

EXTENSION OF BONDING PERIOD FOR CERTAIN DISTILLED SPIRITS

JULY 28 (legislative day, JULY 2), 1954.—Ordered to be printed

Mr. MALONE, from the Committee on Finance, submitted the following

REPORT

[To accompany H. R. 5407]

The Committee on Finance, to whom was referred the bill (H. R. 5407) to amend section 2879 (b) of the Internal Revenue Code, having considered the same, report favorably thereon with amendments and recommend that the bill do pass.

GENERAL STATEMENT

Section 2879 (b) of the Internal Revenue Code now provides for a maximum 8-year period during which distilled spirits may be retained in internal revenue bonded warehouses before payment of tax. The purpose of H. R. 5407 is to make it possible to retain certain distilled spirits in such warehouses for a total period not exceeding 12 years before payment of tax.

Because very little whisky is sold before it has been aged for at least 4 years, distillers must anticipate their whisky requirements from 4 to 8 years in advance of sales. In earlier times the distilled spirits industry had been able to plan its production to meet marketing conditions; however, in recent years repeated national emergencies and threats of emergencies, with stated or implied warnings that distilling for beverage purposes might have to be shut down again, as it was during World War II, have dictated high rates of production and large inventories. When these new shutdowns did not materialize, these inventories became excess to requirements of the industry. As a result, some distillers both large and small, find themselves presently or imminently confronted with large stocks of whiskies which, under the law, must be brought out of bond but for which there is no market. The result would be prepayments of excise tax larger than industry can be expected to finance.

From the tax revenue standpoint, past experience indicates that the consuming public's requirements will not be altered significantly

by enactment of or failure to enact this act. The quantities required by the market are dictated by other factors. Enactment of this legislation, however, would permit distillers to bring the older whiskies out in an orderly fashion rather than in large consignments as the several stocks reach 8 years of age.

Distillers confronted with the bonded period limitation on stocks approaching 8 years of age, for which there is no market, would be faced with three undesirable and destructive alternatives if this act does not become law. These are:

1. Dump their products at "force-out" prices which spell ruin for them, and which reduce or eliminate revenue upon which corporate income tax would otherwise be paid.
2. Redistill at an almost total loss of the value of the 8-year-old whiskies so redistilled, again with obvious adverse effect both on the company and on the tax-revenue situation.
3. Avoid tax payments by sending their bonded whiskies into export channels of dubious value in which the excise revenue is forever lost to the United States.

Use of any of these procedures would materially affect the stability of the distilled spirits industry, with resulting repercussions upon other industries.

If, however, the bonding period were merely extended without additional safeguards, those companies having large stocks of whiskies reaching the age of 8 years in the near future would be in a position to market products of advanced age whereas the other companies would not. Testimony before your committee developed that the public considered the age of a whisky as highly important in determining the quality of the product, and that most consumers who have a choice between two products of the same price will tend to favor the one which is represented as being the older. Your committee believes, moreover, that the sales advantage which would result (without the restrictions contained in the bill) might seriously disrupt the orderly distribution of distilled spirits in this country and the established system of liquor taxation and control. It is for these reasons that H. R. 5407 provides that the person taking advantage of the extension privilege (whether the proprietor of a warehouse or the owner, distiller, rectifier, blender, bottler, or wholesaler) consents to restrictions on the advertising and labeling of the product which preclude any representation that its age or period of storage exceeds 8 years.

Your committee has materially strengthened the labeling and advertising restrictions of the House-passed bill by providing as a penalty for violation, the payment of tax and withdrawal of such distilled spirits within 30 days.

DEPARTMENTAL REPORTS

The Secretary of the Treasury advised the chairman of the Committee on Finance on February 23, 1954, that there would not be any significant revenue loss involved and that the bill as amended appeared reasonable to relieve a distressed situation in the industry.

The Department of Commerce favors the enactment of this legislation.

TECHNICAL ANALYSIS

The first section of H. R. 5407 amends subsection (b) of section 2879 of the Internal Revenue Code (relating to the time for payment of tax on distilled spirits deposited in internal revenue bonded warehouses) by adding at the end of such subsection (b) new paragraphs (2), (3), (4), and (5). The existing subsection (b) (which becomes par. (1) under the amendment made by sec. 2 (a) of the bill) provides that the tax on distilled spirits entered for deposit in internal revenue bonded warehouses shall be due and payable before and at the time the same are withdrawn and within 8 years from the date of the original entry for deposit therein.

