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Six reasons to reject minimum alcohol pricing [1]

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The government will announce today the launch of its public consultation into minimum pricing. These consultations tend to be something of a charade?the Home Office has already said ?We will introduce a minimum unit price for alcohol??but in case you should wish to respond, here is a non-exhaustive list of reasons why minimum pricing is a terrible idea.

It is regressive

All indirect taxation is regressive, but minimum pricing is carefully calibrated to be as regressive as possible by targeting drinks that are disproportionately consumed by people on low incomes. Doctors on six figure salaries can rest assured that the champagne at the British Medical Association Christmas dinner will not be affected and the House of Commons bar will continue to be subsidised. Cheers!

Evidence is non-existent

As we reported on Monday [3], the excitable predictions about how many lives will be ?saved? by minimum pricing are based on a single computer model which uses dubious methods and false assumptions to come to a preordained conclusion. The truth is that nobody has any idea whether the policy will reduce alcohol-related harm. The only certainty is the majority of ordinary people will be out of pocket.

It?s just the start

Even minimum pricing?s most optimistic proponents admit [4] that ratcheting up the price of drink is not a ?silver bullet?. What they mean is that minimum pricing will merely be the start of a sustained temperance campaign in the mould of the anti-smoking crusade. If the medical lobby is allowed to get its hands on one of the key levers of competition (price), we can expect endless demands for the minimum unit price to move upwards. David Cameron has proposed a 40p unit price but the British Medical Association are already demanding 50p. Others want it to be 60p [5]. Whether alcohol consumption goes up or down, you can be sure that the ?next logical step? will be to have a minimum price escalator. Think of the children!

And why not? The same dodgy evidence can always be used to justify higher prices. The Sheffield computer model predicts that a 40p unit price will reduce the number of alcohol-related deaths by 10 per cent. At 70p, it claims the number of alcohol-related deaths will fall by more than 60 per cent! The model doesn?t go beyond 70p, alas, but presumably once it gets to 90p all alcohol harm is abolished and at 95p the dead begin to rise from the grave. What are we waiting for?

The moral panic is bogus

Since 2004, Britain has seen the sharpest and most sustained decline in alcohol consumption since the Second World War [6]. The statistics are striking?less than half of 16-24 year olds have had even one drink each week; the proportion of young men who ?binge-drink? has fallen by more than 50 per cent; overall alcohol consumption is only slightly higher than it was in 1980. These facts are rather inconvenient for nanny-staters and so they have ignored them and pressed on with a narrative of ?booze Britain? that makes for better headlines. Trebles all round!

It is illegal

It?s rare to find the words ?good news? and ?European Union? in the same sentence, but the good news is that minimum pricing is illegal under European Union law [7]. Previous attempts to limit the free market in this way have been rejected by the European Courts, such as in this judgement from 1978 [8]. Referring specifically to proposals to introduce minimum pricing in the UK, the European Commission has said [9] that they ?have a problem with the compatibility of the minimum pricing plans under Community law? and that it ?causes problems with the compatibility with the EU Treaty?. Several wine-growing countries have already complained that minimum pricing is anti-competitive and, although David Cameron has vowed to fight the European Commission for his right to pick our pockets, if the EU does not stand for free trade between member states it stands for nothing at all.

It won?t help pubs

Winston Churchill said that "an appeaser is one who feeds the crocodile hoping it will eat him last." A few of the pub chains have formed an unlikely, unseemly and unholy alliance with the forces of temperance in the hope that higher off trade prices will drag in some of the punters that the smoking ban drove out. This is a desperate gambit. Minimum pricing will not make beer any cheaper in pubs. It will merely make everybody a little bit poorer so they have less money to spend in pubs. On this occasion, Wetherspoons? boss Tim Martin has called it right, saying that minimum pricing is ?utter bollocks, basically. [10]?

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