

UNITED STATES TARIFF COMMISSION

WHISKY (EXCEPT IRISH, IRISH TYPE, SCOTCH, AND SCOTCH TYPE)

**Report to the President on Investigation No. TEA-I-5 Under
Section 301(b)(1) of the Trade Expansion Act of 1962.**



TC Publication 89

**Washington, D.C.
April 1963**

UNITED STATES TARIFF COMMISSION

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REPORT TO THE PRESIDENT

U.S. Tariff Commission,
April 26, 1963.

To the President:

In accordance with section 301(f)(1) of the Trade Expansion Act of 1962 (76 Stat. 885), the U.S. Tariff Commission herein reports the results of an investigation made under section 301(b)(1) of that act, relating to certain whisky.

Introduction

The purpose of the investigation to which this report relates was to determine whether, as a result in major part of concessions granted under trade agreements, whisky (except Irish, Irish type, Scotch, and Scotch type) provided for in paragraph 802 of the Tariff Act of 1930 is being imported into the United States in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive whisky.

The investigation was instituted on January 11, 1963, upon petition for tariff adjustment filed January 7, 1963, by Publicker Industries, Inc., under section 301(a)(1) of the Trade Expansion Act. Public notice of the institution of the investigation and of a public hearing to be held in connection therewith was given by publication of the notice in the Federal Register (28 F.R. 423). The public hearing was held on February 26, 1963, as scheduled; all interested parties were afforded opportunity to be present, to produce evidence, and to be heard. A transcript of the hearing and formal briefs submitted by interested

(TC29021)

parties in connection with the investigation are attached. 1/

In addition to the information that the Commission obtained at the hearing in this investigation and that already in its files, data were secured from other agencies of the U.S. Government and from financial and operating statements of public corporations engaged in the production and sale of whisky and other distilled beverages. Information in the Commission's files includes that which was developed in the course of its investigation, under section 332 of the Tariff Act of 1930, relating to conditions of competition between domestic and imported whisky, made pursuant to a resolution by the Committee on Finance of the Senate dated August 12, 1957. 2/

Finding of the Commission

On the basis of its investigation, the Commission unanimously finds that whisky (except Irish, Irish type, Scotch, and Scotch type) provided for in paragraph 802 of the Tariff Act of 1930, is not, as a result in major part of concessions granted under trade agreements, being imported in such increased quantities as to cause, or threaten to cause, serious injury to the domestic industry producing like or directly competitive whisky.

1/ Transcript and briefs were attached to the original report sent to the President.

2/ See U.S. Tariff Commission report Whisky, 1958.

Considerations in Support of the Foregoing Finding

Before the Commission can make an affirmative finding under section 301(b)(1) of the Trade Expansion Act of 1962, it must determine (1) that the imports in question are entering the United States in increased quantities; (2) that the increased imports are attributable in major part to trade-agreement concessions; and (3) that such increased imports have been the major factor in causing, or threatening to cause, serious injury to the domestic industry concerned. If the Commission finds in the negative with respect to any of these three requisites, it is foreclosed from making an affirmative finding.

Whisky other than Irish or Scotch, comprising the complained-of imports, is composed almost entirely of shipments from Canada. Imports from Canada rose from 4.1 million gallons in 1947 to 12.5 million in 1960 and to 14.4 million in 1962 (table 3). Imports, therefore, are entering in increased quantities.

The petitioner asserts that the increased imports are due primarily to successive reductions in duty from \$5.00 per gallon to \$2.50 effective January 1, 1936; from \$2.50 to \$1.50 effective January 1, 1948; and from \$1.50 to \$1.25 effective June 6, 1951. In this investigation, the Commission was obliged to determine whether the aggregate of these duty reductions has been in major part the cause of the recent increase in imports of Canadian whisky. The following discussion indicates that the reductions have not been an important factor in causing the increase in imports in recent years.

The trend of U.S. imports of Canadian whisky has been generally upward since the repeal of prohibition in 1933 (except for an interruption caused by World War II). In the earlier years the rise in imports resulted primarily from a shortage of aged stocks of whisky in the United States. There was a sharp increase in imports in 1936, mainly as a result of the temporary withholding of entries in 1935 in anticipation of the duty reduction that became effective on January 1, 1936. Imports rose in 1937 to a level somewhat higher than that in 1936 and then declined to a much lower level in 1938 and 1939. Thereafter imports rose almost steadily through 1962.

