THE ANTI-ALCOHOL MOVEMENT: A GLOBAL CHALLENGE TO THE WINE INDUSTRY

ADDRESS BY ERNEST GALLO CHAIRMAN, E. & J. GALLO WINERY

TO THE

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Since I was not told what I was to talk about -- I will take the opportunity of talking about what I consider a very serious problem facing the wine industry worldwide, -- and that is the anti alcohol movement -- it is a global challenge to the wine industry.

Fortunately, we have in place this great organization -- The International Office of the Vine and Wine.

OIV is, as you know, comprised of two components -- government officials as members and vintners as delegates. It is obviously to the interest of both groups to ensure not only the continued existence of wine but to expand its use.

The wine makers of the world consider it fortunate that so many able officials of governments around the world devote the time and attention that they do to improving the quality and responsible distribution of wine worldwide. We in the United States are particularly fortunate that a person of Steve Higgins'

calibre and leadership recognized the value and importance of the United States participating in OIV. He has worked effectively to further the goals of OIV. Mr. Higgins was personally instrumental in getting the U.S. Government, through ATF, to join and actively participate in OIV. While we have made great strides, there is more to be done, and we know that Mr. Higgins is always willing to consider ways to move toward a level playing field that will benefit all of us.

My remarks today will address the single issue -- the antialcohol movement which is gaining strength worldwide. My aim today is to identify the challenges the anti-alcohol movement poses to the wine industry and to address how we should consider responding.

At first glance, my theme may seem unrelated to the central theme of this Conference. My justification is simple: Unless the OIV and the wine industry move off the defensive and begin to challenge the assumptions of the anti-alcohol movement, we won't need any more conferences on international trade. There won't be enough wine trade to worry about.

The wine industry has undergone a similar anti-alcohol experience before. The threat was recognized as long ago as 1924, the year that OIV started, as a result of the enactment of Prohibition in the United States in 1918. To ward off the spread of

Prohibition outside the U.S., the first article of OIV's founding charter declared that OIV would be devoted to and I quote:

"Collecting, studying and publishing information that will demonstrate the beneficial effects of wine...".

I will repeat: The first article of O.I.V.'s founding charter would be devoted to and I quote again:

"Collecting, studying and publishing information that will demonstrate the beneficial effects of wine...".

World consumption of wine peaked in 1978 at 7,700,000,000 gallons. Since then it has declined 20% to 6,200,000,000 gallons -- a loss of 1,500,000,000 gallons. Think of it -- a loss of a billion and a half gallons in just 15 years.

The decline in wine consumption reflects in part the efforts of a powerful coalition dedicated to reducing the consumption of alcohol by all means possible -- higher and higher taxes, restrictive legislation of all kinds, warning labels, and a barrage of public messages that alcohol threatens health and fitness.

This worldwide campaign against alcohol consumption, in any form, in any amount, is increasing in momentum, and it is increasingly

successful in inducing governments to adopt punitive measures against alcoholic beverages, including wine.

One indicator of this campaign's success is the position taken by the World Health Organization that alcoholic beverage consumption should be reduced 25% by the year 2000.

The Surgeon General of the United States has taken the same position. The World Health Organization expects every member of the United Nations to do likewise.

The wine industry, wine consumers, and your governments, are faced with formidable opponents, who have many allies in high government positions working to eliminate or drastically curtail the consumption of wine -- the result of which would put out of work millions of men and women involved in grape growing, wine making, distribution, and related industries; they would deny the pleasure of wine to humanity; and to reduce governmental tax revenues from this source.

The anti-alcohol movements would treat wine as if there were no difference between Cabernet Sauvignon and cocaine. The goal is to strip wine of its centuries of tradition, history and culture and to convince the public to regard it as a harmful substance.

We have heard the chairman of EUROCARE, a new entity established

in 1990 to devise a so-called "Alcohol Charter for Europe", proclaim from the very start that -- QUOTE -- "Alcohol cannot be seen as just another commodity. It is a toxic and dependence-inducing drug which inflicts enormous damage in all European countries."

We are constantly required to fight to protect the availability and affordability of our products in the face of multiplying efforts to raise so-called "sin taxes"; to limit sales through such barriers as restrictive licensing -- restrictive hours of sale; -- to intimidate consumers through tactics such as expanding and rotating health warning labels.

There is, of course, an irony to this attempt to equate wine with drugs. Historically, wine has been understood to be a healthy complement to the family meal -- not a "toxic and dependence-inducing drug", but a strengthening of communal and familial bonds.

The irony of our predicament is further underscored when you consider that while all this is going on, the weight of medical and scientific evidence regarding the health benefits of responsible wine consumption is expanding to the point of irrefutability.

For example, last year Harvard University Medical School

researchers writing in the New England Journal of Medicine included moderate alcohol consumption as one of nine scientifically supportable ways to reduce the risk of heart attacks.

Other recent studies have confirmed the positive correlation between moderate alcohol consumption and reduced risk of heart disease. Among them are a report by Dr. Arthur Klatsky published this year in the American Journal of Cardiology.

In this June's issue of the Journal of the American Public Health Association, researchers from Harvard's School of Public Health concluded that -- QUOTE -- "light to moderate drinkers have substantially lower rates of cardiovascular mortality and mortality from all causes than do non-drinkers or heavy drinkers."

And a series of published studies reporting on ongoing research at the University of California at Davis points to the important role played by compounds in wine that exhibit antioxidant properties. Researchers believe that antioxidants may contribute to preventing heart disease.

