

STATE OF NEW JERSEY
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
744 Broad Street Newark, N. J.

BULLETIN NUMBER 104

January 29, 1936

1. PROPOSED FEDERAL REGULATIONS GOVERNING FURNISHING OF EQUIPMENT -
'TIED HOUSES'.

January 24th, 1936.

State Liquor Control Board,
Olympia, Washington.

Gentlemen:

I have received a letter from Harris E. Willingham, Associate Administrator of the Federal Alcohol Administration, enclosing a transcript of hearing on Proposed Regulations Prescribing Exceptions Relating to the Furnishing of Equipment, Fixtures, Signs, Supplies, Moneys, Services or Other Thing of Value to Retailers of Distilled Spirits, Wines and Malt Beverages, held in Washington on January 8th, 1936. Mr. Willingham has requested me, as Chairman of the National Conference of State Liquor Administrators, to obtain from the various State Administrators, their reactions and full expression of their respective views on the subject.

The States of Michigan, Ohio and New Jersey were represented at the hearing respectively by V. F. Gormely, Commissioner, Michigan Liquor Control Commission, Milton S. Cox, Deputy Commissioner, Liquor Control Board, Ohio, and Nathan L. Jacobs, Chief Deputy Commissioner and Counsel, Department of Alcoholic Beverage Control, New Jersey. The transcript discloses expressions by each of the foregoing against the "tied house" and in support of restrictions curbing gifts by brewers and other manufacturers to retailers. In substance, their expressions coincided with the following conclusions of Messrs. Fosdick and Scott, in their book entitled "Toward Liquor Control" (Harper & Brothers, Publishers, 1933):

"The 'tied house,' and every device calculated to place the retail establishment under obligation to a particular distiller or brewer, should be prevented by all available means. 'Tied houses,' that is, establishments under contract to sell exclusively the product of one manufacturer, were, in many cases, responsible for the bad name of the saloon. The 'tied house' system had all the vices of absentee ownership. The manufacturer knew nothing and cared nothing about the community. All he wanted was increased sales. He saw none of the abuses and as a non-resident he was beyond local social influence. The 'tied house' system also involved a multiplicity of outlets, because each manufacturer had to have a sales agency in a given locality. In this respect the system was not unlike that now used in the sale of gasoline, and with the same result: a large excess of sales outlets. Whether or not this is of concern to the public in the case of gasoline, in relation to the liquor problem it is a matter of crucial importance because of its effect in stimulating competition in the retail sale of alcoholic beverages. 'Tied houses' should, therefore, be prohibited, and every opportunity for the evasion of this system should, if possible, be foreseen and blocked.

"There are many devices used by brewers and distillers to achieve this same end, such as the furnishing of bars, electric signs, refrigerating equipment, the extension of credit, the payment of rebates, the furnishing of warranty bonds when required to guarantee the fulfillment of license conditions and of bail bonds when the dealer is haled into court.

"A license law should endeavor to prohibit all such relations between the manufacturer and the retailer, difficult though this may be." (p. 43)

See also Reichelderfer vs. Johnson, 72 F. (2d) 552, 554 (Dist. of Columbia 1934), where the court said:

"One of the well-recognized objections to the methods of sale and distribution of liquors prior to the era of prohibition was the fact that brewers and wholesalers frequently monopolized and controlled the retail trade. As stated by Judge Nichols in Marks v. Conrad Seipp Brewing Co., 74 Ind. App. 50, 128 N. E. 620, 621: 'It is a matter of history that a part of the corrupting influence of saloons emanated from the fact that many of them were owned or controlled by the breweries, by whom they were placed in the hands of irresponsible persons who were dependent upon the breweries for their financial support. Public policy demanded that such a condition of dependence and irresponsible operation be abrogated, and the act above mentioned resulted.'*****

"We think it apparent from the legislative history of this provision that Congress intended a divorce a vinculo between the business of brewing beer and the retail sale thereof, and to give the Commissioners wide latitude in enforcing this manifest purpose, which strongly supports the authority of the Commissioners to take the action complained of here."

I am enclosing herewith a copy of the regulations proposed by the Federal Alcohol Administration and request that you let me have your comments with respect thereto as quickly as possible. The attitude of the States is of tremendous importance to the Federal Administrator, particularly since the regulations, in so far as they pertain to malt alcoholic beverages, are effective only to the extent that State law imposes a requirement similar to that contained in section 5(b)(3) of the Federal Alcohol Administration Act.

