James Simpson

Cooperation and Conflicts: Institutional Innovation in France's Wine Markets, 1870–1911

Very different commodity chains had been established over the centuries in France to produce and sell wines as diverse as champagne, fine old clarets, or ordinary table wines. The major shortages caused by the vine disease *phylloxera* after 1875 forced merchants to search for new sources of supply, often in foreign countries or through the production of artificial wines. When domestic production revived, however, the recovery was not accompanied by a noticeable reduction in these new supplies, with the result that prices, as well as growers' profitability, fell sharply after the turn of the twentieth century, strengthening the merchants' power in the various commodity chains. To overcome this situation, growers in three very different wine-producing areas, namely the Midi, Bordeaux, and Champagne, used their political influence to achieve government intervention in order to control fraud and establish regional appellations or producer cooperatives, which helped them win back some of their market power from merchants.

A series of large demonstrations in the French Midi in the summer of 1907 culminated in over half a million people assembling in Montpellier to protest low prices and the sale of artificial wines. At the same time, many of Bordeaux's leading quality wine producers were forced to look to their merchants for help, while growers of ordinary

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wines lobbied local and national governments to establish a new regional “Bordeaux” appellation. A few years later, in 1911, troops were summoned to stop the destruction of large quantities of wines that had been brought from outside the Champagne region to Reims and Epernay for making into “champagne.” These very different events originated with the market instability produced by the vine disease phylloxera. Phylloxera (and other vine diseases), together with technological changes in wine production, altered the distribution of power in the commodity chain, weakening the position of most growers and strengthening the position of the merchants. This challenge was met by growers, who demanded government intervention to protect their interests, and their success in achieving organizational changes in wine markets allowed hundreds of thousands of growers to remain in production and to retain a strong political influence up to the present day.

The diversity of French wines required very different commodity chains to produce and sell wines such as champagne, fine old clarets, or ordinary table wines. During the mid-nineteenth century, falling transport costs, urbanization, and rising real wages caused a sharp upturn in domestic wine consumption and intensified regional specialization in viticulture. By blending wines from different areas to create a standardized product and providing information on quality, merchants played a crucial role in organizing markets. The major shortages caused by phylloxera after 1875 forced merchants to search for new sources of supply, often in foreign countries or through the production of artificial wines. The subsequent recovery in domestic production was not accompanied by a marked reduction in these supplies, and growers had to stand by and watch prices, and their profits, fall steeply from the turn of the twentieth century, leading to demands that the government intervene. While some merchants continued to sell fine wines, many others filled the growing appetite for cheap wines, in some cases involving themselves in the production of artificial wines. Merchants therefore preferred little or no intervention in markets, but in an era of mass participation in politics, politicians could not ignore the huge voting power of the wider wine community. However, opinion was divided on the most appropriate forms of market intervention, and conflicts occurred not just between growers and merchants but also between large and small growers, producers of fine and ordinary wines, and growers in different geographic locations. None of the proposals, such as the removal of surplus wines from the market by distilling, the imposition of stricter controls on the manufacture of artificial wines, or the creation of regional appellations, could be implemented without the support of the state. In this paper, I will describe the growers’ goals and show how they succeeded in winning back some market power from merchants in three wine-producing communities.

The first, of four, sections, is an account of the historical changes in France's domestic wine supply, particularly the impact of phylloxera. The remaining sections examine the response of local growers and merchants, first to phylloxera and then to the collapsing wine prices in three major regions. In the second section, I consider the Midi, France's leading producer of cheap, low-quality wines, which accounted for two-fifths of national output at the turn of the century. The need to replant after phylloxera reinforced the traditional informal cooperation between small and large properties, and the collapse in wine prices in the 1900s was treated as a common problem for the whole sector. The state stepped in to resolve the problem, providing a legislative framework for controlling fraud and adulteration, and growers established a new institution to enforce the new laws. However, over the long run, most growers turned to cooperatives as a way of recovering some of their lost market power, a strategy that allowed them to capture the growing economies of scale in wine production and marketing.

In the Gironde (Bordeaux), by contrast, the far greater diversity of wines led to local conflicts, which are described in the third section. The producers of ordinary wines in that region found it increasingly difficult to compete against producers in the Midi, and they demanded a regional appellation. This measure was opposed both by those merchants who blended Bordeaux wines with others from outside the region to create a more marketable product and by outside growers, who feared the loss of their markets. The regional appellation was considered largely irrelevant by producers of quality wines, and the unique nature of their products and their precarious financial situation induced many to sign private contracts with merchant houses, which guaranteed them markets.

