the over-all industry including the "nearly three-thousand six-hundred wholesale establishments whose chief business is the distribution of distilled spirits and wine, and . . . (the) over 225,000 retail liquor stores, taverns, restaurants, and clubs whose primary source of income is the retail sale of distilled spirits . . . (which) business at wholesale and retail employ over a million persons." (pp. 3–4)

These are impressive statistics and, as will be noted, they depend predominantly upon the involvement of the wholesaling and retailing segments of the alcoholic beverage industry to show the distilling industry's massive employment of the labor force.

Importers of spirits, wines and beers are an integral part of the over-all industry; the same wholesalers and retailers by and large handle both imported and domestic products; the same use of of transportation facilities, salesmen, advertising media and promotional material is made by both; and American distiller, bottlers and rectifiers themselves make substantial use of their own facilities, manpower and supplies to reduce in proof and bottle the more than 16.7 million proof gallons of distilled spirits imported in bulk and bottle in this country during 1967.

The failure of the Bourbon Institute to submit these data in connection with its comments regarding the importance of domestic spirits to the economy of this country left important aspects of that story untold. From the standpoint of labor employment, it matters naught whether employees of wholesalers and retailers are called upon to handle Bourbon, Scotch, Canadian or Irish whisky; the same number of jobs for employees of wholesalers and retailers will exist whether domestic distilled spirits represents 89% of the whiskey market, 79%, or any percentage one might suggest.

(c) *Domestic spirits out-gaining imports in terms of volume increases*

In the statement of the Bourbon Institute the decline of American spirits' share of the U.S. market is discussed on pages 4–5. The facts cited establish the fact of the decline expressed in percentage. As will be seen by the table attached hereto and made a part hereof (marked Exhibit A) the absolute gain in volume registered by imported spirits during the period, 1962–1967, was only about 9/17 of the gain recorded by domestic spirits.

(d) *Consumer preference for light whiskies growing*

It is likewise interesting to note from Exhibit A that the only type of domestic distilled spirits which failed to show an increase during that period was bonded whiskey, a fact that testifies to the changing taste preferences of American consumers.

This points up the fact that the degree of consumer choice of any product depends upon many variables, only one of which—albeit an important one—is the tax and duty imposed, in the final analysis, on the product's consumer. Changing community tastes, mores, social attitudes and economic status, as well as the expanding influence and participation of women in the selection of alcoholic beverages play an important role. It is no secret that a product's identification with that which is sophisticated, prestigious or "proper" in circles that for one reason or another set standards that are accepted, adopted and followed on a widespread basis from coast to coast is an invaluable asset, especially in a healthy economy.

All these facts should be considered in evaluating the decline of domestic distilled spirits' share of the market as presented to you by the Bourbon Institute.

(e) *U.S. Government's authorization of light American whiskey will promote expansion of domestic whiskey sales*

You should also consider in this same frame of reference, I venture to suggest, the attachment of some U.S. distillers to the production of heavy-body whiskies in the face of the unquestionable preference of a multitude of consumers for light whiskey. You are aware, I am sure, that one leading U.S. distiller after another pleaded with the Alcohol and Tobacco Tax Division, Internal Revenue Service, to authorize the production of a light-body American whiskey in order to permit American distillers to produce a whiskey that would satisfy the taste preferences of an ever-growing number of American consumers. These pleas were granted when the Commissioner of Internal Revenue on January 25, 1968 issued an order authorizing a new type of whiskey to be known as "light whiskey" (T.D. 6945). This decision undoubtedly will provide the domestic distilling industry with a better basis upon which to mount its efforts to recapture