

CHAPTER 330.

(House Bill 246)

AN ACT to repeal Chapter 211 of the Acts of 1937 and Chapter 248 of the Acts of 1939 and to add five new sections to Article 83 of the Annotated Code of Maryland (1939 Edition), title "Sales and Notices", sub-title "Fair Trade Act", said new sections to be known as Sections 111 to 115, inclusive, and to follow immediately after Section 110 of said Article, making unlawful the unfair trade practices of advertising, offering to sell or selling merchandise at less than cost.

WHEREAS, the practice of selling certain items of merchandise below cost in order to attract patronage is generally a form of deceptive advertising and an unfair method of competition in commerce; and

WHEREAS, such practices cause commercial dislocation, misleads the consumers, works back against the farmers, directly burdens and obstructs commerce, and diverts business from dealers who maintain a fair policy; and

WHEREAS, bankruptcy among merchants who fail because of the competition of those who use such methods result in unemployment, disruption of leases, and non-payment of taxes and loans, and contribute to an inevitable train of undesirable consequences, including economic depression; and

WHEREAS, such practice is a medium of eliminating weaker competitors, thus tending to create monopolies; therefore

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That five new sections, to be known as Sections 111 to 115, inclusive, of Article 83 of the Annotated Code of Maryland (1939 Edition), title "Sales and Notices", sub-title "Fair Trade Act", be enacted to read as follows:

111. This Act shall be known and designated, and may be cited as the "Unfair Sales Act".

112. When used in this Act the following terms shall have the following meanings:

(a) "Cost to the Retailer" shall mean the invoice price of the merchandise to the retailer or the replacement cost of the merchandise to the retailer, whichever is lower, less all trade discounts except customary discounts for cash; to which shall be added: