

rebating, discounting, rebating, free goods. Basically I guess from this point in time on it would be envisioned that a manufacturer or a distributor could grant to a retailer discounts, rebates, free goods, et cetera. In the insurance industry, for example, rebating is not allowed and it's not allowed for the reason, I suppose, for the reason that the consumer may not be aware that one brand or another is being pushed by the retailer or the primary salesman for purposes of his own as opposed to for the purpose of promoting the best product for the consumer. In other words, it is consumer lack of information as to the motivations of the retailer, I suppose. So we have one area sitting out here where no rebating is allowed and I know there are a number of other areas where rebating is not allowed. In the merchandising of food, for example, or hardware or clothes, is rebating legal in the state?

SENATOR DECAMP: I don't know about the area of clothing. I've got to presume it must be. I can't imagine there is any laws, it's an open competitive system. If you'd like me to address the rebating here, I'd try to.

SENATOR BEUTLER: Okay.

SENATOR DECAMP: I'm making this up, but I think it's accurate. In other words, I don't know why it's in there, but I'm presuming this is why. Everybody that buys from these people, the wholesalers, is a liquor, a licensed liquor dealer. You know they hold a Class C, a class whatever license so at a minimum they are a sophisticated group. They only buy from a very narrow range of people as opposed to insurance people that hold out to the general public where you don't have somebody buying in a specific place from a specific...and licensed. Remember, everyone that buys from these people is licensed and the rebates have to be offered uniformly to anybody under this system, as I understand it.

SENATOR BEUTLER: The rebates do have to be offered uniformly?

SENATOR DECAMP: That is what I am understanding, yes.

SENATOR BEUTLER: Where is that now in the bill?

SENATOR DECAMP: That's what he told me when he was standing