arrogance? And is there not warrant for the finding that it is ill-considered and wanting in merit or justification?

Although European names of origin may legally be used on labels on domestic products in this country if such qualifying words as "American," "California," etc. are added, this hardly justifies the attempt to give extra-territorial effect to this American permissiveness, particularly since such usage contravenes provisions of international treaties and the laws of other countries, provisions, incidentally, which were conceived and adopted without any purpose of discriminating against the wines of the United States.

The failure of the wine producers of Europe to take official steps to nip in the bud the usurpation by American producers of the former's geographical wine names has probably cost them the chance of getting injunctive relief in this country. But, call it what you will, sleeping on their rights, laches, waiver, acquiescence, indifference or stale demands, the forfeiture or loss of the right to such relief in the United States is wholly without force in imputing any corresponding forfeiture in other countries as a matter of law, equity or fundamental justice.

Accordingly, we suggest that you reject the suggestions of the Wine Institute (No. 1–c on page 11) that acceptance of labels on American wines be demanded of foreign governments by the Government of the United States.

(*e*) *Proposal to control "bottom 20% of low quality" imports is impractical*

The Wine Institute's contention (p. 14) that "the low quality segment of imports presently on the American market damages to a degree the sales of American wine *and* the sales of the better foreign wines" is probably true, whether or not demonstrable. The description, "low quality" as thus used would seem to be equated with "low priced" but we are at a loss to understand how this equation can be proved and who is to be the judge of quality.

If Congress were to authorize "some type of control over this bottom 20% of each country's exports to the United States" I should suppose that the generality—if, indeed, not all—of the members of this Association would be benefited. Nevertheless, we cannot ask the Congress to take any such steps because this would be inconsistent with our conviction that consumers who wish to buy low quality—low priced wines should be privileged to do so, and because we oppose as a matter of principle and not on the basis of expediency any further governmental interference with open channels of trade or with the status of this industry as a free enterprise.

Then again, what explanation could be given consumers of the denial to them of the opportunity to buy wines in the "bottom 20%" of the low quality-low priced imported wines at the same time that no such restrictions are imposed upon the market availability of the "bottom 20%"—or any per cent—of the low quality-low priced California wines?

This Association stands for free and open trade for imports and free and open trade for exports. We oppose any quota system on either side of any ocean, as it tends to restrict artificially the consumer choice, as well as the obvious free flow of commerce.

8. WINE INSTITUTE MEMBERS ENJOY GOOD ECONOMIC HEALTH

We were delighted to read in the Texas Beverage News of July 1, 1968, an article datelined at San Francisco and captioned "California Wine Sales at Peak", which quoted the Wine Institute as reporting that "a record total of 41,436,614 gallons of California wine entered the U.S. consumer market in the first quarter of 1968." The article went on to say that this was the "largest shipment of California wines in history and an 11.4% gain over last year's first-quarter total;" also, that "dessert, table and sparkling wines all shared in the gain."

As is true of domestic whiskies, domestic wines are making great progress in the American market a note of optimism on which we conclude our commentaries on wines and spirits.

9. MALT BEVERAGE IMPORTS ARE MINIMAL

The impact on the U.S. market by imported malt beverages is minimal in terms of both volume and percent. It is hardly necessary, therefore, to offer any detailed commentaries here. Suffice it to say that the total imports of malt