The fourth section is a consideration of the Champagne region, where the problem for growers, especially in 1908 and 1910, was the lack, rather than the abundance, of wine. There were difficulties, because grape prices failed to keep pace with rising shortages, in part because quality producers already had sufficient stocks maturing in their cellars, and in part because ordinary champagne producers bought cheap wines from outside the region. Conflicts were especially bitter, because, unlike Bordeaux, the "natural" boundaries for a regional appellation were much more controversial.

Phylloxera and Volatility in Wine Markets

Instability in wine markets was hardly new to the early twentieth century. Ernest Labrousse noted that in eighteenth-century France "the cyclical fluctuations [of wine prices] are . . . superior to those of all other

products."¹ Furthermore, not only did the size of harvests fluctuate dramatically from one year to another; the quality varied as well. In the short term, supply was relatively inelastic. Entry costs to traditional viticulture were low, as the vine was usually cultivated on marginal land that was unsuitable for other crops, required a large labor force (considered an advantage when population growth was reducing land:labor ratios), and demanded little capital. Vineyards were generally small: on the eve of the phylloxera epidemic, there were an estimated 1,628,808 growers in France.² In the face of weak demand or growing competition, growers were reluctant to uproot their vines, hiring fewer laborers instead. Demand was more flexible, and consumption fluctuated with local harvests. Because of the poor keeping quality of most wines, stocks played only a small role in smoothing out supply from one harvest to the next. Indeed, the limited storage facilities owned by most growers implied that any surplus in the autumn was thrown away to leave room for the new, more valuable wine. In the cities, although merchants were reluctant to dispose of old stock in this way, the problems of storing and preserving wines discouraged them from building inventories.³ Prior to the phylloxera epidemic, distilling was widespread in years of overproduction or when quality was poor.

Many of the legal restrictions to trade of the ancien régime were removed in 1776 or during the French Revolution, but the domestic market for wines remained limited by the high costs of transport, high taxation, and the low levels of urbanization. With improved market integration, trade expanded, and the rail link between the Midi and France's northern industrial cities encouraged growers to plant high-yielding vines on fertile land in order to produce cheap table wines and undercut traditional suppliers. Nationally, per capita consumption grew from an average of 76 liters in the early 1850s, to 140 liters by 1875, the year of France's largest-ever harvest of 84.5 million hectoliters.⁴ By this date,

¹C. E. Labrousse, *Esquisse du mouvement des prix et des revenus en France au XVIII^e siècle*, vol. 1 (Paris, 1933), cited in Thomas Brennan, *Public Drinking and Popular Culture in Eighteenth-century Paris* (Princeton, 1988), 97.

²Jules Guyot, *Etude des vignobles de France pour servir à l'enseignement mutuel de la viticulture et de la vinification françaises*, vol. 3 (Paris, 1876). See also Paul Degruilly, *Essai historique et économique sur la production et le marché des vins en France* (Paris, 1910), 440–41. In late-nineteenth-century France there were an estimated 1.6 million growers, at a time when the active male population was only 13 million; Leo A. Loubère, *The Red and the White: The History of Wine in France and Italy in the Nineteenth Century* (Albany, 1978), 167; and Patricia E. Prestwich, *Drink and the Politics of Social Reform: Anti-alcoholism in France since 1870* (Palo Alto, 1988), 10.

³Brennan, *Public Drinking*, 96.

⁴Didier Nourrisson, *Le buveur du XIX^e siècle* (Paris, 1990), 321. The quantity consumed by wine producers and their families (and therefore exempt from taxes) grew from 5 million to 9 million hectoliters between 1850–54 and 1900–04, while the increase in off-farm consumption was between 18 million and 42 million hectoliters. Calculated from Degruilly, *Essai historique*, 320–21.