U.S. wholesale and retail prices of the two major Canadian brands, which together have comprised nearly 90 percent of the imports of whisky from Canada in recent years, were not lowered following the duty reductions either in 1948 or 1951. Those prices rose somewhat after each of the duty reductions was made and have remained stable since 1951, while prices of domestic premium brands have declined. The duty reductions, therefore, provided no price stimulus to consumer demand for Canadian whisky.

The decision of the Canadian producers not to lower their prices when the duty was reduced in 1948 and 1951 reflected a significant market factor noted by the Commission in earlier reports. In the competition among premium whiskies such as Scotch, Canadian, and bonded bourbons, which sell in the upper price range, price is usually a secondary consideration. The consumer's selection is made primarily on the basis of taste preference and brand prestige. As a consequence, changes in the volume

of imports of whisky are not highly sensitive to changes in the rates of duty applicable thereto (see appendix A).

The petitioner alleges that the "windfall" from the reduction in duty has been used to promote the sale of Canadian whisky in the United States through abnormally high advertising expenditures. A review of public data on newspaper and magazine advertising indicates that expenditures in behalf of the two major Canadian brands have not been proportionately much different from the advertising expenditures made in behalf of a number of the domestic premium brands.

The principal competition which domestic whisky has encountered in recent years has not been from imports of Canadian whisky. The market trend in the United States has been toward greater consumption of distilled beverages other than domestic whisky. While imports of Canadian whisky increased from 4 million to 14 million gallons in the past 16 years, sales of gin rose from 14 million to 26 million gallons. Meanwhile, sales of vodka increased from 1 million gallons in 1951 (the first year for which data are available) to 23 million gallons; sales of imported Irish and Scotch whisky increased from 6 million to 24 million gallons; and sales of other spirits, including rum, brandy, cordials and liqueurs, rose from 6 million to 25 million gallons (table 3).

The change in consumer buying habits resulted in a smaller consumption of domestic whisky than would have been expected on the basis of growth in population and in consumer income. Sales of domestic whisky during the past 3 years (1960-62) were at virtually the same level as during the 3-year period (1948-50) prior to the 1951 concession (table 4).

The lack of growth in domestic whisky sales, however, has been more than offset by increased sales of other distilled beverages by the domestic distilled beverage industry. More than three-fourths of the whisky produced in the United States is sold by large concerns that produce other distilled beverages, mostly in the same establishments where whisky is made. ^{1/} Combined annual sales of all distilled alcoholic beverages except brandy by the distilled spirits industry increased from an average of 164 million gallons during 1948-50 to 202 million gallons during 1960-62, or by 23 percent.

The general upward trend in sales of straight whisky, which increased at the expense of blends, indicates a favorable economic climate for the smaller whisky distillers that specialize primarily in straight whisky. Average annual sales of straight whisky have more than doubled since the 1948-50 period.

From the foregoing it is clear that increased imports were not the result in major part of concessions granted under trade agreements. Therefore it was not necessary for the Commission to obtain data on profits from sales of products made in the establishments producing whisky. However, a review of published profit-and-loss data for the major distillers during the period 1957-61 reveals no general condition which would support a finding of actual or threatened injury to the distilled beverage industry (table 6). The data relate to total operations of the 10 largest distillers (including the petitioner), which

^{1/} The term "establishment" as used in defining the domestic industry competing with imports of Canadian whisky includes all the facilities of a firm at a single location; it includes auxiliary facilities operated in conjunction with (whether or not physically separate from) production facilities.

accounted in 1962 for more than 90 percent of the sales of domestic distilled beverages in the United States. Sales of all products made by these firms rose from \$1,040 million in 1957 to \$1,342 million in 1961; profits increased between those years from \$187 million to \$220 million. The profitability of these companies has apparently been well maintained in recent years.

