

at the establishment of minimum retail prices of *all* alcoholic beverages throughout the State of Maryland. It is one which will have the necessary effect of the raising the price of certain beverages to certain consumers within certain areas of the State. Because of this, I have reached the conclusion that the bill would not forward its announced purpose nearly so much as it would eliminate all price competition with respect to certain particular brands in the areas included within the bill.

I do not believe that I can close my eyes to the fact that certain of the principal manufacturers of alcoholic beverages and certain Maryland wholesalers of such beverages have recently been found guilty by the Maryland Federal Court of violating the Sherman Anti-Trust Act, because of a broad-based conspiracy to fix and maintain the price of liquor within the State of Maryland by the misuse of fair trade contracts and other means (*United States v. Maryland State Licensed Beverage Asso., et al.*, Criminal No. 23212). The defendants in that criminal action were also enjoined by the District Court in a companion civil case (Civil Action No. 9122) from further conspiring or otherwise jointly acting to achieve price-fixing. House Bill 265 followed swiftly on the heels of those decisions. It requires retail price maintenance not as a broad-based policy of State-wide application with respect to all alcoholic beverages, but only in certain areas and with respect to certain alcoholic beverages. I believe that this bill as presently drafted may well facilitate the evasion of the spirit, if not the letter, of those decrees of the Federal Court.

Certain other aspects of the bill appear to me to be totally foreign to our traditions here in Maryland. The bill prohibits citizens of other counties in Maryland from importing alcoholic beverages from Montgomery County. The reason for this prohibition is, of course, to prevent citizens of neighboring counties from going into Montgomery County and purchasing alcoholic beverages at the lower price in force in that county. This clearly constitutes a trade barrier between the counties of this State which seems to me to be a dangerous precedent for future "Balkanizing" legislation aimed at trade protection.

In short, I do not believe that the present bill is really designed to promote the very laudable purposes recited as the reason for its passage. However much it may be favored by particular manufacturers, wholesalers, or even certain retail dealers, I do not believe that it is fair to the consumer or to the great majority of retail liquor dealers, especially those who operate near the exempted counties. The temptation for consumers to by-pass private dealers whose prices on many brands would be forced upward by this bill in favor of county dispensaries where those brands can be obtained at a cheaper price will be extremely great, especially since there is no prohibition against their so doing except with respect to one of the exempted counties. Finally, as to that county, I believe that any law which prohibits a citizen of one county of Maryland from entering another county to purchase goods for consumption in his home county is not conducive to the good of the State as a whole and invites the establishment of other intrastate trade barriers.

For the reasons expressed herein, I am returning House Bill 265 to your honorable body.