

The politics of liquor stores in Pennsylvania.

By Fred Barnes March 25, 2013

Gettysburg

The legacy of Gifford Pinchot rests heavily on the Commonwealth of Pennsylvania. Pinchot is known nationally as a great conservationist. In Pennsylvania, however, he's remembered as a great Prohibitionist. Pinchot was governor when Prohibition ended in 1933 and he regretted its demise. He vowed to "discourage the purchase of alcoholic beverages by making it as inconvenient and expensive as possible." His success is felt to this day.

To buy beer in Pennsylvania, you can go to a licensed beer store and purchase a case, but only a case. At bars and restaurants, you can buy a six-pack or a single beer—that's all. As for wine and what's referred to as "spirits," there are special state-run stores where those can be purchased, but nowhere else. The wholesale distribution of beer, wine, and liquor is tightly controlled by the state too.

After 80 years, Governor Tom Corbett wants to throw out Pinchot's handiwork, privatize the antiquated system, and emasculate the powerful Liquor Control Board. "We're trying to get into the 20th century," he says. "Selling liquor isn't a core function of government." But getting rid of it is another thing entirely.

The 63-year-old Corbett is following bravely in the footsteps of his Republican predecessors, Richard Thornburgh and Tom Ridge. Both governors failed at privatization. "Hopefully, the third time's a charm," he says. That's hardly a confident battle cry.

The argument over privatization is all on his side. The public favors it. Sixty-one percent said so in a January poll commissioned by the Commonwealth Foundation, a Pennsylvania think tank. By selling liquor licenses, the state would raise \$1 billion, money Corbett would earmark for education. And up to \$80 million would be gained in revenue that's now lost when "people vote with their cars" and leave the state to buy liquor, he insists.

Better still, Corbett makes a practical case for privatization. When he appeared with local officials in Gettysburg recently, a large banner touting “Consumer Choice” and “Consumer Convenience” dominated the background. The TV cameras couldn’t miss it. His watchwords are “choice” and “convenience.”

Winning the booze battle is a high priority for Corbett. Yet that would be dwarfed by what he’s already achieved and few governors can match. Rather than merely slow the growth in spending, he’s reduced spending, period. Under Corbett, the budget fell from \$28.3 billion in 2011 to \$27.1 billion in 2012, then increased slightly to \$27.6 billion this year. His proposed budget for 2014 is \$28.4 billion, or roughly at the 2011 level.

Corbett also wiped out a \$4.2 billion shortfall left by Ed Rendell, his Democratic predecessor. “If Rendell was the free-spending parent who let his teenage daughter stay out all night, Corbett is the penny-pinching dad who makes his kids eat their vegetables and insists they get home by 11,” according to Robert J. Vickers, the political writer for the Harrisburg Patriot-News.

Accolades for Corbett have been minimal. He was one of just four governors to get an “A” last year in the Cato Institute’s “report card” on fiscal policy. That’s about it. In Pennsylvania, “the story hasn’t been told,” says Mike Turzai, the Republican majority leader in the Pennsylvania House. For this, Corbett has himself and his staff to blame.

His poll numbers have tanked. His job approval sank to 33 percent in a Public Policy Polling survey in early March. For reelection, he trailed every potential Democratic opponent. He ran even in matchups with Democrats in a Quinnipiac survey, but his approval was stuck at 39 percent.

A victory or two in getting his agenda—liquor privatization, pension reform, transportation—ratified by the legislature would help. At least his advisers think so. For now he’s concentrating on liquor privatization.

There’s an ideological reason why Corbett wants Pennsylvania out of the liquor business. He’s a serious conservative. He favors limited government and free markets. As state attorney general in 2010, he agreed to join the lawsuit against Obama-care on the day the health care law was approved by Congress. His reasoning was simple. “Congress can tell you what you can’t buy. Congress can’t tell you what you have to buy.”

The lawsuit failed in the Supreme Court, but his opposition to Obama-care hasn't slackened. He declined to establish a state exchange for obtaining health insurance and has so far refused to take federal money to expand Medicaid. "The door [on expansion] is closed," he told me. "It's not locked."

He's fought Obama-care on his own. He doesn't need the legislature. It's controlled by Republicans—27-23 in the Senate, 109-93 in the House—but is neither reliably conservative nor chummy with Corbett. He was elected governor on the strength of his prosecution, as AG, of legislative corruption. It led to more than two dozen convictions or guilty pleas (more Democrats than Republicans).

His ties to the legislature suffered. And his political skills need improvement. "He hasn't shown a capacity to wheel and deal," says Vickers. To get liquor privatization, he may have to.

The Liquor Control Board has nearly 6,000 unionized employees, and unions are a powerful force in Pennsylvania with considerable experience in combat with Republican governors. Corbett can't count on united GOP support. "All the Democrats are owned [by the unions], and they rent enough Republicans," says Matthew Brouillette, president of the Commonwealth Foundation. Corbett was already blocked when he clumsily sought to privatize the state lottery (170 employees).

He also has a lingering Penn State problem. In the PPP poll, 58 percent disapproved of "how Tom Corbett has handled the Penn State situation over the last few years." Twenty-five percent approved. He was on the university's board of trustees when football coach Joe Paterno was fired—an unpopular move. And his Democratic successor as attorney general, Kathleen Kane, is probing whether, as AG, he slowed the investigation of child molester Jerry Sandusky, Paterno's assistant, to keep the case from hurting his campaign for governor. There's no evidence he did.

In a press release promoting its poll, PPP labeled Corbett "a massive underdog for a second term." In truth, he has an even chance of reelection. His possible Democratic opponents are mostly unknown statewide. Congresswoman Allyson Schwartz, who's all but certain to run, is an ardent liberal. Outside the Philadelphia area, "I don't know what her selling point is," says Ray Zaborney, a Republican consultant and ally of Corbett.

The Corbett reelection campaign, much like Rendell's, is expected to begin this spring, a year and a half before the election. Money won't be a problem. At the end of 2012, Corbett had \$3.5 million in the bank, easily enough for him to begin telling his story on TV. "Tom has been able to do what Washington hasn't been able to do," Zaborney says—that is, cut spending. "He's very committed to a balanced budget and not raising taxes."

At 35 percent, his deserves-to-be-reelected number is low. But Rendell's was 38 percent in April 2006 and he won handily in November. The electorate in the 2014 midterm is certain to be more Republican and conservative than in 2012. And history is on Corbett's side. Since Milton Shapp in 1974, every governor who has sought reelection has won a second term.

Though President Obama won there 52-47 percent last year, Pennsylvania is not a blue state. The congressional delegation is 13-5 Republican. Corbett isn't the only conservative to have won statewide. Rick Santorum won two Senate races. Pat Toomey won a Senate seat in 2010.

Corbett doesn't hide his conservatism. Brouillette of the Commonwealth Foundation says Corbett "is probably the most conservative governor Pennsylvania has ever had." I asked the governor if indeed he is. "Probably," he said.