

STATE OF NEW JERSEY

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

744 Broad Street,

Newark, N. J.

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ANNUAL REPORT OF COMMISSIONER.

TO THE GOVERNOR AND LEGISLATURE OF THE STATE OF NEW JERSEY:

To eliminate unnecessary expense, this report will not discuss results accomplished but only the problems still to be worked out. You are already familiar, through the official bulletins, with the wide gamut and general nature of our duties. These bulletins go regularly to each municipal clerk and the rulings and information have been widely publicized. Little would be gained by setting forth herein what is generally known or incorporating voluminous statistics and analyses, already of record. If you wish any specific information or figures, they will be furnished on short notice.

The objective of this Department is to effect CONTROL of the liquor traffic. It must be controlled just because it is a moral and governmental matter to protect organized society against its own creation; secondarily, to exact the full revenue that the privileged traffic should contribute to ease the common tax load.

The aims of Control are to regulate manufacture, sale and distribution, to police the industry, to chart the business through defined tax channels, to remedy abuses inherent in liquor traffic, to promote decency, sobriety and order, and the power to compel obedience to orders. It means not only that licensees shall obey, but that everybody else must respect the law. After honest, qualified licensees have been selected, it is not enough to see to it that they live up to the regulations, necessary as that is. Some States stop centralized control at this juncture, which, it is submitted, is the very point where State-wide control, unhampered by municipal or county boundaries, is most imperative. The major problem of Control is to stop everybody else from doing the same thing that only legitimate licensees may do.

After a year of Repeal, the novel and encouraging part of the picture is that the licensees themselves, all classes of them, are appealing for strict enforcement. Their economic salvation depends upon it. Without it, they cannot continue in business. Without them, the State loses its four and a half million of taxes and the municipalities their four million of license fees. The extermination of the bootlegger and the racketeer thus becomes a mutual problem. To effect Control will bring millions into the treasury which, in the pockets of the liquor outlaw, now escape all taxation. Without Control, we deserve Prohibition.

THREE ESSENTIALS TO CONTROL

Three things are presently necessary: Tax Reduction, Strict Enforcement, and Public Co-operation.

TAX REDUCTION

Alcohol costs but 20¢ a gallon to produce. It bears a Federal Tax of \$2. and a State Tax of \$1. per gallon, or a tax of 1500%. When to this is added the expense of distribution and the reasonable profits of the distiller, the wholesaler and the retailer--say \$1.27 altogether--the minimum price at which legitimate

alcohol may reach the consumer is \$4.47. The bootlegger, however, sells it for \$2.50 a gallon. Fair competition is obviously out of question. As long as these high taxes remain, the differential between legitimate and illicit industry is a standing invitation to violate the law. Because the bootlegger pays no tax, he can always undersell the legitimate licensee by a substantial margin. He captures the market of the price-conscious public who gulp his products while he gobbles the profit.

An illicit still that produces 1,000 gallons per day costs \$10,000 to install. The sale of 1,000 gallons brings a gross income of \$2,500. If the cost of bootleg production is 40¢ per gallon, or twice that of legitimate mass production, he has left \$2,100. Assuming his distribution cost to be extremely high--say \$1,100 to include the "pay-off" to dishonest officials--he still has left \$1,000 per day net profit! If he pays less for "protection", his net profit is even higher!! If he runs ten days unmolested, his capital cost is repaid. If we are able to detect and seize the still in a month from the time it started, he forfeits his property, to be sure, but he has his original investment in hand and enough profit to start two new stills "on velvet". The result is the same whatever the gallon capacity since the ratio to cost of installation is roughly 1 to 10. Thus a still of 100 gallon capacity costs \$1,000. Hence with a small capital investment, the bootlegger is on his way to fortune. He himself not only pays no taxes but every gallon sold slakes a demand which otherwise would be satisfied from the lawful supply and so bear its share of tax. He is not only a tax evader but he deprives the State of taxes which, otherwise, would be collected from legitimate sources. So long as enormous profits are to be made, men will take the risk. Slash the taxes and you eject the outlaw. It is not necessary to eliminate the tax. A substantial reduction will suffice. The low return to the racketeer would not pay for the chances run. The most effective way is to attack the traffic at the source.

