

Admiral William J. Marshall, President of The Bourbon Institute, commenting on the great year for Bourbon, said, "Although the new sales records set in 1967 are extremely gratifying, the new production figures are a tangible reflection of the optimistic outlook for the future held by the members of this industry. Ever since Bourbon moved into first place in popularity a few years ago, it has been increasing its sales at a steady pace. It is interesting to point out here that the broad appeal of Bourbon, which has been responsible for its overall growth, is also apparent in examining sales in the various price ranges. No one price classification is responsible for the general sales picture. Although the higher priced premium brands lead the field in total gains, the more economically priced brands have also risen to new heights in sales.

"At a time when advertising and promotion of all spirits have increased, America's traditional spirit, Bourbon, has not only held its leadership but has risen more than three and a half million gallons. It is particularly encouraging to note that in the traditional spirit blend states of the Northeast, Bourbon has continued to gain."

Admiral Marshall predicted that 1968 would also be a favorable year for Bourbon sales. Trade inventories are generally high and all signs point to increased Bourbon advertising budgets for the year ahead.

STATEMENT OF ALLAN A. RUBIN, VICE PRESIDENT AND COUNSEL AND JOHN T. LATELLA, ASSOCIATE COUNSEL OF THE UNITED STATES BREWERS ASSOCIATION

The United States Brewers Association, 535 Fifth Avenue, New York City, is the oldest incorporated trade association in the United States. Its members produce in excess of 85% of all malt beverages manufactured in the United States and almost 100% of the malt beverages exported from the United States.

I. INTRODUCTION

The importance of the brewing industry to the welfare of the United States is evidenced most simply and directly by reference to the fact that it currently pays in excise taxes alone almost one billion dollars (\$1,000,000,000) annually to the United States Government. Moreover, it pays a total of over four hundred million dollars (\$400,000,000) annually to the various state governments in malt beverage excise taxes. Nor do these figures include the additional vast sums paid to the Federal and State Governments in income taxes, in real estate and personal property taxes, and in other comparable impositions, such as license fees, etc.

And the foregoing statistics—limited as they are to the payment of taxes to the Federal and State Governments—do not reveal the even more substantial impact of the United States brewing industry on the *economy* of the United States, as indicated by the industry's purchases of domestic farm produce (barley, hops, rice, corn, etc.); of containers and packaging materials (cans, bottles, barrels, cases, paper, labels, closures, etc.); of machinery trucks, automobiles, and transportation facilities; of fuel, heat, light, power, and water; and as disclosed by its tremendous expenditures for payroll and for advertising and promotion. A rough assessment of the significance of the brewing industry to our domestic economy is revealed in the following itemization of economic data relating to the operations of the domestic brewing industry of the United States:

A. *Employment*

The United States brewing industry employs a total of over 60,000 persons paying wages and salaries, exclusive of fringe benefits, totaling approximately five hundred and twenty million dollars (\$520,000,000) annually. Additionally—including its impact on its supplies and distribution system—the industry annually provides an income of two and one half billion dollars (\$2,500,000,000) for more than one million persons.