Irrespective of whether or not you agree with the reactions of the Michigan, Ohio and New Jersey representatives, I will appreciate your response at earliest convenience so that I may transmit the views of each of the States to the Federal Administrator.

Yours in the Service,
D. FREDERICK BURNETT
National Chairman

The same letter was written to the Liquor Control Boards of the forty-eight states and the District of Columbia, except the five states of Tennessee, Georgia, Kansas, Alabama, and Oklahoma, which are dry.

The Proposed Federal Regulations follow:

PROPOSED REGULATIONS PRESCRIBING EXCEPTIONS RELATING TO
THE FURNISHING OF EQUIPMENT, FIXTURES, SIGNS,
SUPPLIES, MONEY, SERVICES, OR OTHER THING
OF VALUE TO RETAILERS OF DISTILLED
SPIRITS, WINE AND MALT BEVERAGES

Section 1. Definitions. In these regulations the following words and phrases, unless otherwise stated, shall be considered as having the meaning herein defined:

(a) The term "person" shall mean an individual, partnership, joint stock company, business trust, association, corporation, other form of business enterprise, including a receiver, trustee, or liquidating agent.

(b) The term "retailer" shall mean any person engaged in the sale of distilled spirits, wine or malt beverages to consumer buyers.

(c) The term "retail establishment" shall mean any premises where distilled spirits, wine or malt beverages are sold or offered for sale to the consumer buyer, whether for consumption on or off the premises where sold.

(d) The term "industry member" shall mean any person engaged in business as a distiller, brewer, rectifier, blender, or other producer, or as an importer or wholesaler, of distilled spirits, wine or malt beverages, or as a bottler, or warehouseman and bottler of distilled spirits.

(e) The term "products" shall mean distilled spirits, wine or malt beverages, as defined in the Federal Alcohol Administration Act.

(f) The term "sign" shall mean any kind of lettered, written, printed or painted board, poster, placard, design, device or decoration, or any other graphic display bearing advertising matter, for use in or about, or in connection with, a retail establishment, which has no value to the retailer except as an advertisement.

(g) Any other term defined in the Federal Alcohol Administration Act and used herein shall have the same meaning assigned to it by such Act.

Section 2. Application. Except as provided in these regulations, it is unlawful for any industry member, by furnishing, giving, renting, lending, or selling any equipment, fixtures, sign, supplies, money, services, or other thing of value, to induce any retailer to purchase any products from such industry member to the exclusion in whole or in part of products sold or offered for sale by another industry member in interstate or foreign commerce, if such inducement is made in the course of interstate or foreign commerce, or if such industry member engages in the practice of using such means to such an extent as substantially to restrain or prevent transactions in interstate or foreign commerce in any such products, or if the direct effect of such inducement is to prevent, deter, hinder, or restrict other industry members from selling or offering for sale any such products to such retailer in interstate or foreign commerce; Provided, That in the case of malt beverages, these regulations shall apply to transactions between a retailer

in any State and a brewer, importer, or wholesaler of malt beverages outside such State, only to the extent that the law of such State imposes requirements similar to the requirements of Section 5 (b) (3) of the Federal Alcohol Administration Act with respect to similar transactions between a retailer in such State and a brewer, importer, or wholesaler of malt beverages in such State as the case may be; Provided further, That these regulations shall not operate to exempt any person from the requirements of any State law or regulation.

Section 3. Exceptions. An industry member may furnish, give, rent, lend or sell to a retailer equipment, signs, supplies, services, or other things of value, under the conditions and within the limitations hereinafter prescribed.

(a) Equipment. Tapping accessories, such as rods, vents, taps, hose, washers, couplings, vent tongues and check valves may be sold to a retailer if such tapping accessories are sold at a price not less than the cost thereof to the industry member selling the same, and if the price thereof is collected within 15 days of the date of sale. The aggregate cost to any one retailer of all tapping accessories sold to him by any industry member in any calendar year shall not exceed \$5.00 for each tapping unit used in dispensing malt beverages purchased from such industry member.

(b) Signs.

