Has reciprocity been achieved when nations reduce tariffs by equal percentages? But what if one nation's tariff was inordinately high at the outset, while another's was not?

Can reciprocity be defined as reduction of tariff levels to the point at which they represent the same percentage of the manufactured cost for each nation? But what if one nation has much lower manufacturing costs because its workers do not receive living wage rates?

Is the cause of reciprocity served when a nation's consumer purchasing power is so depressed that even low tariff levels are sufficient to price imported products out of reach of average consumers?

What happens to reciprocity in the case of nations that merely give lip service to the concept, such as claiming to have eliminated administrative barriers, but in fact continuing to maintain such trade obstacles and even creating new ones?

Have we achieved reciprocity when a national government claims to have no control over local political units which set up their own administrative, tax, legal, and other trade barriers?

Those who work in the area of trade negotiations can cite concrete examples to illustrate all of these situations. It is evident that true reciprocity is mighty difficult to come by.

The General Agreement on Tariffs and Trade took one important but elusive aspect of trade discrimination into account when it allowed for countervailing duties to be imposed on the goods of countries which subsidize their exports. But the methods of subsidizing exports are so numerous and so complicated that there is always question as to whether such subsidies are in fact being employed. It would be wise to recognize this difficulty, as well as all of those previously listed, in drafting any new legislation governing international trade.

IMPACT OF FOREIGN DISTILLED SPIRITS SALES IN UNITED STATES

The United States has been the world's largest importer of distilled spirits. This status continues to grow by leaps and bounds. The amount of liquor coming into this country grew from seven million gallons in 1935 to 17 million in 1945, to 24 million in 1955, to 58 million in 1965, and now to 70 million in 1967.

The distilling industry directly employs some 34,000 men and women in the production, storage, bottling, and sale of its products. But its impact on other industries and businesses is far greater than would be indicated by the number of its direct employees. For example, the industry purchases more than $100 million worth of barrels from the cooperage industry. It purchases close to two-billion bottles of some ten different sizes from the glass industry. It buys millions of dollars worth of grain from the nation's farmers, and it buys over one-hundred million cardboard cartons in which to ship its merchandise. It spends well over $150,000,000 in advertising and promotion expenditures. Thus, the industry has a direct impact on employment in many fields which provide it with materials and services.

There are nearly three-thousand six-hundred wholesale establishments whose chief business is the distribution of distilled spirits and wine, and there are over 225,000 retail liquor stores, taverns, restaurants, and clubs whose primary source of income is the retail sale of distilled spirits. These businesses at wholesale and retail employ over a million persons.

MARKET SHARE HELD BY U.S LIQUORS DECLINED SHARPLY

Obviously, this distilled spirits industry is quite substantial, but it would have been even more substantial had United States-produced liquors retained the share of the market they enjoyed even as recently as 1955. In that year, spirits distilled in the United States accounted for 88.5% of the United States market for all distilled spirits, both imported and domestic. In 1967, the share of the total market held by United States-produced spirits had fallen to 79.3%. In 1955, United States-produced *whiskies* accounted for 86.7% of all whiskey sales in the United States market, both imported and domestic. In 1967, the share of the whiskey total held by United States-produced whiskies had fallen to 71.8%. If United States distilled spirits had maintained in 1967 their 1955 "share of market," benefits to the federal and state governments in the form of corporate and personal income taxes derived from the distilled spirits industry and supplier industries would have been very substantial. It is esti-