States. We also believe that if the unbridled spirt of protectionism which has been advocated with vehement emotion and relentless reiteration by representatives of some sectors of the American economy should be permitted to move the Congress to repudiate the progress and to repeal the success of recent decades of this country's international trade, it will be a sad day in the history of this, the world's leading trading, nation.

In our support of H.R. 17751, we cite by reference and with approval the arguments and supporting data supplied to the Congress by President Johnson in his message dated May 28, 1968 and in its accompanying "section-by-section analysis", as well as well as in the oral testimony of Members of the Cabinet and of Ambassador Roth.

We also respectfully call your attention to language included in a message to the Congress by another President, John F. Kennedy, who said: "There are many more American jobs dependent upon exports than could possibly be adversely affected by increased imports. . . . The philosophy of the free market—the wider economic choice for men and nations—is as old as freedom itself."

Equally pertinent and forceful is the admonition by President Eisenhower that "For us to cower behind new trade walls of our own building would be to abandon a great destiny to those less blind to the events and tides surging in the affairs of men. . . . As we have learned to our mutual regret, everyone can play the costly game of trade restrictions."

3. REMOVAL OF FOREIGN BARRIERS TO U.S. EXPORTS ADVOCATED

We have read the statements filed with your honorable Committee by the Bourbon Institute (dated June 27, 1968), by the Wine Institute (dated June 28, 1968), and by the Distilled Spiritis Institute (dated July 8, 1968).

We agree with the allegations set forth in all three of those statements that unjustifiable, artificial barriers to the exportaion of American wines and spirits to some foreign countries do exist and we take the liberty of joining those three industry associations in urging the Federal Government to take appropriate action to bring about their removal. Our action in identifying ourselves with the meritorious efforts of American producers of alcoholic beverages to accomplish the removal of those artificial barriers to trade is taken in accordance with the firmly established, traditional policy of NAABI to oppose all such barriers to both *international* and *interstate* trade.

I shall not impose upon your time to record the instances of our direct intervention in support of previous efforts of our industry association colleagues to get justice abroad. They have been neither few nor insignificant and since "actions speak louder than words" they testify with some force to the degree of our commitment to the battle against artificial trade barriers both at home and abroad.

4. COMMENTS ON SOME STATEMENTS BY BOURBON INSTITUTE

Adverting once again to the statements of the Bourbon Institute, our interest in the accuracy and clarity of the record of your hearing constrains us to identify and comment on some statements therein recorded which, if taken at face value and by themselves, might well lead you into misunderstanding or error.

(a) Imported whiskies do not undersell domestic whiskies

We note, first of all, a complaint that the prices of Scotch whiskies have not been reduced pursuant to duty reductions. This must have an unfamiliar ring to your ears after all you have heard from domestic industries complaining bitterly about being undersold by low-priced foreign imports. There is, to be sure nothing cut-throat about the competition offered by imported whiskies. The problem of passing on the duty reductions is twofold; they have been too small and have been contemporaneous with increasing costs of doing business.

To illustrate: the recent duty reduction of 11¢ per gallon on Scotch Whisky is so small a percentage of the purchase price of a fifth as to be virtually lost. Assuming the retail price of Scotch at $5.00 per fifth, the duty reduction amounted to 2.2¢, or 0.004.

Additionally, the periodic increases in the selling prices of Scotch and Canadian Whiskies are attributable directly to increased costs of shipping and handling, as well as inflationary pressures against the cost of the product, pressures which have caused *similar* price increases in domestic alcoholic beverages.

(b) Imports are integral part of over-all U.S. industry

In its discussion of the "Impact of Foreign Distilled Spirits Sales in U.S." the Bourbon Institute magnifies its employment of labor by identifying itself with