Figure 1. French wine production and trade, 1831–1913. (Source: *Annuaire Statistique*, 1933, 62–63, 179–80.)

there was a concern that supply was growing faster than demand, but the threat of overproduction was averted by the onset of phylloxera, which postponed the necessity of having to deal with problems of over-supply until the turn of the twentieth century.⁵

Powdery mildew, or oidium, had been the first of a number of devastating new vine diseases brought to Europe from North America in the nineteenth century. During the worst years of 1853–56, it caused French production to slump to just 17.6 million hectoliters; output between 1851 and 1861 only once reached the average of 41.7 million hectoliters achieved in 1832–41 (Figure 1).⁶ If the impact of powdery mildew on supply was severe, it was also short lived, as growers discovered that dusting the vines with sulfur checked the spread of the fungal disease, and production quickly returned to normal, albeit entailing higher production costs. Phylloxera, which first appeared in 1863, spread much more slowly, but its long-term economic consequences were far greater. The aphids fed on the plant's roots, killing it after several years. In time phylloxera destroyed virtually all of Europe's vines. A number of solutions did slow its progression, but all were expensive. In 1873 flooding the vineyards was shown to be a successful tactic, but one that required holdings to be compact, relatively large, and on level ground, close to good supplies of cheap water. Two chemical solutions were also

⁵ Michel Augé-Laribé, *Le problème agricole du socialisme. La viticulture industrielle du Midi de la France* (Paris, 1907), 86.

⁶ Calculated from Marcel Lachiver, *Vins, vignes et vignerons. Histoire du vignoble français* (Paris, 1988), 582. No production figures exist for 1842–49.

developed, namely injecting the vines' roots with liquid carbon bisulfide and spraying them with sulfocarbonate. These were temporary measures, however. The only permanent cure was the grafting of European scions onto the American phylloxera-resistant vine roots. This remedy was technically not difficult, but it required extensive scientific work to find the most suitable vines that were resistant to phylloxera (and other diseases) and that adapted easily to the soil and cultural conditions of each vineyard. A further concern was the quality of the wine derived from the new plants, although many growers recognized the potential for exploiting the new research to improve yields. In France it has been estimated that, between 1868 and 1900, some 2.5 million hectares of vines were uprooted at a cost of 15 billion francs; chemicals, imports of vines, and the costs of replanting and grafting accounted for another 20 billion.⁷ Wine output, which had averaged 57.4 million hectoliters in 1863–75, fell to 31.7 million in 1879–92, before returning to 52.5 million in 1899–1913.⁸

The shortages caused by the phylloxera disaster required merchants to look for alternative supplies. One immediate solution was imports, and France switched from exporting the equivalent of 5 percent of its domestic supply in 1866–75 to importing 19 percent in 1886–95 (Table 1). Another strategy adopted to augment supply was the manufacture of wine from raisins, which could be imported duty free until 1889 and were also cheaper to transport than wine.⁹ More controversial was the use of sugar in wine production. Jean-Antoine Chaptal, author of the classic *L'art de faire le vin* (first published in 1801), had shown that the addition of sugar to grapes after a poor summer, especially in northern Europe, improved quality but did not increase output.¹⁰ Sugar could also be added, together with water, to the remains of the grapes after their first pressing, and then repressed to produce "second wines" or *piquettes*. Coloring was then added, most often fuchsine, which was especially popular.¹¹ This practice was normally only used to produce wines for on-farm consumption, "in theory by law and in fact

⁷ Pierre Galet, 1988, cited in Harry W. Paul, *Science, Vine, and Wine in Modern France* (Cambridge, 1996), 16. Clive Trebilcock, *The Industrialization of the Continental Powers, 1780–1914* (London, 1981), 157, suggests a "final bill" in excess of £400 million (10 billion francs), equivalent to 37 percent of the average GDP for 1885–94.

⁸ Calculated from Lachiver, *Vins, vignes et vignerons*, 582–83.

⁹ It was estimated that 300 liters of wine with an alcohol strength of 8 percent could be produced from 100 kilos of raisins or currants, at the cost of just 0.15 franc a liter, considerably less than real wine, and there were reportedly twenty factories in Paris. George Ordish, *The Great Wine Blight* (London, 1972), 148–50.

¹⁰ Output did increase of course, when *chaptalisation* (the addition of sugar to grapes) encouraged production in regions that otherwise would have found this impossible.

¹¹ Ordish, *The Great Wine Blight*, 144.