(1) A sign or signs may be furnished, given, rented, loaned or sold to a retailer if the total value of such sign or signs furnished by any one industry member, and in use at any one time in or about or in connection with any one retail establishment, does not exceed \$100. The value of any sign shall be determined by its purchase price plus the cost to the industry member of furnishing, transporting, assembling, installing and erecting the sign. Such cost shall also include the cost of all permits and inspection fees and the cost of transformers, wiring, brackets, reinforcements and necessary alterations to the retail premises, borne by the industry member.

(2) The expense of bona fide repairs and replacements to signs which have been furnished, given, rented, loaned or sold to a retailer by an industry member may be paid by such industry member, if the original value of the sign or signs is not increased by such repairs or replacements beyond the limitations provided in the preceding paragraph. Expenses incidental to the operation of such sign, or signs, such as taxes, cost of illumination or mechanical operation, and the like, shall not be paid directly or indirectly by an industry member.

(3) In addition to the foregoing signs, an industry member may furnish, give, rent, lend, or sell to a retailer placards, posters and similar devices customarily used as window or counter-displays, if the total value thereof, as determined by the purchase price to the industry member, in use at any one time in any retail establishment, does not exceed \$5.00.

(c) Supplies. Carbonic acid gas or ice may be sold to a retailer, if such supplies are sold in accordance with the reasonable open-market price thereof in the locality where sold,

and if the price thereof is collected within 15 days of the date of sale.

(d) Services.

(1) Coil cleaning service may be furnished, given or sold to a retailer of malt beverages.

(2) Labor may be furnished, given or sold to a retailer, if such labor is incidental to the installation by the industry member of tapping accessories sold by him.

(3) Window or counter-dressing service may be furnished, given or sold to a retailer, if such service is incidental to the installation or placing by the industry member of window or counter-display materials furnished, given, rented, loaned or sold by him.

(4) The names and addresses of retailers selling the products of any industry member may be listed in an advertisement of such industry member, if such listing is the only reference to a retailer in the advertisement and is relatively inconspicuous in relation to the advertisement as a whole.

(e) Other things of Value.

(1) Consumer Advertising Novelties. Consumer advertising novelties, costing not more than 10 cents each, such as pony glasses, ash trays, bottle or can openers, cork screws, paper shopping bags, matches, stirring rods, calendars, printed recipes, leaflets, blotters, post cards, thermometers, pencils and the like, may be furnished or given to a retailer for unconditional distribution by him to the general public, if the retailer is not paid or credited in any manner directly or indirectly for such distribution service.

(2) Retailer Advertising Novelties. Retailer advertising novelties costing not more than 10 cents each, such as trays, coasters, beer mats, menu cards, wine lists, meal checks, paper napkins, paper table covers, foam scrapers, straws, back bar mats and the like, which are primarily valuable as point of sale advertising media, may be furnished or given to a retailer if the aggregate cost to the industry member of such retailer advertising novelties furnished in connection with any one retail establishment in any one calendar year does not exceed \$10.00.

(3) Samples. One pint of any product may be furnished or given as a sample to a retailer who has not previously purchased that particular product.

(4) Merchandise. Merchandise other than equipment, fixtures, signs, supplies, or consumer or retailer advertising novelties, may be sold to a retailer, without limit as to quantity or value, by an industry member who is also engaged in business as a bona fide vendor of such merchandise, if such merchandise is sold in accordance with the reasonable open market price thereof in the locality where sold, and if such merchandise is not sold in combination with distilled spirits, wine or malt beverages, and is itemized separately on the industry member's invoices and other records.

2. LICENSES - AUTOMATIC SUSPENSION - DUTIES OF POLICE AFTER
AUTOMATIC SUSPENSION UPON CONVICTION OF LICENSEE FOR A
VIOLATION OF THE CONTROL ACT.

January 24, 1936.

Charles J. Monks, Esq.,
Chief of Police,
Passaic, New Jersey.

Dear Chief:

I have your letter of January 22nd.

You state that on July 25, 1935, Investigators from this Department together with Detectives Campbell and McGuire of your Department, arrested plenary retail consumption licensee Leo Stein of 33 Bond Street, Passaic, for a violation of Section 48 of the Alcoholic Beverage Control Act; that on January 6, 1936 Stein was fined \$100 and placed on probation in the Special Sessions Court of your County; that on January 14, 1936, he appeared before the City Commissioners of Passaic on revocation proceedings and received a suspended sentence; that he has been conducting his business as usual since that time.