Paragraph (2).—The new paragraph (2) grants a 4-year extension of the maximum period during which distilled spirits may be retained in internal revenue bonded warehouse, thereby providing a maximum period of 12 years from the date of original entry instead of the present 8 years.

The bill would not affect other applicable provisions of existing law. For example, there would be no change in the application of those provisions under which distilled spirits are required in certain cases to be withdrawn before the end of the maximum period (whether by reason of noncompliance with Federal laws or regulations or otherwise).

Under the bill the extension is granted only with respect to distilled spirits which are in internal revenue bonded warehouses at the beginning of the day on which the bill is enacted or which are, at such time, in transit under bond to or between such warehouses. The bill would not apply to those distilled spirits which were 8 years of age or older on July 26, 1936, and which are remaining in internal revenue bonded warehouse pursuant to section 2900 (b) of the Internal Revenue Code.

The privilege which would be granted by the bill under the new paragraph (2) (that is, the privilege of retaining distilled spirits in warehouse beyond the present maximum period and thereby deferring the payment of the Federal tax thereon) is granted only on condition that there will be compliance with the applicable provisions of the remainder of the bill, such as the provision that distilled spirits with respect to which the privilege has been utilized shall not be labeled or advertised as being more than 8 years old.

Paragraph (3).—The new paragraph (3) provides that the privilege applies in respect of any internal revenue-bonded warehouse only if the proprietor of such warehouse has filed with the Secretary of the Treasury a notice of his desire for such privilege to apply and has filed with the Secretary his consent to be bound by the provisions of law specified in such paragraph (3). In addition, the warehousing bond covering the distilled spirits in his warehouse must have been suitably endorsed (under regulations prescribed by the Secretary) so as to extend the liability of principal and surety for the additional 4-year period.

If the proprietor of a warehouse has complied with paragraph (3), the extension granted will apply with respect to all distilled spirits to which the bill applies which are in his warehouse at the time he so complies or are in transit to his warehouse at such time, and to all such distilled spirits which are thereafter entered into his warehouse;

but the extension applies only so long as such spirits remain in bond in his warehouse. Such distilled spirits which have been retained in bond beyond the 8-year period may be transferred to another warehouse only if the proprietor of that warehouse has complied with paragraph (3).

Paragraph (4).—The first sentence of the new paragraph (4) provides that in the case of any distilled spirits which have been retained in internal revenue bonded warehouse for more than 8 years pursuant to the privilege granted by paragraph (2), such spirits shall not be labeled or stamped with any statement (including any design or device) which will represent or imply that the age of period of storage of such spirits is more than 8 years. In addition, no advertisement of such spirits shall bear any such statement. Any violation of the prohibition contained in the first sentence of the new paragraph (4) would be punishable under section 2806 (g) of the Internal Revenue Code (including the forfeiture provisions contained therein). In addition, the permit under the Federal Alcohol Administration Act of the person so violating could be suspended or revoked under section 4 of such act.

The second sentence of the new paragraph (4) makes it clear that the utilization of the privilege granted by the new paragraph (2) is intended to bind the persons who benefit by such privilege to the limitations with respect to advertising, labeling, and stamping contained in the bill whether such persons acquired their interest in the distilled spirits before or after they are withdrawn from internal revenue bonded warehouse. Because of the rapidity with which certain warehouse receipts for distilled spirits change ownership, and because of the large number of persons holding some right, title, or interest in or to distilled spirits, it was thought inadvisable to require a written consent from each person benefiting by the privilege.

The third sentence, which has been added by your committee, provides that the privilege conferred by paragraph (2) of retaining spirits in bond after the expiration of 8 years will cease to apply in favor of any warehouseman or owner who directly or indirectly violates the condition upon which the privilege was granted, namely the agreement not to label or advertise any such spirits as having been aged or stored over 8 years and the consent to the amendments to subsections (e) and (f) of section 5 of the Federal Alcohol Administration Act in this regard. This withdrawal of the privilege is believed necessary as a deterrent in addition to the penalties now provided in the Federal Alcohol Administration Act and made applicable to such labeling and advertising representations. It will apply not only to spirits held by the warehouseman or owner at the time he violates the condition but also to any spirits that may thereafter come into his possession as to which the privilege conveyed by paragraph (2) has been or may be claimed. This provision is applicable to the owner of any spirits at the time the privilege is first claimed and also to any subsequent owner of such spirits, and applies regardless of the ownership of the particular spirits concerning which the statement is made. Upon withdrawal of the privilege, the tax on all spirits belonging to such warehouseman or owner which have been retained in bond pursuant to paragraph (2) becomes automatically due and payable, and must be paid within 30 days after notification that the Secretary or his delegate, after notice and opportunity for hearing,