At the public hearing and in briefs the petitioner presented argument on matters which the Commission considers extraneous to the issues that it is expected to consider under the Trade Expansion Act of 1962. The petitioner contends that the labeling regulations maintained by the U.S. Treasury Department handicap the domestic whisky industry in its competition with whisky from Canada. These regulations require that U.S. whisky (other than corn whisky), in order to bear an age claim on the label, must be stored in new charred oak cooperage. Canadian regulations, on the other hand, permit producers of Canadian whisky to store the product in reused cooperage and to count the time so stored as part of the age stated on the product label.

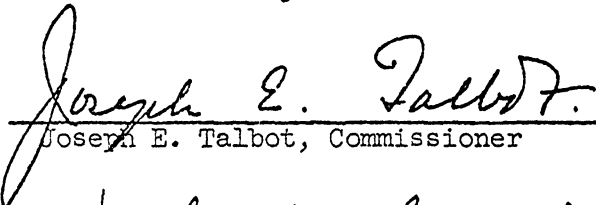
Any comparable whisky produced and marketed in the United States would have to bear the label "stored __ years and/or __ months or more in reused cooperage," a statement which, the petitioner claims, would make it virtually unsalable. The requirement that domestic whisky be stored in new charred oak barrels in order that age may be claimed, increases production cost over that of Canadian whisky of like age from 30 to 40 cents per gallon, or from 6 to 8 cents per fifth. Whatever effect this regulation may have on the ability of the U.S. whisky industry to market light bodied whisky other than spirit blends is not within the province of the Tariff Commission to consider in this investigation.


Although the petitioner contends otherwise, U.S. subsidiaries of the two major Canadian companies may not be excluded from consideration as part of the U.S. distilling industry.

The petitioner and others aver that the sales of Canadian whisky have been instrumental in increasing the share of the market for domestic whisky supplied by the U.S. subsidiaries of the Canadian producers. This argument is not germane to a consideration of the well-being of the entire domestic industry, which includes these subsidiaries. Trade practices alleged in connection with this argument are subject to review by agencies other than the Tariff Commission.


Respectfully submitted.

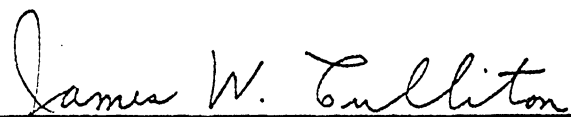

Ben Dorfman, Chairman


Joseph E. Talbot, Commissioner


Walter R. Schreiber, Commissioner


Glenn W. Sutton, Commissioner


William E. Dowling, Commissioner


James W. Culliton, Commissioner

^{1/} Commissioner Dowling participated in this investigation and joined in the Commission's decision but was absent at the time this report was signed.

Appendix A

Excerpts From Reports of the U.S. Tariff Commission
on the Subject of Whisky

1. Second Trade Agreement Between the United States and Canada, 1938,
vol. III, p. 8-6.

. . . The raising of the import duty from \$2.60 per gallon to \$5 per gallon by the Tariff Act of 1922 was essentially a feature of prohibition legislation, the rate having had no significance from the standpoint of protecting the domestic industry.

2. Summaries of Tariff Information, 1948, vol. 8, pp. 6-7.

The imports of whisky have been determined to a lesser extent by the rate of duty than by other influences. . . . it is doubtful that the difference in price between imported and domestic whiskies resulting from the duty alone exercises any considerable influence upon the choice of consumers in buying whiskies. The choice between an imported and a domestic whisky is largely a matter of personal preference of the consumer. . . . most consumers who desire the flavor of the imported product probably give little consideration to such price differences as could result from the tariff. The well-known and high-priced brands of Scotch, Canadian, and Irish whiskies do compete to some extent with the small proportion of domestic whisky represented by the highest grades, but they offer little or no competition with the blended whiskies (blends with neutral spirits) which constitute the greater part of the domestic output.

3. Whisky: Report on Investigation Conducted Pursuant to a Resolution by the Committee on Finance of the United States Senate . . . , 1958, p. 131.

The fact that the best selling brands of Scotch and Canadian whiskies are sold at about the same prices as premium bonded bourbons and at considerably higher prices than the best selling "popular priced" blends of American type whiskies indicates that price is a minor consideration in the choice between imported and domestic whiskies. Such competition as may exist between foreign and domestic whiskies appears to be limited chiefly to the high-price premium market. Within a given price bracket, however, the consumer's selection is principally on the basis of taste preference. Therefore, it is generally conceded that imports compete only indirectly with the great bulk of domestic whiskies.

