

some of the considerable number of consumers who rejected the heavy body domestic whiskies because of their preference for light whiskies, including Scotch and Canadian.

These facts should have been submitted to you by the Bourbon Institute in its discussion of the "share of the market." Its silence may have resulted from its failure to support the efforts of the several American distillers who importuned the Alcohol and Tobacco Tax Division to grant the relief which was later embodied in T.D. 6945.

(f) *Recognition of bourbon whiskey as distinctive U.S. product under active consideration by the Council of Europe*

Under the caption "Imports versus Exports: Export Problem", the Bourbon Institute discusses efforts of its producers to have Bourbon Whiskey recognized in foreign countries as a distinctive product of the United States. It should be mentioned here that this proposal is right now under active consideration by the Council of Europe where its claims have been forcefully asserted by the U.S. Observer Delegation headed by the Chief of Basic Permit Branch of the Alcohol and Tobacco Tax Division, Mr. Robert O. Jolin, and by the President of the Distilled Spirits Institute, Mr. Robert W. Coyne. In passing, I might mention that in my official capacity I have been privileged to enlist support for recognition of Bourbon by the Council of Europe from my counterparts in several member countries of the Council of Europe.

(g) *U.S. employing harsh barrier against cognac imports*

In the third paragraph on page 8 of the Bourbon Institute's statement, this language appears: "We prohibit American producers from making Cognac here, so there is no direct domestic competition. Yet France not only refuses to recognize the distinctiveness of Bourbon Whiskey, but it actively discriminates against the sale of Bourbon in France by prohibiting its advertising in any form."

The facts are these: there is no direct competition in this country with Cognac by any product so named but since Cognac is a brandy there is very robust competition from other brandies as you will observe by referring again to Exhibit A and checking the statistics under the heading "Brandy". Furthermore, there is an exceptionally oppressive barrier against Cognac imports in the form of a punitive duty which I shall discuss later.

(h) *French ban on advertising grain spirits affects all such beverages including French products*

The reference to the French prohibition of advertising Bourbon involves a provision of French law that forbids the advertising of any distilled spirit made from grain *regardless of the country of origin*. It was written into French law during a "dry" administration which was avowedly committed to a program to discourage consumption of alcoholic beverages in France and to promote consumption of milk. Its primary and principal victims were the widely popular spirits *produced in France* and known as Pernod and Ricard.

At the time enactment of that law, Bourbon was little known in France and it was a factor of no significance in the French market. By no stretch of the imagination may it be claimed that this provision of French law was aimed at Bourbon. Its restrictions rest just as heavily upon Scotch, Canadian and Irish whiskies, as well as upon gin, vodka, and all other grain spirits which are produced anywhere, *including France*. It may be pertinent to observe that despite this prohibition, sales of Scotch whisky in France have increased dramatically in recent years. There may be a lesson in this for all of us—instead of spending their time importuning Parliament to set up restrictions on trade with France, the producers of Scotch have sent their sales personnel into France with instructions to go there and sell. Seemingly, this is a good recipe for success.

Like laws in every country which draw their inspiration from champions of the "dry" cause, this prohibition is unreasonable and ridiculous. As a matter of fact, some of the putative beneficiaries of the law, the Cognac producers of France, have always stood in opposition to it on the ground that it serves no proper public purpose. It should be an inviting and vulnerable target for United States negotiators in international trade conferences with their French counterparts.

It would be well to keep in mind, however, that no country in the world has on its legal tablets the plethora of senseless discriminatory and unfair laws which were adopted under the inspiration, direction and dictation of the "dry" forces of this country during their halcyon days of power and influence. Since we