

An Analysis of U.S. Direct Wine Shipment Laws

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Abstract

U.S. Prohibition was repealed in 1933 placing control of alcohol to the fifty states. This resulted in explosive growth of wholesalers creating a highly competitive environment. In contrast, small wineries increased dramatically. States allowed wine producers to ship directly to consumers within and without their states. Wholesalers demanded states enforce their laws prohibiting importation of alcohol. The U.S. Supreme Court ruled in 2005 the Twenty-first Amendment and the Commerce Clause should be read together. State laws discriminating against interstate commerce in alcohol were unconstitutional. State laws are changing. The problem is not one of protectionism towards abuses of alcohol, but rather towards intra-state commerce based on the legacy of Prohibition.

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