

I share the same concerns expressed by Governor Tawes. The legislative objectives of House Bill 678 are all laudable and I support them; however, there is no credible evidence to demonstrate that the substantive provisions of this bill will lead to the attainment of those objectives.

The liquor industry is a competitive one, particularly for the small retailer, but there is no evidence that the industry has been subjected to ruinous price wars or that this bill will lead to the orderly sale and distribution of alcoholic beverages. Moreover, there is no evidence that price wars, in any event, serve to stimulate the consumption of liquor or that higher prices foster and promote temperance. The New York State Moreland Commission on the Alcoholic Beverage Control Law, after an exhaustive study of the effects of a minimum price law in New York, found that artificially maintained prices enforced by the State "had no significant effect upon the consumption of alcoholic beverages, upon temperance or upon the incidence of social problems related to alcohol."

Additionally, I question the propriety of requiring consumers to pay higher prices in order to regulate the retail liquor industry. Such a procedure is particularly inappropriate in light of the present economic situation. Given the recent dramatic increases in consumer prices, there is little justification for governmental action which would result in even higher prices.

I am also concerned about the uneven application of House Bill 678. The bill exempts from its coverage "beer, liquor and wine sold by or purchased from a Liquor Control Board that buys directly from a manufacturer." As a practical matter, this exemption applies only to one county where all alcoholic beverages must be purchased from the county liquor dispensary. I can see no valid reason for drawing such a distinction. There is no substantial evidence that conditions in that one county, from the point of view of the stated legislative objectives, are significantly different from the rest of the State.

For the foregoing reasons, I have decided to veto House Bill 678.

Sincerely,

/s/ Marvin Mandel
Governor

House Bill No. 772 - State Employees' Retirement System

AN ACT to repeal and re-enact, with amendments, Sections 1(3) and 3(1) of Article 73B of the Annotated Code of Maryland (1970 Replacement Volume and 1972 Supplement), title "Pensions," subtitle "In General," correcting errors in the laws relating generally to the State Employees' Retirement System.

June 1, 1973

Honorable Thomas Hunter Lowe
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404