lands requires many years. Approximately 24 California brands now export wine or brandy in amounts which by any standard are minimal.

Only two or three of the larger entities have established export departments and are making a serious, well-financed effort to place their products in foreign markets. Placements in these foreign markets are being severely hindered by high tariffs or numerous non-tariff barriers, such as licensing controls, monetary controls, quota systems which do not provide automatically a quota for American wines, special labeling requirements, special levies, special taxes, and other restrictions.

A serious non-tariff barrier exists in the form of bilateral or multi-lateral agreements between a small group of countries, including the principal wine producing countries of Western Europe. The agreements provide for the international registration of wine appellations by place of origin in producing counties and that wine entering commerce in signatory countries will be labeled in accordance with the international registered appellations of origin. In granting registry of appellation, the wine is identified with respect to geography of origin and certain qualities or characteristics. The net result of the agreement is to provide for exclusive labels to signatory countries in the marketing of designated wines.

Under these agreements the name "Port" is reserved to wines produced in Portugal; the "Chianti" for wines produced in the province of Toscana, Italy; the names "Sauterne" and "Champagne" to wines produced in the Bordeaux and Champagne districts of France, respectively; and the name "Sherry" to wines produced in Spain.

The California wine industry continues to maintain that the laws of the United States relating to the labeling of American-produced wines provide ample protection to the foreign consuming public and to the foreign producer. A label bearing the designation "California", "New York", or "American" is easily understood and cannot possibly be construed as being the product of a foreign producer.

Two major wine producing countries prohibit the importations of wine from the United States: Chile, by direct prohibition, and Argentina, by an import duty ad valorem surcharge of 277% in addition to the regular import duty of 50% ad volorem on the C.I.F. cost in Buenos Aires. The high import duty rate plus the surcharge effectively preclude the importation of California wine and brandy into Argentina. Other countries that are not major wine producing countries also bar United States wine and brandy from their markets. Mexico prohibits the importation of bulk wine from the United States and imposes prohibitive import duties on wine and brandy in containers of one gal. or less.

Non-tariff barriers of this kind completely deny California wine and brandy access to the markets of countries employing them. There are, to further emphasize, no United States non-tariff import restrictions on the importation of wine, brandy, or related products into the United States, except for certain standards of purity as required by the Federal Food, Drug and Cosmetic Act and minimal labeling requirements on consumer containers.

III. RESULTS OF "KENNEDY ROUND" AGREEMENT

Since the adoption of the Trade Expansion Act of 1962, the two major developments in international trade affecting the United States were the Kennedy Round of Trade Negotiations under GATT, concluded at Geneva last year, and the further development of the European Economic Community.

In the first instance, negotiations at Geneva were confined primarily to tariff matters and the subject of non-tariff barriers was barely considered. The ability of many segments of American industry and agriculture, including wine growing, to expand their foreign trade will depend in great part on whether the United States can obtain reductions in tariffs not effected or touched upon at the Kennedy Round and the modification or elimination of the many non-tariff barriers which exist in many countries around the world. Many of these non-tariff barriers violate provisions of GATT. Other non-tariff barriers, while not illegal, clearly hamper and hinder trade.

In the second instance, it must be recognized that the development of the European Economic Community, with its many benefits accruing to this country, has seen established a policy which utilizes a system of non-tariff barriers to completely control the importation of goods into the Community. This policy is extremely nationalistic and provides a degree of protectionism not indulged