Appendix B

Statistical Tables

Table 1.--Whisky, other than Irish, Irish type, Scotch, and Scotch type: U.S. rates of duty under the Tariff Act of 1930 and modifications made pursuant to trade agreements from 1930 to 1963

(Per proof gallon, or per wine gallon if the imported product contains 50 percent or less of alcohol)

Item	Rate
Tariff Act of 1930:	
Statutory rate <u>1</u> /-----	\$5.00
Rate as modified by--	
Trade agreements with Canada, effective	
Jan. 1, 1936 and with the United Kingdom and	
Canada effective Jan. 1, 1939-----	<u>2</u> / 2.50
General Agreement on Tariffs and Trade	
effective--	
Jan. 1, 1948-----	1.50
June 6, 1951-----	1.25

1/ Currently applicable, under sec. 231 of the Trade Expansion Act of 1962, to products of any country dominated or controlled by Communism.

2/ Before the effective date of the trade agreement with Mexico in 1943 the \$2.50 rate was limited to whisky aged in wooden containers at least 4 years prior to entry; in that agreement the same rate was established on other whisky.

Table 2.--Distilled spirits: Acts imposing Federal excise tax on distilled spirits in the United States, and rates of tax, 1928 to April 1963

Act	Rate of tax	Effective date	
		From--	Through--
	Per tax gallon ^{1/}		
Revenue Act of 1928-----	^{2/} \$6.40	June 30, 1928	Jan. 11, 1934
Liquor Taxing Act of 1934---	2.00	Jan. 12, 1934	June 26, 1936
Liquor Tax Administration Act of 1936-----	2.00	June 27, 1936	June 30, 1938
Revenue Act of 1938-----	^{3/} 2.25	July 1, 1938	June 30, 1940
Revenue Act of 1940-----	^{4/} 3.00	July 1, 1940	Sept. 30, 1941
Revenue Act of 1941-----	4.00	Oct. 1, 1941	Oct. 31, 1942
Revenue Act of 1942-----	6.00	Nov. 1, 1942	Mar. 31, 1944
Revenue Act of 1943-----	9.00	Apr. 1, 1944	Oct. 31, 1951
Revenue Act of 1951-----	10.50	Nov. 1, 1951	Dec. 31, 1954
Internal Revenue Code of 1954-----	10.50	Jan. 1, 1955	Current. ^{5/}

^{1/} A "tax gallon" for spirits of 100 proof or over is equivalent to the proof gallon. For spirits of less than 100 proof, the "tax gallon" is equivalent to the wine gallon.

^{2/} This rate was first established by the Revenue Act of 1918 and was continued by various acts through Jan. 11, 1934; however, from Dec. 6, 1933, through Jan. 11, 1934, the effective date of the repeal amendment, the non-beverage rate of \$1.10 per gallon, established by the Revenue Act of 1928, was applied to all distilled spirits. The \$6.40 rate was considered a punitive rate, and the Internal Revenue Service did not believe that a punitive rate should be applied after the production and sale of alcoholic beverages was legalized.

^{3/} The rate on brandy was \$2.00 per tax gallon.

^{4/} The rate on brandy was \$2.75 per tax gallon.

^{5/} The rate was scheduled to revert to \$9.00 on July 1, 1958, but has been renewed annually.

Table 3.--Distilled spirit beverages: Quantities entering U.S. trade channels, by type, 1947-62