Table 1
French Wine Supplies, 1886-95^a

	1866-75		1886-95		1900-09	
	'000 hls	% of Total	'000 hls	% of Total	'000 hls	% of Total
Harvest	56,931	99.4	30,517	70.7	55,649	88.3
Imports	348	0.6	9,510	22.0	5,620	8.9
Subtotal	57,279		40,027	92.7	61,269	97.2
Sugar and raisin wines	?		3,163	7.3	1,840	2.9
Total	57,279	100.0	43,190	100.0	63,109	100.0
Exports	3,229	5.1	2,032	4.8	2,141	3.2
Drunk by producers	28,362	44.4	9,186	21.7	14,833	22.4
Sold by merchants	25,687	40.2	28,794	67.8	44,295	67.0
Vinegar and distilling	5,000?	7.8	681	1.6	2,200?	3.3
Total	62,278	97.5	40,693	95.9	63,469	95.9
Waste (6% of merchants' wine)	1,541	2.4	1,728	4.1	2,658	4.0
Difference	+6,540		-769		+3,018	
Net foreign trade as % of domestic wine stocks ^b	+5.0%		-18.7%		-5.7%	
Per capita consumption	c.144		c.110		c.162	
Average wine price (Paris) hl/fr	28.5		32.2		18.2	

Sources: For 1886-95: Henri Sempé, *Régime économique du vin* (Bordeaux, 1898), 52; Degruilly, *Essai historique*, 304, 428; for 1900-09, Warner, *Winegrowers of France*, 35.

^a In thousands of hectoliters.

^b Calculated as harvest + imports (i.e., subtotal above).

by the abundance of good, cheap wine and the relatively high price of sugar."¹² However, wine shortages, the desperate situation that many growers faced because of phylloxera, especially in the Midi, and the government's relaxation of laws, encouraged the sale of significant quantities of *piquettes*. By 1890, raisin and sugar wines accounted for a sixth of official French consumption, although the real figure may have been considerably higher, before tariffs and taxes made them uncompetitive when produced legally. Therefore, whereas the wine shortage produced by powdery mildew in the 1850s caused wine prices to double in France, the price increases resulting from the phylloxera epidemic rose more modestly, by about a third between the early 1870s and the early 1880s.¹³

¹² Charles K. Warner, *Winegrowers of France and the Government since 1875* (New York, 1960), 13.

¹³ John Nye, "The Unbearable Lightness of Drink: British Wine Tariffs and French Economic Growth, 1689-1860," in *The Political Economy of Protectionism and Commerce, Eighteenth to Twentieth Centuries*, eds. Peter Lindert, John Nye, and Jean-Michel Chevet (Milan, 1992), 12, also makes this point.

Figure 2. French wine production, consumption, and prices, 1868-70. (Source: *Annuaire Statistique*, 1933, 62-63, 179-80.)

On the demand side, consumption fell from 147 liters per capita in 1875-79 to a low of 93 liters in 1885-89 (Figure 2).¹⁴

By the late nineteenth century, French wine production was clearly recovering. The 1893 harvest was the first in fourteen years to exceed the long-term average recorded between 1871 and 1913, and the combination of rising domestic production, large-scale imports, and the widespread manufacture of artificial wines was threatening to lead to overproduction. The impact on supply can be seen in Table 1, although some of the figures are only approximate. The easiest recourse for the government was to reduce imports. The tariff war of the late 1880s provided an excuse to increase duties on Italian wines, and after 1892 higher duties were also imposed on Spanish wines, although the impact of this measure was initially limited by the system of free ports, which allowed merchants to continue to import foreign wines duty free for the sole purpose of mixing them with local ones for export, and, until 1898, by the depreciation of the peseta.¹⁵ Spanish exports to France in the 1890s were still 81 percent of what they had been in the 1880s, but they then fell sharply to 14 percent in the 1900s. However, the decline in these markets was partly offset by the growth of Algerian imports.

¹⁴ Nourrisson, *Le buveur*, 321.

¹⁵ Henri Sempé, *Régime économique du vin* (Bordeaux, 1898), 205.

Thus, French imports in the 1900s still came to 5.6 million hectoliters, equivalent to 60 percent of the 1880s figure. Finally, with the recovery in domestic production, merchants found that many of their old export markets were now protected by tariffs, restricting demand for French wines, despite their considerable drop in price.¹⁶