It is recommended that Congress be memorialized to reduce radically the Federal tax. As it stands, it is a protective tariff for the bootlegger. When this reduction is an accomplished fact, the State tax should be substantially lowered. As was said in the inaugural message: "The constant demand will therefore be automatically diverted into legitimate channels, and will prove again the time-tested truth that a lower tax, widely distributed, produces more revenue than a high tax the incidence of which falls solely upon a special class."

STRICT ENFORCEMENT

The Act places the primary responsibility for enforcement of the alcoholic beverage law upon the municipalities. In many instances, local Chiefs of Police and municipal officials have acquitted themselves splendidly. In many others, little or nothing has been done. Constant complaint comes to us that the local police will do nothing; that the policeman on the beat must know what is going on; that the alleged violator is in "soft" or "right"; that he can't or won't be touched because he has political influence; that the police won't act because the word has been passed not to act. These are matters manifestly difficult of proof. The alibis and the "outs" are manifold. With limited forces and a staggering job ahead of it, this Department cannot pause too long to seek the cause or adduce the facts to warrant indictment as would a Grand Jury or Legislative Commission but must hurry on to stop the violations complained of as soon as verified in fact. The quality of enforcement depends mainly upon the wishes of the men at the top.

The attitude of governing boards of municipalities and of local excise boards has been, in general, highly cordial and cooperative. Occasionally, though, the tendency creeps out to deal supinely with proven offenders or to be quick on the trigger to acquit or not to see eye to eye whatever everybody else sees.

It discourages public-spirited citizens from making complaints and sets enforcement back. Municipal revocations have been far too infrequent. The power to revoke or suspend must not be allowed to atrophy because of disuse. One revocation is worth more than forty fines.

The courts have done their duty fearlessly. When convictions have occurred, punishment has been inflicted without mawkish sympathy. Fines, however, are only too often of but nominal deterrent value. The fine is too readily absorbed by the inordinate profits of illicit traffic. Jail sentences, even for first offenders, if they are engaged in commercial exploitation, are of incalculable enforcement value. The criminal law is the only offensive weapon as concerns the still offender, the bootleg purveyor and the speakeasy proprietor.

Our problem in dealing with violators is to detect, arrest and furnish the proof of guilt. If the violator is an outlaw, statutory punishment follows conviction. These penalties should be increased vide infra. If the violator is a licensee, he is subject, if the law was broken, both to the criminal law and to revocation. If a regulation, then only to revocation, but that is enough!

Detection, arrest and conviction require men, eternal vigilance and constant effort. The work of trapping and catching the liquor outlaw and of keeping steady check on State licensees requires the full resources of our limited man power. On top of that, there are nearly 12,000 municipal licensees. They should be subjected to frequent, periodic inspection at unexpected times, so to create and utilize a wholesome fear complex. Municipal licensees have repeatedly informed us that no inspection has ever been made of them and their premises by the municipal authorities--in some cases not even an initial investigation. We have carefully investigated some 3,000 specific complaints against municipal licensees, each on the ground, but in the past we have not had enough men to make the necessary periodic inspections of all municipal licensees. Men deployed in intensive effort to catch the bootlegger, the racketeer and the other major violators cannot be employed at the same time in making routine inspections. As the work of the State Department is steadily broadened and intensified, the available time of the staff is cut down because each arrest made, each seizure accomplished means that our men must spend just so much more time in Court.

Municipal officials have sometimes complained that local police, because of their uniform, cannot detect certain classes of violators, and have frequently called for men from our staff which cooperation has always been given. They also point out that their limited funds do not enable them actively to police the whole of the municipality but only those portions which are more densely populated. It is a fact that a large part of the rural territory of this State is not covered by any local police, but served only by the State Constabulary. The State Police have always participated when requested on raids, and, in general have cooperated splendidly, but with their manifold duties they have stated candidly that they are not able to investigate complaints, follow up clues and take the general initiative in suppressing illicit operations. There are large sections of coast, rivers, inlets and creeks which require constant and conscientious policing.

