

mated that direct employment by the United States distilled spirits industry might have increased by approximately fifty percent. Employment by the glass industry, employment by the makers of bottle caps, labels and cartons would also have been higher.

UNFAVORABLE TRADE BALANCE

Nothing dramatizes the problem faced by both the distilled spirits industry and, by extension, the United States economy quite as forcefully as the import-export balance figures in the alcoholic beverage trade. That deficit balance is now *in excess of one-half billion dollars*. The precise deficit figure published by the United States Department of Commerce for 1967 was \$509,730,004. The portion of this huge deficit resulting from the imbalance of distilled spirits sales alone (excluding all other alcoholic beverages such as wine and beer) was \$402,410,873. The table which follows brings these unfortunate figures and the trend they represent into sharp focus.

UNFAVORABLE BALANCE OF ALCOHOLIC BEVERAGE TRADE—GOLD RESERVES VS. WINES AND SPIRITS IMPORT/EXPORT BALANCE

[Dollar amounts in thousands]

	U.S. gold reserves ¹	Dollar value of imports	Dollar value of exports	Balance of al- coholic bever- age trade
1938.....	14,512,000	\$57,708	\$192	—\$57,516
1939.....	17,518,000	59,076	691	—58,385
1940.....	21,995,000	53,809	476	—53,333
1941-44 (World War II).....				
1945.....	20,083,000	67,923	4,814	—63,109
1946.....	20,529,000	95,150	8,093	—87,057
1947.....	22,712,000	67,305	8,259	—59,046
1948.....	24,244,000	86,434	2,907	—83,527
1949.....	24,427,000	89,594	6,747	—82,847
1950.....	22,897,000	116,485	5,699	—110,786
1951.....	22,483,000	125,405	5,577	—119,828
1952.....	23,276,000	127,552	8,690	—118,862
1953.....	22,028,000	152,422	9,133	—143,289
1954.....	21,711,000	155,995	9,469	—146,526
1955.....	21,689,000	171,462	4,643	—166,819
1956.....	21,942,000	197,804	4,408	—193,396
1957.....	22,769,000	213,172	6,094	—207,078
1958.....	20,563,000	227,398	5,409	—221,989
1959.....	19,482,000	256,734	4,714	—252,020
1960.....	17,954,000	280,586	4,651	—275,935
1961.....	16,929,000	293,000	5,902	—288,098
1962.....	15,978,000	318,000	5,716	—312,284
1963.....	15,562,000	337,000	18,000	—329,000
1964.....	15,388,000	382,000	8,776	—373,224
1965.....	13,799,000	422,000	9,375	—412,624
1966.....	13,159,000	467,000	9,488	—457,512
1967.....	11,982,000	520,907	11,177	—509,730

¹ Estimated (close to actual).

Source: Federal Reserve Bank and Department of Commerce.

IMPORTS VERSUS EXPORTS: EXPORT PROBLEMS

United States spirits exports have certainly increased in recent years, and the nature of the increase has been such as to encourage the belief that they may one day offer a worthwhile potential for sales and profits which will have real meaning to our country's balance of payments problem, United States workers, distilling industry shareholders, and our state and federal treasuries. But despite the fact that United States distillers have welcomed competitive foreign goods to American shores, they have failed to obtain equal opportunity in foreign markets. Instead, they are repeatedly assured that no foreign discriminations exist, when in fact they do exist, or that existing discriminations will be eliminated, when in fact no efforts are made to eliminate them.

Consider this: though the United States officially recognizes Scotch whiskey, Canadian whiskey, Cognac brandy, and Irish whiskey as distinctive products of their respective nations and bans the importation into this country of any product claiming to be similar but made elsewhere than in those nations, none of those countries extend equivalent recognition to Bourbon whiskey.