has found the violation. For the purpose of the withdrawal of the privilege, all affiliated persons (including subsidiary and parent corporations) are treated as a single entity. In view of the facility with which spirits are transferred, before and after the taxpayment and withdrawal from bond, prior to sale at retail to the public for consumption, and the obvious difficulty of tracing the ownership of any specific lot of distilled spirits at any particular time in the past, a presumption is established to the effect that any representation of the kind prohibited will, in the absence of proof to the contrary, be deemed to have been made by the person who owned the spirits in question at the time they were first retained in bond under paragraph (2).

Paragraph (5).—The new paragraph (5) provides that if distilled spirits with respect to which the privilege granted by paragraph (2) has been utilized are to be bottled in bond, such bottling must take place before the end of the season in which such spirits have been retained in bond for 8 years. For example, in the case of distilled spirits which were originally entered for deposit in bond on February 13, 1946, such spirits must be bottled in bond before July 1, 1954. If the distilled spirits are not bottled in bond within the period so prescribed, they cannot thereafter be bottled in bond at any time. However, if they are bottled in bond within the prescribed time, they may be retained in internal revenue bonded warehouse pursuant to the bill for a period not exceeding 12 years from the date of original entry of the distilled spirits for deposit in bond. The effect of the new paragraph (5) will be to prevent any inference as to age in excess of 8 years being drawn from the production and bottling dates required to appear on the green strip stamps affixed to distilled spirits bottled in bond.

SECTION 2

Subsection (a).—This subsection makes a technical amendment to subsection (b) of section 2879 of the Internal Revenue Code. Under the amendment the existing text of such subsection (b) becomes paragraph (1) of this subsection.

Subsection (b).—This subsection amends section 5 of the Federal Alcohol Administration Act in order to conform the requirements of such act with respect to labeling and advertising to the limitations placed on advertising and labeling by the first section of the bill. Violations would be punishable under section 7 of the Federal Alcohol Administration Act.

CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

INTERNAL REVENUE CODE OF 1939

SEC. 2879. DEPOSITS OF SPIRITS IN WAREHOUSES.

(a) ENTRY FOR DEPOSIT.— * * *

[(b) TIME FOR PAYMENT OF THE TAX.—The]

(b) Time for Payment of the Tax.—

(1) Except as provided in the succeeding paragraphs of this subsection, the tax on all distilled spirits hereafter entered for deposit in internal revenue bonded warehouses shall be due and payable before and at the time the same are withdrawn therefrom and within eight years from the date of the original entry for deposit therein; and warehousing bonds hereafter taken under the provisions of the internal revenue laws shall be conditioned for the payment of the tax on the spirits as specified in the entry before withdrawal from the internal revenue bonded warehouse, and within eight years from the date of said entry.

(2) In the case of distilled spirits which, at the beginning of the day on which this paragraph is enacted, are either in internal revenue bonded warehouses or are in transit to such warehouses, the time within which such distilled spirits are required by existing law to be withdrawn therefrom and the tax paid thereon is hereby extended so that such time will end twelve years from the date of the original entry of such spirits for deposit in an internal revenue bonded warehouse.

(3) Paragraph (2) shall apply at any time to distilled spirits which are either in an internal revenue bonded warehouse or in transit to such warehouse only if—

(A) the proprietor of such warehouse has filed with the Secretary (i) a notice of his desire to retain distilled spirits in bond beyond the eight-year period specified in paragraph (1), and (ii) his consent to this paragraph and paragraph (4) and to subsections (e) (6) and (f) (6) of section 5 of the Federal Alcohol Administration Act, and

(B) the warehousing bond covering such spirits has been suitably endorsed, under such regulations as the Secretary shall prescribe, to extend the liability of principal and surety for the period for which the extension made by paragraph (2) is granted.