Year	Whisky										Brandy, : Rum, : Gin, : Other, 2/																																																																																																																																																																																				
	Domestic					Imported					domestic					domestic					domestic																																																																																																																																																																										
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Quantity (million wine gallons)																																																																																																																																																																																															
1947	136.0	21.0	157.0	6.5	4.1	1.5	1.2	13.7	3/	3.6	187.6	1948	123.4	17.8	141.2	7.4	5.0	2.0	1.3	10.0	3/	4.8	171.7	1949	113.6	25.8	139.4	9.8	5.6	2.6	2.1	13.0	3/	5.3	175.0	1950	117.2	38.7	155.9	7.6	5.0	3.1	2.6	16.1	2/	6.2	199.3	1951	107.9	42.2	150.1	9.8	7.2	3.6	2.8	14.9	1.3	5.9	195.6	1952	92.1	43.9	136.0	9.4	8.9	3.3	2.6	15.7	2.1	6.0	182.6	1953	93.1	51.9	145.0	11.3	8.9	3.8	2.7	18.6	2.9	6.6	199.8	1954	82.7	54.2	136.9	11.5	8.7	4.0	2.5	18.6	3.6	6.2	192.0	1955	81.5	58.5	140.0	12.3	9.2	4.6	2.7	20.7	7.0	6.4	202.9	1956	87.9	63.1	151.0	13.6	10.6	4.8	2.7	21.3	11.9	7.3	223.2	1957	69.5	64.5	134.0	14.9	10.0	5.4	3.0	21.1	14.8	7.7	210.9	1958	72.8	66.5	139.3	16.5	10.5	5.6	3.1	20.3	15.1	8.0	218.4	1959	74.5	69.9	144.4	18.5	11.9	6.0	3.5	22.8	17.7	9.1	233.9	1960	74.1	69.0	143.1	20.7	12.5	6.5	3.7	23.1	19.4	10.2	239.2	1961 4/	73.3	71.4	144.7	21.9	13.0	6.9	4.4	25.0	21.0	11.3	248.2	1962 4/	73.3	72.5	145.8	24.3	14.4	7.4	5.5	26.4	23.0	12.4	259.2
Percent of total distilled spirit beverages																																																																																																																																																																																															
1947	72.5	11.2	83.7	3.5	2.2	.8	.6	7.3	3/	1.9	100.0	1948	71.9	10.3	82.2	4.3	2.9	1.2	.8	5.8	3/	2.8	100.0	1949	64.9	14.7	79.6	4.3	2.9	1.5	1.2	7.5	3/	3.0	100.0	1950	58.8	19.4	78.2	4.9	2.8	1.6	1.3	8.1	3/	3.1	100.0	1951	55.2	21.5	76.7	5.0	3.7	1.9	1.4	7.6	3/	3.0	100.0	1952	50.4	24.1	74.5	5.2	4.1	1.8	1.4	8.6	1.1	3.3	100.0	1953	46.6	26.0	72.6	5.7	4.4	1.9	1.4	9.3	1.4	3.3	100.0	1954	43.1	28.2	71.3	6.0	4.5	2.1	1.3	9.7	1.9	3.2	100.0	1955	40.2	28.8	69.0	6.1	4.5	2.3	1.3	10.2	3.4	3.2	100.0	1956	39.4	28.3	67.7	6.1	4.7	2.2	1.2	9.5	5.3	3.3	100.0	1957	32.9	30.6	63.5	7.1	4.7	2.6	1.4	10.0	7.0	3.7	100.0	1958	33.3	30.5	63.8	7.5	4.8	2.6	1.5	9.3	6.9	3.7	100.0	1959	31.8	29.9	61.7	7.9	5.1	2.5	1.4	9.8	7.6	3.9	100.0	1960	31.0	28.8	59.8	8.7	5.2	2.7	1.6	9.6	8.1	4.3	100.0	1961 4/	29.5	28.8	58.3	8.8	5.2	2.8	1.8	10.1	8.4	4.6	100.0	1962 4/	28.3	28.0	56.3	9.4	5.5	2.8	2.1	10.2	8.9	4.8	100.0

Table 4.--Beverage distilled spirits: Bottled output 1/ of the U.S. distilled spirits industry, 1947-62

Year	(In millions of wine gallons)					
	Whisky		Gin		Vodka	
	Blends	Straights	Total whisky		Other	Total output
1947-----	136.0	21.2	157.2	13.7	3/	174.9
1948-----	123.4	17.9	141.3	10.0	3/	156.2
1949-----	113.6	25.8	139.4	13.0	3/	157.7
1950-----	117.2	38.8	156.0	16.0	3/	178.1
1951-----	107.9	42.3	150.2	14.8	1.3	172.3
1952-----	92.1	44.0	136.1	15.6	2.1	160.1
1953-----	93.1	52.0	145.1	18.4	2.9	173.2
1954-----	82.7	54.3	137.0	18.4	3.6	165.5
1955-----	81.5	58.5	140.0	20.4	7.0	174.7
1956-----	88.0	63.1	151.1	20.9	11.9	191.9
1957-----	69.5	64.5	134.0	20.5	14.8	177.9
1958-----	72.7	66.6	139.3	19.6	15.1	182.8
1959-----	74.5	70.0	144.5	21.8	17.7	194.1
1960-----	74.1	69.1	143.2	22.0	19.4	195.3
1961 <u>4/</u> -----	73.3	71.5	144.8	23.6	21.0	202.1
1962 <u>4/</u> -----	73.3	73.3	146.6	24.8	23.0	208.5

