

## NATIONAL POLICY WITH REFERENCE TO IMPORTS OF DISTILLED SPIRITS

JULY 25 (legislative day, JULY 16), 1956.—Ordered to be printed

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

### R E P O R T

[To accompany S. Res. 314]

The Committee on Finance, to whom was referred the resolution (S. Res. 314) favoring an investigation and report to the Senate on alleged inequities in the policy of the United States with reference to imports of distilled spirits, having considered the same, report favorably thereon without amendment and recommend that the resolution do pass.

#### GENERAL STATEMENT

The United States has for many years followed the policy of permitting the importation of distilled spirits from foreign countries and their sale in the United States on equal terms with the products of domestic distilleries, except for the payment of the import duties applying to each particular type of product. These import duties have been the subject of various trade agreements and have been steadily reduced to the point where there is comparatively little protection left. The latest of these tariff reductions became effective on July 1, 1956.

The United States has made many concessions on distilled spirits to various countries of the world during recent years and the impact of increased imports resulting from those concessions has been especially severe in view of the fact that consumption in the United States has been decreasing. The net result is that foreign distilled spirits have been replacing those of domestic origin and foreign jobs continue to replace jobs in American industry.

Imports of Scotch whisky in 1955 amounted to more than \$68 million and if the present level of imports continues the figure will be much larger for 1956. The reverse of this trend is found in exports of United States distillery products. For example, distilled spirits from the United States are not permitted to enter the markets of the United Kingdom except in negligible "token" quantities. United

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States exports to the United Kingdom in 1955 amounted to less than \$2,000. This means that the great many tourists from the United States who travel in the United Kingdom each year find that only local spirits are available to them and they cannot obtain American brands.

In reporting favorably on Senate Resolution 314, the Finance Committee calls attention to the apparent lack of reciprocity in this instance and directs the attention of interested Government agencies to the situation. The studies and reports asked for will be of considerable assistance to the Congress in deciding future action with regard to trade agreements and other phases of customs and tariff matters.