(4) Notwithstanding the provisions of any other law or regulation, no advertisement of, or label or stamp affixed or applied to, any distilled spirits retained pursuant to paragraph (2) in internal revenue bonded warehouse after the eight-year period specified in paragraph (1) shall bear any statement which shall represent or imply that the age, or period of storage, of such distilled spirits exceeds eight years. The retention pursuant to paragraph (2) of any distilled spirits in internal revenue bonded warehouse after the eight-year period specified in paragraph (1) by any person who has any right, title, or interest in or to such spirits, the acquisition by any person of any right, title, or interest in or to distilled spirits which have been so retained, and the withdrawal by any person from warehouse of distilled spirits which have been so retained, shall each constitute consent by such person to his paragraph and to subsections (e) (6) and (f) (6) of section 5 of the Federal Alcohol Administration Act. If the Secretary finds that the proprietor of the warehouse who filed a notice and consent pursuant to clause (A) of paragraph (3), or the owner of spirits covered by such notice and consent, has directly or indirectly violated the provisions of this paragraph or of regulations prescribed pursuant to subsection (e) (6) or (f) (6) of section 5 of the Federal Alcohol Administration Act, then the provisions of paragraph (2) shall cease to be applicable with respect to any distilled spirits then or thereafter owned by such warehouseman or other person, or by any affiliate thereof. Upon such finding, the tax on all such distilled spirits retained, pursuant to paragraph (2), in any internal revenue bonded warehouse shall immediately become due and payable, and such distilled spirits shall be taxpaid and withdrawn from such bonded warehouse within 30 days after notice of such finding. For the purposes of this paragraph, (A) the term "affiliate" shall have the same meaning as when used in the Federal Alcohol Administration Act, and (B) any statement appearing on any label or stamp or in any advertisement, representing or implying that any distilled spirits retained in bond pursuant to paragraph (2) have been aged or stored in excess of eight years, shall be presumed to have been made or caused to have been made by the person who at the time such spirits were first retained in bond pursuant to paragraph (2) was the owner thereof, unless such person shall establish to the satisfaction of the Secretary that he (including any affiliate) did not make such statement or cause such statement to be made.

(5) No distilled spirits retained in bond pursuant to paragraph (2) shall be bottled in bond after the expiration of the season in which the period of retention thereof in bond reaches eight years; but nothing in this paragraph shall prevent the retention in bond for the period authorized by paragraph (2) of such spirits after bottling in bond.

INTERNAL REVENUE CODE OF 1954

SEC. 1006. DETERMINATION OF TAX

(a) REQUIREMENTS.—* * *

(1) IN GENERAL.—* * *

(2) DISTILLED SPIRITS DEPOSITED IN INTERNAL REVENUE BONDED WAREHOUSES.—The tax on distilled spirits entered for deposit in internal revenue bonded warehouses shall be determined at the time the same are withdrawn therefrom and within 8 years from the date of original entry for deposit therein [(except that distilled spirits which on July 26, 1936, were 8 years of age or older and which were in bonded warehouses on that date, may remain therein)], except that (A) distilled spirits which on July 26, 1936, were 8 years of age or older and which were in bonded warehouses on that date, may remain therein, and (B) distilled spirits subject to the provisions of succeeding paragraphs of this subsection may remain in bond in accordance with those provisions.

“(3) PRIVILEGE.—In the case of distilled spirits which, at the beginning of the day on which paragraph (2) of subsection 2879 (b) of the Internal Revenue Code of 1939 was enacted, were either in internal revenue bonded warehouses or were in transit to such warehouses, the time within which such distilled spirits are required to be withdrawn therefrom and the tax paid thereon is extended so that such time will end twelve years from the date of the original entry of such spirits for deposit in an internal revenue bonded warehouse.

“(4) CONDITION.—Paragraph (3) shall apply at any time to distilled spirits which are either in an internal revenue bonded warehouse or in transit to such warehouse only if—

“(A) the proprietor of such warehouse has filed with the Secretary (i) a notice of his desire to retain distilled spirits in bond beyond the eight-year period, and (ii) his consent to any limitation contained in any provision of law authorizing such extension or in regulations prescribed pursuant to subsection (e) (6) or (f) (6) of section 5 of the Federal Alcohol Administration Act, and

“(B) the warehousing bond covering such spirits has been suitably endorsed, under such regulations as the Secretary shall prescribe, to extend the liability of principal and surety for the period for which the extension of time is granted.