You further state that I. Robert Schefrin who represents Mr. Stein informed you he had been in touch with this office and that our file had been closed in this case. You request advice if this is satisfactory.

It is not. Section 82 (P.L. 1935 c. 254) of the Control Act provides for the automatic suspension of a license upon conviction of a licensee for violation of the Act. Stein's license, therefore, has been automatically suspended since January 6, 1936. The action of the City Commissioners of Passaic in suspending sentence on revocation proceedings after the licensee has pleaded or been adjudicated guilty in the criminal case can only be advisory to the State Commissioner of Alcoholic Beverage Control in the event an application is made to him pursuant to Section 82, requesting a lifting of the suspension; the automatic statutory suspension runs to the end of the term of the license. See Re: Weinberger, Bulletin #98, Item #6; Re Bolton, Bulletin #98, Item #8 (copies of bulletin items enclosed).

Sales of alcoholic beverages by Stein should cease immediately. Please take the necessary steps to see that no further sales are made.

If it is the desire of Stein or his attorney, Mr. Schefrin to apply to the Commissioner for a lifting of the automatic statutory suspension, procedure relative to such an application is contained in Bulletin #91, Item #10, Bulletin #98, Items #6, 8 and 10.

A copy of this letter is being mailed to the Board of Commissioners of Passaic. An extra copy is enclosed herewith which you may transmit to Mr. Schefrin if you so desire.

Very truly yours,
D. FREDERICK BURNETT
Commissioner

By: Jerome B. McKenna,
Attorney

3. ENFORCEMENT - COOPERATION WITH POLICE MAGISTRATES - HEREIN OF THE CONSTITUTIONALITY OF STATUTES RENDERING UNLAWFUL POSSESSION FOR PERSONAL CONSUMPTION OF LIQUOR THEREFORE LAWFULLY ACQUIRED.

January 24, 1936.

Hon. Alton V. Evans, Recorder,
Long Branch, N. J.

Dear Judge:

My attention has been called to an item appearing in the Long Branch Daily Record, Thursday, January 16, 1936, in which you are quoted as having stated that you requested investigators of this Department to submit briefs in the cases of Alice Brisbane, Nathan Shapiro and Norman Knox but that your request had never been honored. I have carefully examined our case files, including the reports of our investigators, but find no mention of any request for briefs. Consequently, our legal division was never advised that you desired briefs. In any event, it is my intention to interrogate our investigators fully with respect to the matter.

As you are aware, Police Departments and other enforcement agencies are generally not represented by counsel at preliminary hearings before local magistrates. Considering that this Department has presented several thousand cases to police magistrates throughout the State, our limited legal force would have found it physically impossible to appear in all such cases. We recognize, however, that in numerous instances the representation by counsel would be warranted and we have consistently complied with all requests by magistrates for the attendance of counsel or the submission of briefs. You may be assured that if your request for briefs had been brought to our attention, it would have been immediately and fully complied with. Our job is not done merely upon the detection of a violation and the arrest of the violator. We are at all times not only willing but anxious to assist officials charged with the actual trial of liquor cases to the end that guilty parties are convicted and properly punished.

I note that you directed that the three defendants be held for the Grand Jury for violation of the Control Act and that consequently the legal issue raised is probably moot in so far as your Court is concerned. The newspaper item is not entirely clear as to what specific legal issue was troublesome to you, although it indicates that you query whether a statute declaring possession of illicit beverages to be unlawful could constitutionally be applied to alcoholic beverages possessed for personal consumption at the time of the passage of the statute. In this connection you might refer to Crane vs. Campbell, 245 U. S. 304 (1917), and Samuels vs. McCurdy, 267 U. S. 188 (1925). In the latter case the Supreme Court held that a statute rendering unlawful possession for personal consumption of liquor theretofore lawfully acquired was not unconstitutional.

If you will submit your specific inquiry, I shall be pleased to send you a complete collection of authorities on the subject.

Please accept my thanks for your cooperation.