Improved technologies for making ordinary wines, especially in the Midi, increased the possibilities of storing wines from one year to the next, but chemicals were also used to preserve poor-quality wines. The higher wine prices caused by the phylloxera blight produced a sharp decline in distilling, and production fell from an annual average of eight million hectoliters in 1865–69 to one million in 1895–99.¹⁷ At the same time, technical developments in commercial distilling and the appearance of cheaper raw materials (grains, beets, and potatoes) produced a marked drop in the price of “industrial” alcohol. When wine supplies recovered, raising the specter of overproduction in the late 1890s, the market for distilled surplus wines had practically disappeared. Some of the industrial alcohol produced was used in the manufacture of new types of beverages, often drunk in the *assommoirs*, or saloons. However, cheap alcohol was also used to produce artificial wines. The exact size of this trade is naturally impossible to establish, but it was generally believed to have been extensive. For example, official wine consumption in Paris in 1903 was 185 liters per capita, half the 354 liters recorded in the city's suburbs. To avoid taxation, wines were often strengthened with alcohol to the legal maximum required before being brought into the city; they were then watered down and adulterated with industrial alcohol.¹⁸ One report to the Chamber of Deputies in 1905 suggested that twenty million hectoliters of manufactured wine were circulating nationally, although another report suggested a considerably lower figure of between ten and twelve million. In the same year, the municipal laboratory in Paris randomly tested 617 wine samples and found that 500 had been doctored or adulterated.¹⁹ Imports were also affected, as adulterated wines in Spain accounted for perhaps a quarter of that market in the late 1880s, and Spanish producers frequently used industrial spirits to strengthen wines for export to France.²⁰

¹⁶ For French exports, see Vicente Pinilla and Maria-Isabel Ayuda, “The Political Economy of the Wine Trade: Spanish Exports and the International Market, 1890–1935,” *European Review of Economic History* 6 (2002): 51–85; and James Simpson, “Selling to Reluctant Drinkers: The British Wine Market, 1860–1914,” *Economic History Review* 57 (Feb. 2004): 80–108.

¹⁷ Degruilly, *Essai historique*, 325.

¹⁸ *Ibid.*, 356.

¹⁹ All cited in Warner, *Winegrowers of France*, 37.

²⁰ James Simpson, *Spanish Agriculture: The Long Siesta, 1765–1965* (Cambridge, U.K., 1995), 97.

Table 2
Changes in Wine Prices in Select French Regions,
1840, 1892, and 1906^a

<i>Region</i>	<i>1840</i>	<i>1892</i>	<i>1906</i>	<i>% Change between 1840 and 1906</i>
Marne (Champagne)	15.6	286.8	90.0	477
Gironde	18.4	62.9	22.0	20
Hérault (Midi)	6.7	17.6	8.0	20
Charente Maritime	7.5	44.4	15.0	100
Rhône	14.5	49.3	32.0	120
Saône et Loire	16.7	54.2	22.0	32
France	11.6	31.2	16.8	45

Sources: Jean-Claude Toutain, "La production agricole de la France de 1810 à 1990: Départements et régions," *Economies et Sociétés. Histoire quantitative de l'économie française*, (1992), vol. 1, 254; and Ministère de l'Agriculture, *Statistique agricole annuelle 1906* (Paris, 1907), 58–59.

^aFrancs per hectoliter.

By the turn of the century, it was clear that reducing imports had not solved the problems of low prices and lack of profitability, which led to serious unrest in a number of France's wine-producing regions (Table 2 and Figure 3). The causes of overproduction, and the most suitable policies for resolving the problem of low prices, were questions much debated by contemporaries. There were often divisions of interest, not only between small and large growers and between growers and their merchants, but also sometimes between growers in different wine-producing regions and between quality and ordinary wine producers in the same region. Indeed, it is more accurate to talk about a number of wine markets, as the market organization for wines, such as fine clarets, vintage champagnes, or cheap *vin rouge*, were very different. To clarify the situation that led to demands for intervention, it is necessary to consider the different commodity chains that linked producer with consumer according to the nature of the various wines. Government legislation aimed at encouraging workers' associations (1884) and protecting consumers (1905) made it easier for individuals to cooperate formally and provided incentives to look for regional or sectoral solutions to problems, such as the phylloxera blight or low prices.²¹

²¹ For the background to consumer legislation on fraud, see especially Alessandro Stanziani, "La falsification du vin en France, 1880v1905: Un cas de fraude agro-alimentaire," *Revue d'histoire moderne e contemporaine* 50, no. 2 (Apr. 2003): 154–86, and "Wine Reputation and Quality Controls: The Origin of the AOCs in 19th Century France," *European Journal of Law and Economics* 18 (2004): 149–67.

Figure 3. Movements in French wine prices, farm gate and Paris, 1840-1915. (Sources: *Annuaire Statistique*, 1933, 62-63; Jeanne Singer-Kérel, *Le coût de la vie à Paris de 1840 à 1958* [Paris, 1961].)