Unless the work is completely discharged by the police authorities of the municipalities and the other enforcement agencies in the State, the Department should take up the slack. If so, it needs more man power. Hence the budget request for increased appropriation to provide additional men, believing that each dollar spent for enforcement will bring in many dollars of revenue.

PUBLIC COOPERATION

Even without any tax reduction, the situation is far from hopeless, if to strict enforcement the public would add its resolu-

tion to refuse to buy any bootleg liquor. Reports, however, frequently come in of honest licensees being importuned by wealthy customers to buy for them five gallons of "Apple" or the like, so that the customers will not be "mixed up" in the transaction. So, over the bar, the larger and cheaper drink of bootleg makes persuasive appeal to the pocketbook. The academical desire for law enforcement gives way to concrete self-interest. A few pennies in hand, they deem worth more than future dollars of tax reduction still in the bush.

The great majority of our citizens, however, are not only law-abiding, but are affirmatively in sympathy with law enforcement and would not consciously buy any bootleg. Nevertheless, it is palmed off to them in the guise of the legitimate, because poured from refilled, genuine bottles. Notwithstanding devices heretofore suggested, which only too often merely put a premium upon the genuine bottle for re-fill purposes, the main protection that the consuming public have is reliance upon the character of the retail licensee, their own cooperation with law-enforcing authorities by reporting instantly all suspicious instances which come under their observation, and the deterrent effect of strict enforcement. This Department is always open for the reception of information which may be given in strict confidence and under pledge that the informant's name will never be used.

The person who knows that he is buying bootleg is guilty of a misdemeanor as much as the vendor. But disclaimer of knowledge is not a perfect shield. Carelessness in purchase, and blindness to obvious avenues of knowledge may create a grave danger to the health and lives of our people. The recent tragedy in New York, whereby the creeping death of alcoholic poisoning claimed 33 victims, each of whom died blinded in intense agony is grisly in point!

Recently three "cracking" plants have been captured in New Jersey with a total capacity of 7,000 gallons per day. At these plants alcohol is made for bootleg beverages by attempt to remove the poisonous ingredients from cheap denatured alcohol by "washing" or "cleaning" it with chloroform, ether and caustic soda. The poisons, however, can never be cleaned out 100% by any process. The physical symptoms may not manifest themselves at once if the cleaning has been fairly well done, but this poison is accumulative in the human system and may, by prolonged use, bring on blindness, paralysis and death.

The more stills we capture in New Jersey, the stricter our supervision of molasses and other sources of supply becomes, the more difficult it is to operate the illicit still, the more will cracking plants tend to increase. The only safe course to pursue is for the public to refuse to buy any bootleg liquor. When the public ceases its purchases, the bootleg market is dried up.

INCREASE OF CRIMINAL PENALTIES

The maximum penalty for violation of the Act is six months imprisonment or \$500 fine, or both, in the discretion of the court. This clearly is inadequate in case of major violation. Punishment meted to violators should be sufficiently severe to act as a deterrent. It is recommended that the maximum penalty be increased to three years imprisonment or \$1,000 fine, or both, in the discretion of the court.

AUTOMATIC SUSPENSION OF LICENSE UPON CONVICTION

The power to revoke or suspend a license is a powerful control weapon which, whenever justified, should be invoked freely. Although violation of the Act is cause for revocation, such violation has not resulted generally in the institution of revocation proceedings by municipal authorities. It is recommended that upon a licensee's conviction of a violation of the Act his license be automatically suspended for the remainder of its term, subject to reinstatement by the Commissioner for good cause shown.

POSSESSION OF ILLICIT BEVERAGES

Although the Act makes possession of an illicit beverage with intent to sell a violation, possession alone is not a misdemeanor. It should be. An amendment to this effect will remove the "out" constantly availed of by flagrant violators as a technical avenue of escape.