It is no surprise that many doctors support wine. Many are joining together to establish chapters of the organization "Medical Friends of Wine." Who ever heard of doctors forming an

organization called medical friends of tobacco, or butter, or red meat?

If wine is permitted to be falsely seen as a "toxic" and "dependence-inducing drug", it automatically changes public perception of the traditional role of wine. Instead of an integral part of daily life, the enjoyment of wine becomes undesirable.

No one would deny, that wine must not be used in excess. By the same token, excessive consumption of salt can cause high blood pressure. The excessive ingestion of sugar can promote diabetes; the excessive consumption of fatty foods cancer. Obviously, educating consumers about the health effects of what and how much they consume is an appropriate activity for public health agencies.

The point, however, is that the anti-alcohol movement has crossed the line. Their strategy is not one of empowering consumers to make informed choices. Their objective is to eliminate the use of wine.

One basic problem with this strategy is whether we want to permit government to decide for us what we eat and drink.

Another problem is that the anti-alcohol strategy does not

discriminate between use and abuse.

But the most important problem with the approach of the antialcohol movement is that it suppresses the truth about wine -and thereby harms rather than promotes public health, as well as denying the public the enjoyment of an historic, traditional pleasure.

A good example comes from the field of health education in American schools. The anti-alcohol movement is having a chilling effect on what our schools are permitted to teach. By teaching that alcohol is a sin and a drug, they are inviting abuse of the product, rather than responsible use or abstinence. They are setting alcohol up as a symbol of rebellion, and we all know that children progress through a period of rebellion. The result is that when children inevitably experiment with alcohol, they are not equipped to properly deal with it.

Compare this with the way my parents taught me to drink wine.

Starting when I was about six years old -- more three quarters of a century ago -- I recall that a bottle of wine and a pitcher of water were always on our dining room table. My father poured a glass of wine for my mother and one for himself, and always poured a few drops of wine into my glass and my brother's glass of water. As I grew older -- more and more drops. This was the custom at the time. In this way I learned how to drink and enjoy

wine in moderation.

As another example, a director of the federal office of Substance Abuse Prevention has said, "We don't talk about things like responsible drinking any more. We just talk about high-risk drinking and low-risk drinking."

We ought to be outraged and yet we say nothing.

Today, I am suggesting that O.I.V. and the wine industry combine to try to change that.

Is it not time for us to wake up. Alarm bells are ringing all around us.

If OIV is going to fulfill its mission as provided in its
charter;

If we are to survive as an industry and remain a symbol of the good things in life -- providing an enjoyable product with strong familial, communal, cultural and even religious ties;

and

If wine is to continue being available to all groups of people,
not just the very rich --

Then we must join forces to combat the threat against us.

May I say that it is clearly in the interest of your governments to see that the wine industry not only survives, but prospers:

After all:

- 1. Wine is a significant source of tax revenue.
- Wine is a significant source of worldwide employment, for growers, winemakers, distributors, retailers, and many, many others.
- 3. The millions of citizens of modest means whose lives are enriched by wine should not be denied the enjoyment of one of the finer things in life.
- 4. As we found out in this country, Prohibition results in organized crime, corrupts the fabric of government itself, destroys respect for the law, and limits consumer choices to harmful products.

The anti-alcohol forces are gaining ground through a persistent, mostly false propaganda campaign. So far, we have not reacted. We have let it go unchallenged.

It is not too late for us to react to the challenge. The effort that is needed is the combined efforts of both you members and delegates of OIV.

OIV has the prestige, capabilities, stature, and worldwide relationships -- that with the unqualified support of the delegates -- makes it the logical organization to counter the attacks on wine, and to reverse the anti-wine position of many of your governments -- positions which have been taken because of pressures, publicity, and propaganda not challenged or countered by our side with the facts about wine.

Let us not forget that OIV was founded in 1924 as a reaction to prohibition in the United States. The European wine industry was properly concerned at the time that U.S. prohibition might spread to other parts of the world.

Now then, for the effort to effectively try to counter the antialcohol movement, I suggest that OIV establish a fourth

Commission, in addition to the existing three Commissions in
viticulture, enology and economics. I suggest that it be called
the Commission on Research and Education. Its major task would
be to assemble all the existing and developing research on the
positive aspects of wine, and to "educate" the media,
legislators, and governmental agencies as to the many reasons
wine making and wine consumption should be encouraged, not
discouraged.

For example, such a Commission would be a very credible voice in the rulemaking proceedings the U.S. government will conduct in the near future on the scope of health statements that may be made about alcoholic beverages.

The wine industry hopes that OIV will act to <u>offset</u> other influences within your respective countries which are denigrating wine and seeking to limit its use. If OIV does not take such action, then who can?

In concluding, I say for our part as winemakers, we vintner delegates have an ever-increasing duty to protect the prestige of wine and to reverse the decline in its consumption.

Vintner delegates must continue to:

- 1. Exert extraordinary effort to develop and produce wines that are increasingly desirable to the consumer.
- Be sensitive and be in the forefront in responsible advertising, promotion and sales.
- 3. Conduct ourselves even more responsibly, not only as producers and marketers of wine, but as citizens and members of our respective communities to earn the highest respectability both locally and with legislators and government administrators.

Today in this country we are on the eve of the 60th anniversary of the repeal of Prohibition. We have a lot to show for those 60

years. There have been great achievements and great advances in our industry, and the OIV shares credit for many of them.

Working together, we can hope to transform the world of wine back to what it once was and should always be -- a product rich in the traditions of the past, a product with unlimited potential in the future.

Thank you very much.