

In an earlier portion of this Brief, there is set forth a comparative listing of GATT concessions on malt beverage imports by the United States, on the one hand, and concessions—or the denial thereof—by certain other GATT countries. In order to furnish a better perspective of the chasm that separates our domestic tariff structure on imported malt beverages from those of a representative number of other countries in the area of malt beverages, there are attached two tabulations, Exhibits J and K, which reflect the wide disparities between American duties on beer imports and those imposed, respectively, by countries using the American system of duties based upon capacity and by countries whose duties are computed upon other bases, such as *ad valorem*, weight, compound weight-and-value, and the like. The well-nigh insurmountable tariff barriers impeding American exports to the listed countries and regional areas require no further elaboration in this statement.

IV. NONTARIFF BARRIERS TO AMERICAN MALT BEVERAGE EXPORT TRADE

The nature and scope of the myriad types of nontariff barriers limiting, if not completely precluding, American exports of malt beverages have already been alluded to in Section I of this Brief. These restrictions are well known to the responsible agencies and officials of our Government and require no lengthy recitation in this statement.

In the area of discriminatory ocean freight rates, our Federal Maritime Commission has accumulated a vast storehouse of data demonstrating the “under-dog” position of the American economy in the outbound-inbound rate structures of the several steamship conferences. While it is acknowledged that differences in local labor rates and other port handling costs will necessarily result in variances between outbound and inbound freight costs, those differences fall far short of justifying the ridiculous disparity as between inbound rates, on the one hand, and outbound rates, on the other. The Federal Maritime Commission has been able to establish by documented, incontrovertible evidence, for example, that outbound rates for American beer consigned to various foreign countries are substantially higher—sometimes in the ratio of two-to-one than inbound rates for beer imported from those same countries to the United States.

Evidence establishing these disparities in the country-to-country, or “reciprocal”, trade has been developed with no great difficulty. Similar evidence has, for the most part, been unavailable with respect to the “third country” or “foreign-to-foreign” trade. Nevertheless, all available indicators point to a similar discrimination against outbound movements of American malt beverages.

In lieu of an extended recital of the ocean freight problem in this Brief, the Trade Information Committee is respectfully referred to such available reference sources as the August 16, 1967 Report of the Investigative Officer, Federal Maritime Commission, in Fact Finding Investigation No. 6, entitled “The Effects of Steamship Conference Organization, Procedure, Rules, Regulations and Practices Upon the Foreign Commerce of the United States.” All that need be noted here is the fact that discriminatory ocean freight rates superimposed upon discriminatory import tariff rates have unquestionably been largely responsible for the substantial, and progressively worsening, decline of the American malt beverage industry in the export-import trade.

But discriminatory ocean freight rates are far from the only nontariff impediments contributing to the adverse posture of American malt beverage exports when measured against American imports of foreign-origin malt beverage products—or, in fact, when measured against any other objective standard. Many of the other forms of nontariff barriers to American beer exports have been cited in prior portions of this Brief. It is nevertheless appropriate to mention once again some of the more noteworthy—“notorious” perhaps be the more apt term—restrictions in various areas against American beer exports.

A prime example of such discriminatory nontariff barriers is found in our neighbor to the north, Canada, whose Federal law grants to each of the Canadian Provinces an absolute, unqualified monopoly in the production, importation, distribution, and sale of malt beverages, pretty much as the 21st Amendment to our American Constitution has done for the several States in this country. Any similarity between Canada and the United States ends at this point, however, since the several Provinces of Canada have for the most part effectively excluded American beer from their markets either through the vehicle of prohibitive