Very truly yours,
D. FREDERICK BURNETT
Commissioner

By: Nathan L. Jacobs
Chief Deputy Commissioner
and Counsel

4. DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL - FORMS - OATH OF OFFICE.

STATE OF NEW JERSEY)
 : SS
 COUNTY OF)

I, _____, having been appointed by D. Frederick Burnett, State Commissioner of Alcoholic Beverage Control, as _____ of the Department of Alcoholic Beverage Control of the State of New Jersey, do solemnly ^{swear} ~~affirm~~ that I will support the Constitutions and Laws of the United States and the State of New Jersey; that I will bear true faith and allegiance to the government established in this State, under the authority of the people; that I will truly and honestly, without fraud, deceit or suppression do, execute and perform all acts and duties of my office and demean myself honestly, fairly and impartially according to the best of my judgment, skill and power; that I will administer justice impartially and without respect to persons; that I will in no case knowingly use or refrain from using the powers and duties of my office illegally, corruptly or unjustly; that I will do no wrong to any person for any gift, reward or promise, nor for favor or hatred; and that I will never ask, demand or receive from any person directly or indirectly, any fee or reward for the performance or non-performance of any service required to be done by me in the proper exercise of the duties of my office:

"So Help Me God".

Sworn and subscribed to
 before me at _____

N. J. this _____ day of _____
 , 193 _____.

5.

ADDRESS OF
 D. FREDERICK BURNETT, STATE COMMISSIONER OF
 ALCOHOLIC BEVERAGE CONTROL FOR NEW JERSEY
 OVER RADIO STATION WAAT

January 27, 1936

THE CITIZEN IN RELATION TO ALCOHOLIC BEVERAGE CONTROL

J. Edgar Hoover, head of the G-Men, says that crime, like a prairie fire, starts with a spark and rages from tiny blaze into major disaster. In a recent address, he traced the career of Wilbur Underhill who, beginning as a minor bootlegger, went through thievery and burglary to multiple murder. So, "Pretty Boy" Floyd started with petty larceny to wind up as a feared desperado. Hoover's point was that crime, no matter how petty, must be regarded as of major importance; that any infraction of the law may become a local firebrand with repercussions throughou

the country.

New Jersey, in creating a Department of Alcoholic Beverage Control, provided that liquor permits might be issued to worthy licensees and that nobody else should indulge in the manufacture, distribution or sale of alcoholic beverages. To do so, without a license, is a crime. The work, therefore, consists of two parts:

First: To select licensees, to regulate their conduct and then see to it that they live up to the Rules--that is, make them do their business right;

Second: To stop everybody else from doing it at all.

The ideal of the first phase is governmental and moral - to define the out-of-bounds; to prescribe decency and cleanness; to insist on law and order; to endeavor to remedy the abuses naturally inherent in the liquor traffic--to promote temperance in its broad and unadulterated concept of self-control.

The objective of the second phase is revenue. Revenue is produced by levying a tax on liquor sales. The tax from this source that reached the treasury of our State during the calendar year just passed, was over six million, three hundred thousand dollars. On top of this, the municipalities collected in local license fees over four million, one hundred thousand dollars. Altogether, more than ten and one-half million dollars of revenue from liquor was earned in New Jersey last year. If it had not been for this tremendous sum, the taxes on your homes, already groaningly high, would have been even heavier. It amounts to half the estimated cost of relief. Under Prohibition, not a cent of this revenue came to the State. All of it went into the pockets of the bootleggers and the racketeers. Certainly, to the extent that this money has been diverted from their private pockets to the public treasury, Repeal has been successful. But there is still much illicit liquor being made and consumed. Every day, the local police and my men, of whom, candidly, I am so proud, are raiding bootleg stills, demolishing cracking plants and making arrests, not only of those who make, but of those who sell bootleg liquor. Every drink that you take in a speakeasy, every quart of liquor that you buy from a non-licensee, cheats the State of New Jersey out of just so much tax. Assuming that the consumption demand is practically constant, it follows that if that demand is gratified by purchase from licensed places, the State gets the tax whereas if bought from the liquor outlaw, the State is defrauded of the tax. Every still captured, every cracking plant demolished, every arrest made, dries up the outlaw's supply, makes it more onerous for him to operate, and diverts the public thirst into legitimate channels so to bring increased revenue to our common treasury. The better the work of enforcement, the greater the revenue, and the less burdensome your own tax.

