developed to any degree of maturity. National repeal had just ended in December 1933, but many states and counties remained dry. A public brought up during Prohibition on beer and bootleg spirits had not yet acquired a taste for wine. Furthermore, the domestic industry was virtually cut off during the Prohibition years which meant it takes a minimum of four years for new vineyards to come into harvest. Thereafter, it takes approximately two years before proper wines can be produced for the national market. Obviously, the selection of 1937 is a completely illogical choice for statistical purposes.

The California wine industry believes a comparison between domestic and imported shares of the U.S. market for wine, between the years 1951 and 1966 is more meaningful. By 1951, both the American and European wine industry had sufficient mature wines to service the U.S. market. Therefore, both categories were on a free competitive basis in the sale of its products in the United States.

Analysis of the statistics which are made a part of this memo and set out below would reveal that during the period 1951 through 1955 there was less than a 1% deviation up or down from the 95% share of the United States market enjoyed by American wines. These statistics clearly show that the domestic industry today does not enjoy "a far more substantial share of the country's wine . . . market than may reasonably be claimed by or for it as its 'historical' share" as concluded by NAABI on page 17 of their Statement.

COMPARISON BETWEEN DOMESTIC AND IMPORTED SHARES OF U.S. MARKET FOR WINES BETWEEN YEARS 1951–66

Year	Quantity in gallons		Percent of total	
	United States	Imported	United States	Imported
1951	121,292,000	5,222,000	95.9	4.1
1952	132,248,000	5,372,000	96.1	3.9
1953	134,640,000	6,156,000	95.6	4.4
1954	135,754,000	6,402,000	95.5	4.5
1955	138,028,000	7,158,000	95.1	4.9
1956	142,220,000	7,819,000	94.8	5.2
1957	143,381,000	8,500,000	94.4	5.6
1958	145,585,000	9,048,000	94.1	5.9
1959	146,319,000	9,904,000	93.7	6.3
1960	152,616,000	10,736,000	93.4	6.6
1961	159,479,000	12,153,000	92.9	7.1
1962	154,041,000	14,041,000	91.6	8.4
1963	161,549,000	14,368,000	91.8	8.2
1964	170,069,000	15,556,000	91.6	8.4
1965	173,391,000	16,286,000	91.4	8.6
1966 [1]	173,168,000	17,979,000	90.6	9.4

[1] Preliminary.

Sources: Internal Revenue Service, U.S. Treasury Department and Bureau of the Census, U.S. Department of Commerce.

Wine Institute has also been taken to task for objecting to the European registration of wine appellations by place of origin which is used to justify, along with other non-tariff barriers, the almost total exclusion of American wines from the European market. We, who are denied access to these European markets, are accused of "presumption and arrogance" by the very people who deny us such access but who in turn have unhindered accessibility to our American market. We are so accused because we would like to see this system eliminated to the extent that our wines properly identified and labeled as "American", "California", or "New York" may be sold in such wine producing countries of the EEC, and Spain and Portugal.

We do not believe it is necessary to repeat the arguments previously made. However, the Committee should be made aware of the fact that there is presently being merchandised not only in Europe but also in the United States, Swiss cheese that is not produced in Switzerland but is produced in other countries in Europe. The same arguments with respect to laches, etc., that have been pointed out in the NAABI Statement would certainly be applicable in the case of the wines that have been developed and merchandised in the United States over many years.

NAABI, in opposing our suggestion that national policy dictates some type of control over the bottom 20% of the importation from each country into the