SHIPMENTS OF DENATURED ALCOHOL, MOLASSES AND SUGAR

Control over shipments of denatured alcohol--used in illicit "cleaning" plants--and molasses and sugar--used in illicit stills--would greatly facilitate the detection of the bootlegger. Legitimate industry must not, however, be interfered with unduly. Persons transporting the described products should be required to keep complete records of such shipments and the Commissioner should be empowered to investigate such shipments and records. Failure to keep such records and their falsification should be made misdemeanors.

INCREASE OF PROPERTY FORFEITURES

When a municipal licensee engages in bootlegging and unlawful rectification, the only property subject to forfeiture are the illicit beverages and the paraphernalia actually used in connection therewith. Even after detection he may resume business with the stock on hand. It is recommended that as a deterrent to bootlegging by licensees, all of the alcoholic beverages, fixtures and other personal property found in the licensed premises be subject to forfeiture in such cases.

SUMMARY PUNISHMENT

Violators of the Act must, except in a few limited situations, be held for the Grand Jury and thereafter tried by the Petit Jury. Enforcement would be aided if municipalities had express power to adopt ordinances relating to the sale of alcoholic beverages and impose penalties for violations thereof, triable before local magistrates in summary proceedings. Fines collected in such proceedings should be retained by the respective municipalities.

DISPOSITION OF SEIZED PROPERTY

All seized property except illicit beverages and stills must now be sold. In many instances it is advisable to destroy such property or retain it for the benefit of State, County and Municipal institutions. The Act should be amended to afford the Commissioner this power.

Upon seizure of an illicit still, it must be guarded or stored for a period of time pending hearing. Its ultimate sale seldom realizes an amount sufficient to compensate for actual expenses. To eliminate unnecessary expense, the Commissioner should have power to destroy illicit distilling equipment immediately upon seizure.

CLAIMS OF LIENORS

The Act requires the return to innocent lien claimants and owners of vehicles and other property seized while being used in unlawful beverage activity. As a result numerous fictitious claims by relatives of violators have been asserted and proof of their invalidity is generally difficult. In aid of strict enforcement it is recommended that when property used in unlawful beverage activity is seized, all interests therein be forfeited.

This will effectively break up the present day practice of having an immediate claim of ownership or lien made by a wife, brother, or his uncles, his cousins and his aunts. While it will bear onerously on automobile finance companies, they may protect themselves by more rigid investigations of applicants. Bootleggers will find it more difficult upon the seizure of their automobiles to buy others with the aid of finance companies.

POWER TO SEIZE PROPERTY USED IN VIOLATION OF RULES AND REGULATIONS

The only present means of enforcing the Commissioner's rules and regulations is by revocation proceedings. This obviously does not affect non-licensees who flaunt the law. It is recommended that in order to deal effectively with non-licensees, property manufactured, sold, transported or possessed in violation of rules and regulations be declared unlawful property and subjected to seizure and forfeiture.

SALE OF MEDICINAL ALCOHOL

Retail licensees have no reason to possess or sell straight alcohol. Its obvious use is for illicit rectifying, blending and cutting. Possession and sale of alcohol by retail licensees should be declared unlawful. The legitimate sale of alcohol for medicinal purposes should not, however, be unduly restricted. Its sale by registered pharmacies and drug stores should be permitted subject to rules and regulations, and under special permits issued by the Commissioner for limited quantities.

SEARCH OF LICENSED PREMISES

Authority to investigate licensed premises without search warrants has been questioned by certain magistrates. To set the matter at rest, it is recommended that an express provision authorizing such investigations be inserted in the Act.

CERTIFICATE OF COMMISSIONER AS EVIDENCE

At present it is necessary that representatives of the Department appear personally in court to testify with respect to the Department's records. The incidental loss of time should be avoided. It is recommended that certificates of the Commissioner with respect to the records of the Department be made admissible in judicial proceedings as evidence of their contents.