While the prime objective of capturing the liquor outlaw is revenue, there are also matters of prime interest in direct relation to the health and the safety of the citizen. For instance, - poisoned liquor. This alcohol reclaimed from denatured or wood alcohol--ordinary radiator mixtures or rat killer--by a so-called cracking process, whereby it is treated with chloroform or ether, which causes much of the poisonous ingredients to fall to the bottom of the tank. The residue is then washed with caustic soda. Even if the work is carefully done,

traces of the poison still remain, which eat into and, with repeated doses, will eventually destroy human organs. If the work is sloppily done with an eye single to greedy and quick profits, then you have major disasters like that which happened in Gloversville last year--paralysis, blindness, creeping death--victims dying in piteous agony. Now, don't tell your children that bootleg liquor is poison and will kill them, for, with youth's venturesome spirit, they will test it and when they find nothing happens will accuse you of calling "Wolf, Wolf"! Now, frankly, most bootleg liquor is not poisonous. What it lacks is mainly age --and a revenue stamp! It is overplaying the hand to say that bootleg liquor is harmful just because it is bootleg. Broad unfounded claims like that cause heavy discount of statements that really should be heeded. And when the wolf finally comes, then there is terrible sorrow. Rather tell your children that some bootleg liquor is being made from poisoned alcohol, that it bears no skull and crossbones or other warning label, that it is dressed up to look like the genuine, that if some day they unwittingly drink this stuff, there is no doctor, there is no hospital, there is nothing known to medical science which can save a victim from blinding, agonizing, convulsive death.

I mentioned the police. Our relations are beoming increasingly closer and better. In many municipalities the Chiefs of Police and their men are doing splendid work. The great mistake of Prohibition enforcement was to cold-shoulder the police, assume they were universally crooked, and whole hog the show to the Prohibition Agents who, all too often, wore no halos themselves except what they bought for self-crowning at the 5 and 10. The result was that the police did little or nothing because they knew they were not expected to do it--they knew they were not wanted. No wonder the attitude grew--police and citizens alike: "It's not my business. It's money spent out. It doesn't affect me. Let the Prohibition Agents do it." No wonder the federal governmental machinery fell into disrepute, and disrespect for law generally was created. But that is all changed now. The industry is now legitimate. It yields a heavy tax. It's money coming in. It is your money. It is your business. It is the primary responsibility of the police. But you cannot expect the police to round up gangsters and racketeers if person or political influences are to release them, kill the tickets, glorify the malefactor, and make a monkey out of the police officer. A good cop doesn't have to be "let down" more than once before his vision is dimmed, his ears waxed and his morale broken. Mr. Hoover said: "The honest officer finds himself embroiled in the efforts of numerous individuals whose main desire is not to see that justice is done; not to protect the community against infractions of the law; not to assist officers sworn to uphold their duty, but through the efforts of some none too honorable attorneys, through the power of the vote, through the influence of.....policitians, to nullify every effort that has been put forth by the law enforcement officialsIts malignant influence creeps.....through the bars of penitentiaries, it makes its insidious way into the meetings of pardon and parole boards, and it practically places a medal of honor upon the man who can defeat the law and get away with it."

I feel strong and growing fraternity with the police. I urge that you as officials and as private citizens tell the police you look to them to do their full duty and will stick by

them whenever they do it. Will you? Their constant vigil and cooperation is essential. Once they are sure that a municipal governing board really means business and will backstop them and never let them down, they'll take the boots off the boot-legger in a jiffy. Treat them as you would your own boys, show them you mean what you say and you'll put a stiffened backbone into law enforcement.

You, friends of the radio audience, as good citizens, are just as necessary to this civic work as the police. You can be of immense help. It is you who see and hear firsthand those things which the police could never approach because their uniforms give warning, and which my men, commonly called from the department's initials the ABC men, roughly only four to a whole county, can, because of their small numbers, even hope to patrol thoroughly let alone control. It is you who see cheating saloons doing business on Election Day while the polls are open; it is you who see saloons doing business after closing hours; or on prohibited Sunday hours. It is you who see bootleg bought, sold and delivered; it is you who see young girls and young boys plied with liquor till they reel, or sold the pocket flasks which anoint wild orgies in high speed machines of their own, or, as happens, of their indulgent parents. The sale of liquor to minors in these days of high-powered engines of destruction with which the public highways are crowded is the greatest curse of liquor. It is you who stumble into disgusting scenes at bars, in backrooms, in booths, on public dance floors, and in places that have the outward appearances of decency but are sinks of debauchery. If you want to lighten your own tax burden by making others bear their full share, if you want decency, if you want law and order, if you really want to help keep liquor in its place and broken legs and broken lives out of your homes, then obey that impulse! Do your duty, take your pen in hand and tell the department what you know, what you have seen and who, where and when. Address your letter to the ABC Commissioner, 744 Broad Street, Newark.

