that would allow sales of beer and wine in stores and drinks in restaurants all across Angelina County. Lufkin is the county's largest town, with 35,000 people.

"This is an unprecedented attack against the family," the Rev. Ronnie L. Frankens, pastor of Homer Pentecostal Church in neighboring Diboll, said of the alcohol vote. "We are going to fight this tooth and nail." His rousing words were greeted with cries of "amen" and "praise Jesus."

Like many in attendance that night, Linda Jones, who works for the city of Lufkin and whose husband is a pastor at the First Baptist Church in nearby Moscow, said she thought the measure, if passed, would invite more pernicious forms of commerce, like bars, nightclubs and liquor stores. She says she considers drinking to be a sin and does not partake. "My grandmother was an alcoholic and I never wanted to be like that," she said.

On the other side of the debate are people like Sarah Strinden, who moved to Lufkin in the 1980's from Madison, Wis. She says that most people she knows are moderate drinkers and would just like the convenience of being able to buy beer and wine on their regular shopping trips. Currently, she says that getting some wine to go with dinner involves a 40-minute round-trip drive to a liquor store in Nacogdoches.

In restaurants in dry areas of Texas, diners who want to order drinks can do so only if they become members of the restaurant's "club." Such memberships are usually free to the

customer, but restaurants must spend up to \$20,000 a year for record-keeping and fees to the alcoholic beverage commission. "Lufkin needs to come into the modern age," Ms. Strinden said.

Across the South, some business groups seem to agree with her, backing efforts to nudge dry towns and counties to go wet.

"It's going to be much harder to attract restaurants and grocery stores to your town if they can't sell alcohol," said Mr. Hatch, the political strategist who has been hired to help get the measure passed in Angelina County.

Mr. Hatch and other proponents say their campaigns have been financed by a diverse group that includes grocery chains like Albertson's, Kroger and [Safeway](#); and restaurant groups like [Brinker International](#), which owns Chili's Grill and Bar, and [Darden Restaurants](#), owner of Red Lobster and Olive Garden.

And, of course, Wal-Mart. "I think Sam Walton, being the family-oriented man he was, would be rolling over in his grave about this," Mr. Frankens, the pastor of Homer Pentecostal Church, said in a telephone interview, referring to the Wal-Mart founder. "I'm really disappointed in Wal-Mart as a company."

Wal-Mart does not break out revenue from alcohol, but according to A. C. Nielsen, at the end of 2004 Wal-Mart had United States alcohol revenue of \$1 billion out of total domestic revenue of \$229 billion.

Retailers and restaurants say the ability to sell alcohol is not a precondition for choosing a new location, but it is a factor. For casual dining chains, the average restaurant check doubles when someone orders an alcoholic beverage, according to the research firm NPD Group.

The Distilled Spirits Council, the Washington-based trade group for liquor manufacturers, says it has participated in half a dozen local elections, providing some combination of financial assistance and economic data.

In Duncanville, a Dallas suburb of 36,000, voters bought the argument made by a group called Citizens for Shopping More and Less Taxes, which was financed by town residents, local convenience stores and real estate developers, as well as Safeway and Kroger. The group said the town would get some a much-needed tax boost by allowing beer and wine sales in grocery and convenience stores.

The town is now seeing that boost. Before the vote in September 2003, Duncanville had experienced four years of declining sales tax revenue. But revenue rose slightly in the first two years, and is up 15 percent for the first seven months of 2006 compared with the period in 2005, according to the Texas comptroller. The Duncanville city manager, Kent Cagle, estimates that beer and wine sales are bringing in \$500,000 a year in sales taxes.

“This extra revenue has kept us from cutting new services and we’re starting to put back some of the things we had cut, like parks maintenance, some city positions and street maintenance and signs,” Mr. Cagle said.

Those who fight against alcohol sales say the extra tax revenue comes at a cost. Lee Miller, a leader of Angelina Citizens for a Better Community, the group vowing to defeat the measure, points to data from the state of Texas showing that for every \$1 in revenue the state received from alcohol, \$9 is paid out for expenses like treatment for alcohol abuse, law enforcement services and motor vehicle crashes.

“This will not benefit us as a community,” Mr. Miller said. “It costs us more money in expenses and in the lives of our children.”

Mr. Miller, who does not drink, says he is concerned that if the vote passes, his 12-year-old daughter and 14-year-old son will have easier access to alcohol.

Mr. Hatch, the political strategist, argues that Mr. Miller’s cost revenue figures paint an inaccurate picture because they do not consider the additional sales taxes from alcohol purchases, only revenue from alcohol excise taxes, the bulk of which flow to the state.

Oscar Dillahunt, a 69-year-old, one-time beer distributor who hired Mr. Hatch and started Angelina County Citizens for Responsible Business, has estimated that the county could rack up at least \$15 million in annual beer sales alone, which would translate into \$225,000 in sales tax revenue for Lufkin and \$75,000 for the county. He says his estimate is based on sales in a similar county in Mississippi, where he previously owned a beer distributor.

As for concerns about social consequences, studies that have linked increases in the number of alcohol outlets to violence or drunken driving draw the strongest correlation between such problems and bars. Most of the recent dry-to-wet proposals in the South do not allow for bars.

Many officials in towns and counties that recently went wet say they have not seen an increase in reported crime or drunken driving. Mr. Cagle, the city manager in Duncanville, said the town had not devolved into “Drunkenville,” as church groups claimed it would.

Three police chiefs — David Walker of Fort Payne, Tex.; Benny Womack of Albertville, Ala.; and Eddie Phillips of East Ridge, Tenn. — all say they have not seen any increase in law enforcement problems since alcohol sales began in 2004.

But just as the feared public mayhem wrought by alcohol abuse often fails to materialize, the economic prosperity is often absent, too. In Albertville, Ala., the Rev. Willis Kelly, who preaches at Douglas First Baptist Church, says he is still waiting for the town's financial boom.

"The folks that wanted it to go wet campaigned on the idea that it would bring in money to build a new school," Mr. Willis said. "Last year they collected only a little over \$100,000 in extra taxes. That wouldn't even buy toilet paper."

Mr. Willis says no new restaurants have opened in Albertville, a town of 18,000 people 65 miles from Birmingham, since the vote in June 2004, and only one of the two grocery stores in town opted to sell beer and wine.

Jon Howard, director of finance for Albertville, would not confirm Mr. Willis's tax numbers and Mayor Carl Pruett declined to comment on the town's economy.

In Lufkin, where in recent years the economy has been surging without the help of alcohol sales, some citizens just want their town to be a bit more like the rest of the country and a little less Bible Belt. "This is the 21st century," said Ernest Rowe, a 70-year-old retired forest worker. "I just want to be able to buy my case of Coors Light, come home and pop open a cold one."

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