PRESUMPTIONS IN CRIMINAL PROCEEDINGS

Under the Act it is necessary, in order to convict a violator, for the State to prove that the alleged illicit beverage has an alcoholic content of more than one-half of one per cent. and was intended for beverage purposes. This involves unnecessary expense and delay. There is no reason why the burden should not be upon the defendant to establish that the beverage is not an alcoholic beverage within the meaning of the Act. It is therefore recommended that the Act be amended to provide that seized beverages shall be presumed to have an alcoholic content of more than one-half of one per cent. and have been intended for beverage purposes. These presumptions will, of course, be rebuttable by the defendant.

SALE OF INGREDIENTS FOR HOME MADE LIQUOR

During Prohibition the practice grew up of selling products requiring only the addition of alcohol to convert them

into alcoholic beverages, for example, cordia compounds. Today the practice has expanded into the brazen flaunting of recipes accompanying the compounds and stating just how much alcohol is to be added. The sole purpose of such sales is to enable the consumer to manufacture or rectify his own alcoholic beverages. There is no need for this under present day conditions, and the practice should be stopped. It is recommended that the sale, offering for sale or possession of such products readily convertible into alcoholic beverages be declared a misdemeanor. This is not intended to and will not interfere with legitimate flavoring extracts for culinary purposes. It is calculated solely to break up the practice of encouraging home rectification of alcoholic beverages.

APPEALS

A licensee whose license is suspended or revoked, may appeal to the Commissioner. Pending hearing of the appeal, he must discontinue business. This results in serious injustice where he ultimately prevails. It is recommended that an appeal should automatically stay a suspension or revocation pending determination of the appeal unless otherwise ordered by the Commissioner.

Similarly where an appeal is taken from the refusal to renew a license, it may be unfair to compel the licensee to close his business pending a determination. It is recommended that in such cases the filing of an appeal shall permit the appellant to continue in business pending determination of the appeal, unless otherwise ordered by the Commissioner.

The Act does not provide for an appeal from the denial of an application for a transfer of the licensed premises, or a refusal to grant a refund upon surrender of the license. It is recommended that appeals to the Commissioner be permitted in these and similar situations involving original determinations by municipal issuing authorities.

Although the Act authorizes the Commissioner to direct the issuance or cancellation of a license after hearing on appeal, there is no provision for the carrying out of such order. It is recommended that where such order is not complied with within a period of ten days, the order itself be declared self-enacting.

LIMITED LICENSE FOR BEER AND LIGHT WINES

This type of license was originally proposed as one essentially promoting temperance. In the last report, the Commissioner stated: "In the absence of actual experience in dealing with this form of license and actual attempt to enforce its limitations, the Commissioner is not able to make any recommendation based upon experience and the a priori considerations are practically evenly balanced".

During the past year this Department has carefully watched the experience of other States where such limited licenses obtain. It was found in Missouri that thousands of 3.2 places were operating under a \$10 license, and because of the difficulty of enforcement were selling hard drinks on the side almost with impunity. The Excise Commissioner of St. Louis estimated that a large majority of the 5,000 or more beer taverns in the city were selling strong drink on the side. Governor Park declared that the plan was absolutely unenforceable. Reports from several other states indicate the same conclusion. It is therefore recommended that no such license be provided.

RESTRICTION OF DISTRIBUTION LICENSEES NOT TO ENGAGE IN OTHER BUSINESS

It is permissive for each municipality to determine for itself whether distribution licenses shall be so restricted. Some municipalities have determined one way and others another. The law affords the permission if local policy demands it. The ques-

tion is not one of control but one of economics. The Commissioner is not yet prepared to recommend that it should be made mandatory throughout the State.

LIMITATION OF LICENSES GENERALLY

The caption, at first blush, is intriguing. We have pondered it often seeking the true solution. Cutting down the number of licensed places does not diminish the demand of the thirsty. For each license eliminated, a speakeasy will arrive. Is it not more conducive to control to have the traffic in the open? If licenses are reduced to a population percentage, how are the licensees to be chosen? And what of those who, wholly worthy, have invested their all in their business--often the savings as well of their family and friends? On the other hand, are those now in to be entrenched until they die? And this though several of the present licensees are believed unworthy? And although no investigation was ever made of some of them as hereinbefore mentioned? And what of new applicants in the future and influx of needed new capital? Or of the loss of revenue to municipalities? And what of the political football afforded by limiting the number to a point where a license becomes a franchise and is filled with favorites or with those who do favors?