I sympathize with your desire not to become "involved", not "to be mixed up in it", to leave the dirt to its own rot. I realize full well that you don't want to be considered a crank or a squawker or prunes and prisms. I know that all too often the informer gets his pains for his thanks. If he says he saw the holdup or the assault, or the murder, all too often his name and even his address immediately appears on the front page with full detail of what he saw and what he said. And then because of this unfair publicity, he shivers and quakes lest the underworld make reprisals on him or his loved ones for "butting in". No wonder law-abiding citizens have become apathetic or even cowardly! The cause too often is gross betrayal of confidential information by legal authorities, over-anxious to build a newspaper case of their own prowess. Information given in confidence all too often burns a hole in the official portfolio. Changing the simile, it "leaks". Anything that makes the citizen fear, blights his usefulness. Public opinion must be backed by public action. If fear is the key log which jams the channel of free interchange, it must be pried loose. The privacy of the citizen who volunteers information must be respected to the last ditch. Information given by him must always be treated in sacred confidence.

I invoke your help under solemn pledge hereby given that your name will never be disclosed to anybody, not even to the prosecuting authorities; not even to our own field-men for it is immaterial to them whence the information comes. What counts is

the truth, not the source of it. NEVER means forever plus a day. My field men are determined and courageous. They will check up the information. If found to be true, it is they who will face the fire and testify to the facts. Please give us the facts. You drop out of the picture at that point. We do the rest. Don't write anonymously. Sign your name and address. You have nothing to fear. Remember the pledge--remember the address: The ABC Commissioner, 744 Broad Street, Newark. Remember this is your department; that this business of alcoholic beverage control is your business; that it involves your taxes, your children, your homes.

6. VIOLATIONS - PREPARATIONS, SUBSTANCES OR RECIPES ADVERTISED, DESIGNED OR INTENDED FOR USE IN UNLAWFUL MANUFACTURE OF ALCOHOLIC BEVERAGES PROHIBITED - "HOME MADE" LIQUOR OUTLAWED.

Dear Sir:

We will highly appreciate your cooperation in clearing up for us the meaning of Section 64(d) of the New Jersey Control Act as recently amended and which reads in part as follows:

"Any contrivance, preparation, compound, tablet, substance or recipe advertised, designed or intended for use in the manufacture of alcoholic beverages for personal consumption or otherwise in violation of this act is hereby declared unlawful property and shall be seized, forfeited and disposed of in the same manner as other unlawful property seized under this section."

We are not clear whether this refers to flavoring agents which might be sold for use with beverage alcohol legitimately purchased in duly licensed liquor stores or whether it refers rather to contrivances, preparations, etc., which might be used to actually produce an alcoholic liquor as for example, by fermentation.

We are not directly interested in this matter, but as we deal in basic flavor ingredients in a large way we have many customers who have inquired as to the significance of this section.

Yours very truly,

FRITZSCHE BROTHERS, INC.

January 14, 1936.

Fritzsche Brothers, Inc.,
New York City.

Gentlemen:

Under the Control Act "home-made" liquor is intended to be outlawed and section 64(d) is designed to effectuate this intent. In the Commissioner's Report to the Governor and

Legislature, dated February 5, 1935, he said:

"During Prohibition the practice grew up of selling products requiring only the addition of alcohol to convert them into alcoholic beverages, for example, cordial 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."

Section 64(d) was enacted pursuant to the foregoing recommendation. It cannot be confined to contrivances which might be used in the manufacture of alcoholic beverages by fermentation, etc. The statutory prohibition applies fully to compounds, substances, etc. intended to be used in the unlawful manufacture of alcoholic beverages in conjunction with tax paid alcohol or otherwise.

In the event that you desire a ruling with respect to any specific product, I shall be pleased if you will submit it for analysis and determination.