Table 3 summarizes some key variables in the three regions. Only in the Midi did the converging interests of large and small growers encourage them to cooperate in their fight against phylloxera, a useful rehearsal for the regional response to low prices in the summer of 1907. At the other extreme, the producers of quality wines in Bordeaux found that they had little in common with the smaller growers, as their more expensive wines were sold by using private brands (using the names of the châteaux), and they depended on an individual, rather than a group, response. I will now examine in greater detail the responses of the three regions to low prices in the 1900s.

Adjusting to Disequilibrium: The Midi²²

High transport costs and steep taxes severely restricted Midi growers' access to national markets in the early nineteenth century, leaving many to specialize in the less profitable production of spirits rather than wine. This situation changed, even before the arrival of phylloxera, as the railways stimulated a rapid growth of vines and a shift toward high-yielding, intensive viticulture.²³ The Midi was the first major region to be devastated, and the area of vines fell from its peak of

²² The Midi includes the *départements* of Aude, Gard, Hérault, and Pyrénées-Orientales.

²³ After 1858 the cost of transporting a *muid* of wine from Montpellier to Lyon fell from 50 francs to 7 francs. Degruilly, *Essai historique*, 324. The specialization in spirit production encouraged some growers to use high-yielding vines even earlier.

Table 3
Wine Production and the Nature of Production Difficulties in the Early Twentieth Century

Region and Type of Wine	Number of Growers/ Producers	Homogeneity of Wines	Strength of Brands	Ease of Entry for New Growers	Perceived Level of Fraud	Need to Restrict Local Output	Level of Cooperation Against <i>Phylloxera</i> ^a
Midi, <i>vin ordinaire</i> Bordeaux, <i>vin du cru</i> Bordeaux,	150,000 80?	Relatively high Very low	Average Strong	Easy Hard	High Low	Yes Yes	High Low
<i>vin ordinaire</i> Vintage champagne Cheap champagne Champagne grape production (Marne)	67,000 40 ^b 260 ^b 27,000	Low Very low Average Very low	Weak Strong Weak Weak	Easy Hard Easy Easy	Low Low High High	Yes No No No	Low Medium Medium Medium

Sources: see text.

^a Between large and small growers.

^b Refers to champagne houses. In 1905 the Syndicat du Commerce only represented forty of the largest houses (*grande marque*) out of a total of three hundred. *Le Vigneron Champenois*, 13 Dec. 1905.

450,000 hectares in 1872, to 268,000 in 1886, before returning to 462,000 hectares in 1900.²⁴ The growers sought state involvement, both to supply financial help and to find a scientific solution for the disease. Local institutions, such as the university in Montpellier and the Ecole nationale d'agriculture (La Gaillarde), were instrumental in introducing American vines.²⁵ The Midi's large landowners had close ties to these institutions and, through formal and informal labor contracts with their workers, provided a steady flow of information to smaller growers. Inequality in regional land ownership increased in the second half of the nineteenth century, and by 1892 some 28.9 percent of vines were found on holdings of more than forty hectares, compared to 29.8 percent on holdings of less than five hectares.²⁶ Small properties complemented the larger ones, as they provided skilled, part-time laborers, especially for pruning.²⁷ The phylloxera invasion encouraged growers to look for common solutions. Thus, large owners loaned smaller growers equipment and money, offered them the use of their wineries, and provided advice, and often the vines themselves, in exchange for labor service.²⁸

As the first region to fall victim to phylloxera, the Midi had the advantage of replanting at a time of wine shortages and rising prices, which attracted large investments of outside capital to the region.²⁹ New, large vineyards were established on the fertile plains, rather than on the hills, and the vines were grown on wire trellises in straight lines, which facilitated the use of work animals, reduced labor requirements, and cut monitoring costs.³⁰ Growers used large quantities of pesticides,

²⁴ Rémy Pech, *Entreprise viticole et capitalisme en Languedoc-Roussillon* (Toulouse, 1975), 496–97.

²⁵ Paul, *Science, Vine, and Wine*, 23.

²⁶ Pech, *Entreprise viticole*, 68; and Augé-Laribé, *Le problème agraire du socialisme*, 136.

²⁷ This was true not only for the period under discussion. *Ibid.*, 136.

²⁸ Laura Levine Frader, *Peasants and Protest: Agricultural Workers, Politics, and Unions in the Aude, 1850–1914* (Berkeley, 1991), 69. Informal cooperation should not be exaggerated, as the decline in monitoring costs associated with the post-phylloxera viticulture encouraged the use of labor from outside the region. The presence of landless labor led to strikes, especially in years of high wine prices, such as 1903. *Ibid.*, 75, 92–93, 121–25.