“(5) LIMITATION.—Notwithstanding the provisions of any other law or regulation, no advertisement of, or label or stamp affixed or applied to, any distilled spirits retained in internal revenue bonded warehouse after the eight-year period shall bear any statement which shall represent or imply that the age, or period of storage, of such distilled spirits exceeds eight years. The retention of any distilled spirits in internal revenue bonded warehouse after the eight-year period by any person who has any right, title, or interest in or to such spirits, the acquisition by any person of any right, title, or interest in or to distilled spirits which have been so retained, and the withdrawal by any person from warehouse of distilled spirits which have been so retained, shall each constitute consent by such person to any limitation contained in any provision of law authorizing such extension or in regulations prescribed pursuant to subsection (e) (6) or (f) (6) of section 5 of the Federal Alcohol Administration Act. If the Secretary finds that the proprietor of the warehouse who filed a notice and consent to obtain the extension of the eight-year period, or the owner of spirits covered by such notice and consent, has directly or indirectly violated any limitation contained in any provision of law authorizing such extension or in regulations prescribed pursuant to subsection (e) (6) or (f) (6) of section 5 of the Federal Alcohol Administration Act, then the provisions of law authorizing such extension shall cease to be applicable with respect to any distilled spirits then or thereafter owned by such warehouseman or other person, or by any affiliate thereof. Upon such finding, the tax on all such distilled spirits retained beyond the eight-year period in any internal revenue bonded warehouse shall immediately become due and payable, and such distilled spirits shall be taxpaid and withdrawn from such bonded warehouse within 30 days after notice of such finding. For the purposes of this paragraph, (A) the term ‘affiliate’ shall have the same

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meaning as when used in the Federal Alcohol Administration Act, and (B) any statement appearing on any label or stamp or in any advertisement, representing or implying that any distilled spirits retained in bond longer than the eight-year period have been aged or stored in excess of eight years, shall be presumed to have been made or caused to have been made by the person who at the time such spirits were first retained in bond after the expiration of such period was the owner thereof, unless such person shall establish to the satisfaction of the Secretary that he (including any affiliate) did not make such statement or cause such statement to be made.

"(6) *BOTTLING.*—No distilled spirits retained in bond after the expiration of the season in which the period of retention thereof in bond reaches eight years shall thereafter be bottled in bond, but nothing in this paragraph shall prevent the retention of such spirits in bond after bottling in bond.

"(7) *EXCLUSION.*—No provision of paragraph (3), (4), (5), or (6) of this subsection shall apply to any distilled spirits which on July 26, 1936, were eight years of age or older and which were in bonded warehouses on that date."

SEC. 5232. BOND REQUIREMENTS.

(a) *GENERAL.*—The Secretary or his delegate shall, by regulations, prescribe the form and penal sums of bonds covering distilled spirits in internal revenue bonded warehouses and in transit to and between such warehouses: *Provided*, That the penal sums of such bonds covering distilled spirits shall not exceed in the aggregate \$200,000 for each such warehouse. Such bonds shall be conditioned (1) on the withdrawal of the spirits from the internal revenue bonded warehouse within 8 years from the date of original entry for deposit or at such other time as may be prescribed by subsection 5006 (a) of this Code.

FEDERAL ALCOHOL ADMINISTRATION ACT, AS AMENDED (PUBLIC LAW 401, 74TH CONG.)

UNFAIR COMPETITION AND UNLAWFUL PRACTICES

SEC. 5. It shall be unlawful for any person engaged in business as a distiller, brewer, rectifier, blender, or other producer, or as an importer or wholesaler, of distilled spirits, wine, or malt beverages, or as a bottler, or warehouseman and bottler, of distilled spirits, directly or indirectly or through an affiliate:

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(e) *Labeling.*—To sell or ship or deliver for sale or shipment, or otherwise introduce in interstate or foreign commerce, or to receive therein, or to remove from customs custody for consumption, any distilled spirits, wine, or malt beverages in bottles, unless such products are bottled, packaged, and labeled in conformity with such regulations, to be prescribed by the Administrator, with respect to packaging, marking, branding, and labeling and size and fill of container (1) as will prohibit deception of the consumer with respect to such products or the quantity thereof and as will prohibit, irrespective of falsity, such statements relating to age, manufacturing processes, analyses, guaranties, and scientific or irrelevant matters as the Administrator finds to be likely to mislead the consumer; (2) as will provide the consumer with adequate information as to the identity and quality of the products, the alcoholic content thereof (except that statements of, or statements likely to be considered as statements of, alcoholic content of malt beverages are hereby prohibited unless required by State law and except that, in case of wines, statements of alcoholic content shall be required only for wines containing more than 14 per centum of alcohol by volume), the net contents of the package, and the manufacturer or bottler or importer of the product; (3) as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4) as will prohibit statements on the label that are disparaging of a competitor's products or are false, misleading, obscene, or indecent; and (5) as will prevent deception of the consumer by use of a trade or brand name that is the name of any living individual of public prominence, or existing private or public organization, or is a name that is in simulation or is an abbreviation thereof, and as will prevent the use of a graphic, pictorial, or emblematic repre-

