

that it is a reasonable approach. I think maybe you have to, you know, with your own philosophy, do you allow one bill to be part of another bill. So I think it is reasonable. It is only limited to distilled liquors and hard liquor, and so forth, and in my testimony on this, but I think it is a reasonable because we have heard it for a number of years, and I will give the rest of my time to Senator Hall.

SPEAKER BARRETT: Senator Hall, yours is the next light, so proceed.

SENATOR HALL: Thank you, Mr. President, and thank you, Senator Hartnett. The issue of whether or not the paper trail is there, whether or not the ability to control that is there was presented to the General Affairs Committee during that interim study, and I have here a memorandum from Don Ostdiek who is the counsel to the General Affairs Committee currently, and it is in relation to LB 704 and was distributed February 8th of this year, and it is a letter that is from the control commission, from "Frosty" Chapman, to Senator Morehead and other senators on the General Affairs Committee. I would just like to read the first paragraph. It says "This letter is a follow-up concerning the issue of whether the Liquor Control Commission would be able to establish a proper paper trail if the state were to allow retailers to purchase from other retailers. The short answer is, as I stated at the hearing, yes, we can." It goes on to state that they would need to file a tax form. There would need to be a federal stamp as well. All those things are included, followed through and a part of LB 704 as it was unanimously advanced to the floor by the General Affairs Committee. The issue of putting this issue before the body is one that is not new to it. It has been talked about for a number of years. The retail to retail system, as it currently works, the retailers must purchase from a wholesaler. It is the only protectionist system like that that we have with regard to I think just about any form of purchase, and that we do that in that three-tier system, Senator Wehrbein, basically, because the wholesalers were able to set that system up at its inception. They were able to require that they be the only people that sell that alcohol wholesale to the retail establishments, so that there was not the ability for a bar owner to walk into their local liquor store and purchase stock to sell over the counter. So what you currently have now is a situation where the wholesale houses sit in Omaha, and they have a lock on the business. You can't go to a different wholesale house and buy everything that