²⁹ Juan Carmona and James Simpson, "The 'Rabassa Morta' in Catalan Agriculture: The Rise and Fall of a Long Term Sharecropping Contract, 1670s–1920s," *Journal of Economic History* 59 (1999): 290–315. The Credit Foncier lent an estimated 20 million francs to growers between 1882 and 1902, the equivalent of approximately 10 percent of the total cost of replanting in the department, assuming a cost of 1,500 francs per hectare. The bank favored larger producers for economic and technical reasons. Gilles Postel-Vinay, "Debt and Agricultural Performance in the Languedocian Vineyard, 1870–1914," *Research in Economic History* (Suppl., 1989): 169.

³⁰ Pierre Génieys, *La Crise viticole méridionale* (Toulouse, 1905): 38. See also Charles Gide, "La Crise du vin en France et les associations de vinification," *Revue d'économie politique* 16 (1901): 218–19; and for monitoring costs, see Carmona and Simpson, "The 'Rabassa Morta.'"

Table 4
Wine Production in the Midi and France,
1824–08 to 1900–09^a

Years	<i>Midi</i>			<i>Rest of France</i>			<i>Midi as % of France</i>		
	Area	Production	Yield	Area	Production	Yield	Area	Production	Yield
1824–28	209	5,331	26	1527	32,948	22	12	14	+16
1862	394	9,713	25	1927	38,917	20	17	20	+18
1870–79	410	15,064	37	1968	36,515	19	17	29	+70
1880–89	295	8,946	30	1734	20,943	12	15	30	+106
1890–99	401	14,861	37	1361	21,354	16	23	41	+80
1900–09	452	22,225	49	1247	33,608	27	27	40	+50

Sources: Calculated from Lachiver, *Vins, vignes et vigneronns*, 582–609, 616–18.

^a Area in '000s of hectares; production in '000s of hectoliters; and yields in hectoliters per hectare.

fungicides, artificial fertilizers, and even resorted to irrigation to improve yields. When black rot appeared in 1887, it “was so frightening that vigneronns turned from vines grafted on *Vitis vinifera* to direct-producing hybrid vines, which scientists had singled out because of their resistance to diseases.”³¹ But disease was not the only factor. Rising production costs, the low opportunity cost of traditional hillside vineyards, and the difficulties of obtaining sufficiently high prices to offset the lower yields from their better vines also drove many traditional growers to plant hybrids.³²

On the demand side, the high transaction-specific costs associated with classifying ordinary wines induced merchants to use the level of alcohol content as the key indicator of quality and price.³³ Hybrids produced large quantities of wine with a low alcohol content, so merchants imported fortified wines for blending, first from Spain, and later from Algeria. By the early twentieth century, the Midi was responsible for two-fifths of French output and half of taxed wines sold. The area under vines increased by 15 percent, and production was 130 percent higher than it had been in 1862, the year before phylloxera hit. Yields doubled, until they were 50 percent higher than the national average (Table 4).

Higher yields and a reduction in the number of grape varieties resulted in considerably larger harvests that had to be gathered in a shorter time than was previously needed. This in turn required new,

³¹ Paul, *Science, Vine, and Wine*, 14.

³² See Gide, “La Crise du vin,” 226–27.

³³ Génieys, *La Crise viticole*, 38.

larger wineries to crush the grapes and ferment the wine. Technological change allowed wines to be kept longer and reduced unit production costs, but it also increased the minimum efficient scale of wine-making. The heavy capital spending and vertical integration led one writer to describe viticulture in the Midi as "une agriculture industrielle."³⁴ However, the greater scale in wine-making and marketing, together with lower transport costs and increased urbanization, favored high-volume distribution and threatened the smaller producers, who were often forced to sell their wines at lower prices than the larger growers and, in some years, had difficulties in selling at any price.³⁵