resentation of any such individual or organization, if the use of such name or representation is likely falsely to lead the consumer to believe that the product has been indorsed, made, or used by, or produced for, or under the supervision of, or in accordance with the specifications of, such individual or organization: *Provided*, That this clause shall not apply to the use of the name of any person engaged in business as a distiller, brewer, rectifier, blender, or other producer, or as an importer, wholesaler, retailer, bottler, or warehouseman, of distilled spirits, wine, or malt beverages, nor to the use by any person of a trade or brand name used by him or his predecessor in interest prior to the date of the enactment of this Act; including regulations requiring, at time of release from customs custody, certificates issued by foreign governments covering origin, age, and identity of imported products: *Provided further*, That nothing herein nor any decision, ruling, regulation or other action of any Department of the Government or official thereof shall deny the right of any person to use wholly or in part the wine names or brands Port, Sherry, Burgundy, Sauterne, Haut Sauterne, Rhine (Hock), Moselle, Chianti, Chablis, Tokay, Malaga, Madeira, Marsala, Claret, Vermouth, Barbera, Cabernet, Saint Julien, Riesling, Zinfandel, Medoc, or Cognac, or any other geographic name of foreign origin (except Champagne), upon any of the foregoing produced in the United States if of the same type and the use of such name or brand is qualified by the name of the State or other locality in the United States in which the product is produced, and, in the case of the use of such name or brand on any label or in any advertisement, if such qualification is as conspicuous as such name or brand: *And provided further*, That except as herein expressly provided as to said names or brands, nothing in this section shall be held in any wise to affect or abridge any of the powers granted to the Federal Alcohol Administration to provide standards of identity, quality, labeling, or other regulations *and (6) in the case of distilled spirits which have been retained in bond pursuant to paragraph (2) of section 2879 (b) of the Internal Revenue Code after the eight-year period specified in paragraph (1) of such section, as will prohibit any statement which would represent or imply that the age, or period of storage, of such distilled spirits exceeds eight years.*

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(f) Advertising: To publish or disseminate or cause to be published or disseminated by radio broadcast, or in any newspaper, periodical or other publication or by any sign or outdoor advertisement or any other printed or graphic matter, any advertisement of distilled spirits, wine, or malt beverages, if such advertisement is in, or is calculated to induce sales in, interstate or foreign commerce, or is disseminated by mail, unless such advertisement is in conformity with such regulations, to be prescribed by the Administrator, (1) as will prevent deception of the consumer with respect to the products advertised and as will prohibit, irrespective of falsity, such statements relating to age, manufacturing processes, analyses, guaranties, and scientific or irrelevant matters as the Administrator finds to be likely to mislead the consumer; (2) as will provide the consumer with adequate information as to the identity and quality of the products advertised, the alcoholic content thereof (except the statements of, or statements likely to be considered as statements of, alcoholic contents of malt beverages and wines are prohibited), and the person responsible for the advertisement; (3) as will require an accurate statement, in the case of distilled spirits (other than cordials, liqueurs, and specialties) produced by blending or rectification, if neutral spirits have been used in the production thereof, informing the consumer of the percentage of neutral spirits so used and of the name of the commodity from which such neutral spirits have been distilled, or in case of neutral spirits or of gin produced by a process of continuous distillation, the name of the commodity from which distilled; (4) as will prohibit statements that are disparaging of a competitor's products or are false, misleading, obscene, or indecent; (5) as will prevent statements inconsistent with any statement on the labeling of the products advertised: *and (6) in the case of distilled spirits which have been retained in bond pursuant to paragraph (2) of section 2879 (b) of the Internal Revenue Code after the eight-year period specified in paragraph (1) of such section, as will prohibit any statement which would represent or imply that the age, or period of storage, of such distilled spirits exceeds eight years.* * * *

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