1/ Beverages produced in the continental United States. Figures do not include bottlings of beverages imported in bulk or rum entered in bulk from the Virgin Islands.

2/ Includes cordials and liqueurs, bitters, beverage alcohol, rum produced in the continental United States, and products bottled for export.

3/ Unavailable; included with other spirits. 4/ Preliminary.

Source: Monthly and annual statistical reports of U.S. Internal Revenue Service, Alcohol and Tobacco Tax Unit; and U.S. Bureau of the Census.

Note.--Data on bottled output in the United States adjusted by the U.S. Tariff Commission to exclude bottled volume of bulk imports.

Table 5.---Whisky: U.S. imports for consumption, total and from Canada and the United Kingdom, 1947-62

Year	Quantity			Value			Unit value		
	All countries			All countries			All countries		
	1,000 proof gallons	Canada : 1,000 proof gallons	United Kingdom : 1,000 proof gallons	1,000 dollars	Canada : 1,000 dollars	United Kingdom : 1,000 dollars	Per gallon	Canada : Per gallon	United Kingdom : Per gallon
1947-----	10,567	4,005	6,428	49,461	16,733	32,131	\$4.68	\$4.18	\$5.00
1948-----	12,323	4,482	7,356	62,685	21,835	38,325	5.09	4.87	5.21
1949-----	12,492	4,598	7,359	66,182	24,862	38,835	5.30	5.41	5.28
1950-----	15,330	5,503	9,454	87,660	30,667	55,064	5.72	5.57	5.82
1951-----	16,978	7,205	9,719	92,669	40,532	51,865	5.46	5.63	5.34
1952-----	16,867	7,461	9,096	94,855	44,412	48,967	5.62	5.95	5.38
1953-----	20,154	8,914	10,747	112,605	52,078	58,378	5.59	5.84	5.43
1954-----	20,158	8,684	11,449	113,357	51,241	62,017	5.62	5.90	5.42
1955-----	21,820	9,158	12,294	123,600	54,677	67,360	5.66	5.97	5.48
1956-----	24,674	10,704	13,908	140,152	63,749	76,136	5.68	5.96	5.47
1957-----	25,672	10,397	15,242	150,279	63,485	86,642	5.85	6.11	5.68
1958-----	26,894	10,453	16,391	158,350	63,546	94,541	5.89	6.08	5.77
1959-----	30,188	11,787	18,333	177,274	71,270	105,686	5.87	6.05	5.76
1960-----	32,947	12,462	20,414	191,658	74,925	116,388	5.82	6.01	5.70
1961 1/-----	34,454	12,711	21,559	199,209	76,366	122,257	5.78	6.01	5.67
1962 1/-----	38,182	13,975	23,874	217,541	82,336	134,187	5.70	5.89	5.62

1/ Preliminary.

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Profit-and-loss data for 10 U.S. distillers of whisky, 1957-61