The municipalities each for themselves may now so determine. Justice is served by providing for an appeal to the Commissioner by those aggrieved. The questions involved are intricate, delicate, difficult. The Commissioner is not yet prepared to recommend that this option should be taken from each municipality and a State-wide rule of thumb be substituted.

DELINQUENT TAXES

Several municipalities have sought to condition the issuance of licenses upon all municipal taxes owing by the applicant being paid.

The Control Act does not permit this, and these ordinances and resolutions have therefore been disapproved. But municipalities ought to have the optional power to stop the applicant who seeks a new privilege without discharging his past obligations. The more the licensee has at stake, the more apt he is to protect it by compliance with the law. It is therefore recommended that it be optional with each municipality to provide that no license of any kind shall be granted unless all arrears of taxes on the premises sought to be licensed have been paid.

LIMITED DISTILLERY LICENSE

The manufacturer of applejack and apple brandy who desires to operate without limit as to amount, must obtain a plenary distillery license authorizing the manufacture of all types of distilled beverages. The fee of \$7,500 is too high when applied to such manufacturer. It is recommended that a new type of license be created to permit the manufacture of applejack and apple brandy without limit as to amount, and that the fee therefor be fixed at \$2,500 per annum.

The fee for a limited distillery license authorizing the manufacture of applejack and apple brandy to the extent of 5,000 gallons is \$500, whereas the fee for such license authorizing the manufacture of 10,000 gallons is \$1,250. It would therefore be to the advantage of an applicant to take out two licenses each authorizing the manufacture of 5,000 gallons in preference to one license authorizing the manufacture of 10,000 gallons. To eliminate this situation it is recommended that the fee for the limited distillery license authorizing the manufacture of 5,000 gallons be fixed at \$750, and the fee for such license authorizing the manufacture of 10,000 gallons remain at \$1,250.

WINE WHOLESALE LICENSE

There is no provision in the Act for a license authorizing the sale of wine only at wholesale. A person desiring to sell wine at wholesale may obtain a wholesaler's license authorizing him to sell alcoholic beverages generally, but the fee for this type of license, \$1,500, would be too high. It is recommended that a new type of license authorizing the sale of wine at wholesale be created, and that the fee therefor be fixed at \$1,000.

WAREHOUSE RECEIPTS LICENSE

The Act has withdrawn from the Commissioner control over warehouse liquor receipts. As a result wildcat salesmen have been selling warehouse liquor receipts without restriction or supervision. There is no reason why such sales should not be subject to control coextensive with control over sales of the alcoholic beverages themselves. It is recommended that the sale of warehouse liquor receipts be prohibited except pursuant to a warehouse receipts license, the fee for which shall be fixed at \$100 and subject to rules and regulations.

SALESMEN'S LICENSE

Wholesale liquor dealers report that certain salesmen are engaging in threats, "muscling in", and other practices which were common to Prohibition days, but have no place in liquor traffic today. They further report that if these salesmen were required to obtain permits and their records were disclosed, they would no longer be permitted to continue in the industry. The Commissioner should not only have complete information with respect to such employees, but should also have direct control over them. It is recommended that the employment of salesmen by State licensees be subject to rules and regulations and pursuant to yearly permits for which a fee of \$5. shall be imposed.

TRANSFERS OF LICENSE

The Act prohibits the transfer of any license. This provision was intended to insure that only qualified persons would hold licenses. This purpose can be effected without necessitating the unfair condition resulting from the absolute prohibition of transfer. The issuing authority should be permitted to approve a transfer of license where the proposed transferee is qualified and has complied with all statutory requirements, as did the transferor, except the license fee which has already been paid.

CORPORATE APPLICANTS FOR RETAIL LICENSES

Individuals, who are aliens or do not meet the residence requirement of the Act, may not obtain retail licenses. Corporate applicants, however, may obtain retail licenses even though their directors and officers are aliens and non-residents. The opportunity for evasion by the creation of dummy corporations is evident. To eliminate such evasion, it is recommended that no retail license be issued to corporations, except bona fide hotels, unless each holder of more than 10% of the stock qualifies in all respects as an individual applicant.

