

Time to Speak Up...

About The Three Tier System and Direct Shipping!

The media's bashing of the industry continues. A recent editorial in the Wall St. Journal dealt with restrictions on direct shipping which it called a means of protecting "a group of old boys from new competition" and blames it for the lack of choice and "raising prices [of wine] for consumers." The Journal, hailed a District Court decision that the NY State law preventing direct shipment is unconstitutional.

The editorial is remarkable in its ignorance of Federal laws and the hypocrisy of this stance since the Journal consistently champions a state's right to determine its own policies and decries Federal intervention in many other areas. The editorial is also remarkable in its ignorance of the 21st Amendment that established the three-tier system to avoid pre-Prohibition abuses by consumers.

As for choice, all the writer had to do was walk into any package store and count the variety of goods, sizes and prices that a store offers and the store's ability to provide wines from anywhere in the world in a matter of days and deliver it free of charge... with all taxes paid.

For example, in New York, wholesalers already provide a choice of over 6,000 wine brands for the consumer. What social price should the public pay to be sure they can also have shipped direct and uncontrolled, an obscure wine from Virginia?

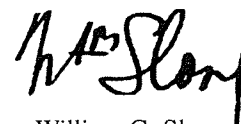
An example of a virtually uncontrolled distribution system was recently reported on by 60 Minutes – the pharmaceutical industry. According to 60 Minutes, there are as many as ten middlemen between the production and delivery of critical pharmaceuticals. It showed examples of an AIDS patient whose life depended on a drug, but the medication turned out to be counterfeit. Even if the manufacturer is honest, the loosely regulated distributors and sub-distributors involved before a drug reaches a pharmacy can cause irreparable damage.

There is a fair and delicate balance in our economic system, between free enterprise and the protection of the consumer. Perhaps the Wall Street Journal should be refocusing it's attention on the social price of "pure capitalism" which has created problems in the pharmaceutical industry, and take a lesson from the excellent balance we have achieved in our three tier system.

Are there any writers... or politicians you might like to call?



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Senior Editor



William G. Slone
Director

The message is being carried in your Beverage Network Publication.

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