Very truly yours,
D. FREDERICK BURNETT
Commissioner

By: Nathan L. Jacobs,
Chief Deputy Commissioner
and Counsel

7. LICENSES - BEER MANUFACTURED OUTSIDE THE STATE MAY BE BOTTLED PURSUANT TO A BREWERY LICENSE.

January 9, 1936.

Dear Sir:

A member of this Association has requested us to obtain from your office the necessary information with regard to bottling beer in your state, which has been manufactured and brewed in another state.

An examination of the alcoholic beverage laws of the State of New Jersey fails to disclose any provision with regard to the bottling of beer, brewed in another state, by a wholesaler, other than a manufacturer of brewery products or a rectifier.

Very truly yours,
UNITED STATES BEER DISTRIBUTORS ASSN., INC.
A. D. O'Connor,
Executive Secretary

By: Nathan L. Jacobs
Chief Deputy Commissioner
and Counsel

8. LICENSES - RETAIL DISTRIBUTION LICENSEES MAY NOT PERMIT SAMPLING OF ALCOHOLIC BEVERAGES BY PROSPECTIVE CUSTOMERS ON LICENSED PREMISES.

Dear Sir:

At the present time we are contemplating construction of a modern wine cellar for the sale exclusively of imported and domestic wines for off-premise sale solely.

We were wondering whether or not it would be possible for us to receive permission in certain cases where the prospective customer may be permitted the opportunity of sampling these wines before purchasing.

It is not our intention to be permissive in the privilege of sampling, but in our opinion, if this were possible, it would help us in the proper merchandising of said wines. We do not intend to cater in any way for the consumption or sale by the glass on our premises, but intend to carry on our off-premise business as conducted up to now.

Very truly yours,
WESTON & COMPANY, INC.

January 17, 1936.

Weston and Company, Incorporated,
Newark, N. J.

Gentlemen:

Plenary retail distribution licensees may not sell alcoholic beverages for consumption on the licensed premises and are confined to sales in original containers for consumption off the licensed premises. To effectuate the foregoing, the Commissioner has ruled that such licensees may not deliver samples for consumption on the premises to prospective customers (Bulletin #19, Item #9) and may not permit alcoholic beverages sold by them to be opened or consumed on the licensed premises (Bulletin #36, Item #5). To avoid an ultimate breaking down of the foregoing rulings, the Commissioner has consistently declined to make any exceptions thereto.

It is the ruling of the Commissioner that retail distribution licensees are prohibited from permitting sampling by prospective customers of wine or other alcoholic beverages on the licensed premises.

Very truly yours,
D. FREDERICK BURNETT
Commissioner

By: Nathan L. Jacobs
Chief Deputy Commissioner
and Counsel

9. MUNICIPAL ORDINANCES - LIMITATION OF LICENSES - EXCEPTION
IN FAVOR OF EXISTING LICENSES - EXCEPTION IN FAVOR OF
RENEWALS - EXCEPTION IN FAVOR OF TRANSFERS.

January 6th, 1936.

W. B. Dunn
City Recorder
Salem, New Jersey

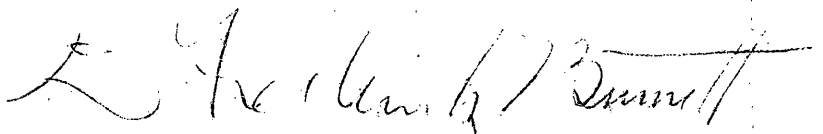
Dear Sir:

I have before me the resolution limiting the number of licenses, which was passed by your Common Council on December 20, 1935.

Section 1, so far as it limits the number of plenary retail consumption licenses, for the reasons stated in Bulletin 43, item 2, does not need the Commissioner's approval in the first instance in order to be effective. So far as it makes an exception in favor of renewals, it is approved assuming as I do that it is on the unwritten condition or presumption that the licensees are worthy and fully qualified. The exception in favor of such renewals is but fair. Re Teaneck, Bull. 79, Item 3.

Sections 3 and 4, which provide respectively that the limitation imposed upon plenary retail consumption licenses in Section 1 shall not prevent transfers according to law nor the renewals of licenses issued and outstanding at the time of the passage of the resolution or the renewals of licenses transferred in accordance with the resolution, are approved.

Very truly yours,



Commissioner

New Jersey State Library