POWER OF MUNICIPALITIES TO FORBID SUNDAY SALES

The Act confers no express authority upon municipalities to forbid Sunday sales. The Commissioner has ruled, however, that under general police powers Sunday sales may be prohibited, subject, of course, to subsequent referenda pursuant to the Act.

It is recommended that this ruling be incorporated in the Act.

POWER OF MUNICIPALITIES TO PROHIBIT ISSUANCE OF LICENSES

The Act now provides that municipalities may by ordinance prohibit the issuance of limited retail distribution licenses and club licenses. No similar power is contained in the statute with respect to other types of retail licenses. It is recommended that the statute be amended to afford such optional power to municipalities subject to subsequent referenda pursuant to the Act.

ADDITIONAL REFERENDA

Several municipalities have evinced a desire to have the hours of Sunday sales fixed by popular vote. Although the Act permits referenda on Sunday sales generally, it does not permit referenda on hours of sale for Sunday or week days. In order that community opinion may prevail on such questions, which are essentially local, it is recommended that the Act be amended to provide for referenda on hours of sale for Sunday and week days.

RECIPROCAL REGULATIONS

It sometimes occurs that the regulations of other States discriminate or bear onerously against New Jersey licensees. To adopt a general regulation by way of reprisal would not be conducive to comity and while it might be proper as regards the licensees of the State which has discriminated, it might be unfair to the licensees of all other States. It is recommended that in order to provide for such situations, the Commissioner be given power to promulgate reciprocal regulations.

APPLICATION OF 200 FEET RULE

The method of measurement embodied in the statute has been working out with fair justice except in cases where the licensed premises are on the opposite side of the same street on which the church or school is located. It sometimes results in locating a saloon immediately opposite the school with only the width of the street separating them. It is recommended that a proviso be enacted to the method of statutory measurement to the effect that in all such cases the measurement should be made in an air line from the entrance of the licensed premises to the entrance of the church or school.

BREWERY CONTROLLED SALOONS

When the Legislature enacted Section 40 it contemplated the eventual complete elimination of the pre-Prohibition brewery controlled saloon. Although the section has aided considerably in curtailing such control, it has not succeeded in eliminating it. Breweries through loans and the furnishing, repairing and replacement of fixtures have effected a considerable degree of control over the saloon. It is recommended that breweries be prohibited from lending money to saloons provided that this shall not prohibit the extension of reasonable credit in respect to ordinary current sales of brewery products. Further, that breweries be prohibited entirely from furnishing, repairing or replacing fixtures in saloons, except the cleaning and repairing of pipes and other Code matters pursuant to rules and regulations to be determined by the Commissioner.

UNIFORMITY OF CLOSING HOURS

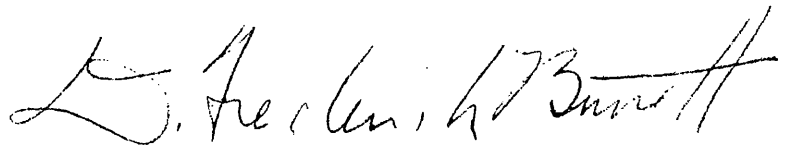
It has frequently been advocated that there should be a uniformity of closing hours throughout the State not only on

Sundays but also on other days of the week. Uniform laws are highly desirable when they apply to universal situations but may become a dangerous fetish if blindly urged notwithstanding divergent conditions. Uniformity is properly invoked on a subject like labeling where the conditions that obtain are uniform throughout the State. But this is not true of closing hours. What is proper in Princeton is something quite different in Atlantic City.

now

Each municipality is ~~not~~ authorized to work out this question of hours for itself according to the prevailing community sentiment. The option should continue.

Respectfully submitted,

A handwritten signature in cursive script, reading "L. Franklin Bennett". The signature is written in dark ink and is positioned above the title "Commissioner.".

Commissioner.