Year and item	(Money figures in thousands of dollars)											Walker
	American: Distill- ing Co.	Barton Distill- ing Co.	James B.: Bean Distill- ing Co.	Brown- Forman Distill- ing Co.	Distill- ers Corp.- Seagrams, Ltd.	Glenmore: Distill- ers & Co.	Indus- tries, Inc.	National: Distill- ers & Chemical Corp.	Publicker: Indus- tries, Inc.	Schenley: Indus- tries, Inc.		
1957												
Net sales 1/	18,800	12,640	23,160	46,100	268,400	24,187	239,500	55,610	179,000	152,300	1,039,927	
Cost of goods sold	14,930	11,160	16,880	38,190	227,090	11,450	176,650	51,870	152,060	106,660	867,470	
Gross profit	3,870	1,480	6,280	7,610	61,310	12,737	62,850	3,970	26,940	45,620	232,157	
Selling, administrative, and general expense 2/	793	475	667	2,367	6,015	8,962	14,510	4,110	5,570	1,323	45,012	
Net profit before income taxes	3,077	1,005	5,393	5,243	55,295	3,775	48,130	-110	21,370	44,297	187,145	
Ratio (percent) of net profit to net sales	16.4	8.0	23.3	11.4	19.2	15.6	20.1	-0.3	11.9	29.1	18.0	
1958												
Net sales 1/	19,800	12,950	23,700	43,400	279,200	28,241	233,400	55,450	199,500	155,700	1,051,381	
Cost of goods sold	15,480	10,570	15,860	33,750	219,960	11,419	176,040	53,700	166,970	112,010	819,189	
Gross profit	4,320	1,580	7,840	9,650	59,240	13,822	57,360	1,750	32,530	43,690	232,192	
Selling, administrative, and general expense 2/	806	614	827	2,170	5,400	9,356	16,185	3,710	4,720	1,126	44,914	
Net profit before income taxes	3,514	1,366	7,013	7,480	53,840	4,466	41,175	-1,950	27,810	42,564	187,278	
Ratio (percent) of net profit to net sales	17.7	10.5	29.6	17.2	19.3	15.8	17.6	-3.5	13.9	27.3	17.3	
1959												
Net sales 1/	22,500	16,230	26,030	46,500	265,600	26,363	279,000	46,480	195,000	154,800	1,116,923	
Cost of goods sold	17,170	14,330	16,930	31,850	230,090	11,850	206,990	47,150	154,570	116,370	955,710	
Gross profit	5,330	3,500	9,100	11,050	55,510	13,533	72,010	1,250	40,030	38,430	266,133	
Selling, administrative, and general expense 2/	1,019	1,079	956	2,016	3,121	9,519	18,374	3,400	7,210	1,013	42,707	
Net profit before income taxes	4,311	2,621	8,144	9,034	52,389	4,014	53,636	-2,110	32,820	37,417	212,426	
Ratio (percent) of net profit to net sales	19.2	15.5	31.3	18.5	18.3	14.1	19.2	-4.4	16.8	28.6	19.0	
1960												
Net sales 1/	24,000	27,740	29,280	49,300	301,100	28,459	417,900	55,900	167,500	175,000	1,276,279	
Cost of goods sold	16,580	23,360	19,410	36,710	240,570	15,720	342,490	50,230	150,500	122,570	1,026,170	
Gross profit	5,420	4,380	9,870	12,590	60,530	12,739	75,410	5,670	17,000	52,430	256,109	
Selling, administrative, and general expense 2/	690	1,291	907	2,390	4,295	8,628	25,380	3,475	6,038	2,001	55,295	
Net profit before income taxes	4,730	3,089	9,063	10,170	56,235	3,911	50,030	2,195	10,962	50,429	200,814	
Ratio (percent) of net profit to net sales	19.7	11.1	30.8	20.6	18.7	13.7	12.0	3.9	6.5	28.8	15.7	
1961												
Net sales 1/	25,500	22,150	30,960	52,100	319,200	27,201	448,200	61,380	175,500	179,500	1,341,731	
Cost of goods sold	19,460	17,250	19,670	36,380	246,610	11,977	372,440	57,510	145,770	124,030	1,056,367	
Gross profit	6,040	4,900	11,290	15,720	70,390	12,224	75,760	3,840	29,730	55,470	285,364	
Selling, administrative, and general expense 2/	805	1,063	947	2,344	12,361	8,060	27,050	3,715	7,380	1,965	65,690	
Net profit before income taxes	5,235	3,837	10,343	13,376	58,029	4,164	48,710	125	22,350	53,505	219,674	
Ratio (percent) of net profit to net sales	20.5	17.3	33.4	25.7	18.2	15.3	10.9	0.2	12.7	29.8	16.4	

1/ Excludes Federal excise tax.

2/ Includes depreciation.

Source: Standard & Poor's Industry Surveys (Liquor) and Moody's Industrials.