The parliamentary commission established in 1907 to look into the causes of the national wine crisis noted that it had inflicted the most damage on the Midi and Algeria.³⁶ Wine prices collapsed in these regions, and, between 1900 and 1906, growers in the Midi had to sell at cost or below in five out of the seven harvests.³⁷ Yet the causes of *la mévente* (the slump) were not obvious. As some commentators noted, the net supply of wines in France in the early 1900s was not so different from the level immediately prior to the phylloxera disaster (Table 1). What many believed had changed was the introduction of artificial wines, which were tolerated, if not encouraged, by the authorities because of the financial difficulties caused by phylloxera. After the Brussels Sugar Agreement of 1902, which reduced taxes from sixty francs to twenty-five francs per one hundred kilos, there followed what one writer has described as "an orgy of fraud" in the Midi.³⁸ For example, in 1903, while wine production in thirty-five communities in Hérault officially totaled 1,004,915 hectoliters, 2,284,848 hectoliters were sold. The difference was attributed to artificial wines. Nationally there was reported to be over 15 million hectoliters, equivalent to some 40 percent of the official harvest.³⁹ Yet this high level of fraud in 1903–04 was caused by two specific features: the poor wine harvest of that year, which drove prices up to their highest point since 1887; and the low tax

³⁴ Augé-Laribé, *Le problème agraire du socialisme*, 19.

³⁵ Trevor M. Knox, "Organizational Change and Vinification Cooperatives in France's Midi," working paper, University of Connecticut, 1998; and Pech, *Entreprise viticole*, 168.

³⁶ Chambre des députés, *Enquête sur la situation critique de la viticulture*, 4^e rapport (1909), Annexe 2512, 2307. It was headed by Cazeaux-Cazalet, a deputy from the Gironde.

³⁷ Warner, *Winegrowers of France*, 18. One calculation suggested that a local wine price of 10.7 francs/hectoliter was needed to cover variable costs, and the amount of 14.3 francs was required to cover fixed costs, but this second figure was reached only twice in the Midi during the 1900s. Frédéric Atger, *La crise viticole et la viticulture méridionale (1900–1907)* (Paris, 1907), 23–27; for prices, see Pech, *Entreprise viticole*, 512.

³⁸ Warner, *Winegrowers of France*, 14, 40.

³⁹ Degruilly, *Essai historique*, 350, 353. Atger, *La crise viticole*, 73, suggests a figure nearer 8 million hectoliters.

on sugar. Wine output quickly recovered, pushing prices down to low levels once more, and the government restricted the amount of sugar that growers could use and increased taxes. Growers would thus have only been able to obtain sugar illegally, so the profitability of *sucrage* was now greatly reduced.

Yet even if this form of adulteration was declining, three problems remained: First, any recovery in wine prices was likely to be accompanied by a revival of the practice. As many of the large vineyards had borrowed heavily, interest and loans had to be repaid, and land prices had collapsed.⁴⁰ Second, the lack of statistical information on production and stocks made it difficult to calculate the supply of genuine wines. Finally, if low wine prices now discouraged growers from carrying out fraud, others in the commodity chain still found it profitable to do so. Thus the 1907 commission argued that low prices were caused not by overproduction but by the poor wines that had previously been distilled. These wines had been treated since 1903 by *la chimie vinicole* (wine-making chemistry) and were sold very cheaply in urban areas, reducing the demand for sound, ordinary wines and forcing their prices down to the rates charged for manufactured wines.⁴¹

As the state had stepped in earlier to help with the phylloxera crisis, it was not surprising that growers moved to lobby once more for a solution to low prices and financial losses. Because growers in the Midi competed on price rather than quality, one strategy was to increase national consumption by lowering taxes and reducing rail tariffs. The reduction in rail tariffs in 1896 had already allowed the Midi's wines to compete more successfully in Bordeaux or Paris with imports from Spain and Algeria, which were transported by boat.⁴² The *Loi des Boissons*, passed in 1900, lowered taxes on wines, and that of 1901 removed the *octroi* (sales tax), halving the tax revenues from wine.⁴³ The reduction in taxes also discouraged adulteration, especially in urban areas, but until the consumer-protection law of August 6, 1905, the authorities normally only prosecuted cases that were linked to tax evasion.⁴⁴ Yet with per capita consumption standing at 168 liters in 1900–04, there were obvious limits to a demand-side solution, and growers instead turned to remedies on the supply side. For the 154,954 growers

⁴⁰ Postel-Vinay, "Debt and Agricultural," 171–77, has shown the high level of debt incurred by the large vineyards that made them as anxious as the workers, with their small plots of vines, for a solution.

⁴¹ Chambre des députés (1909), 2307–308.

⁴² Sempé, *Régime économique*, 175–77.

⁴³ Warner, *Winegrowers of France*, 32.

⁴⁴ *Ibid.*, 43. Taxes in real terms increased sharply during periods of low prices, such as the early 1900s, encouraging adulteration. See, for example, Degruilly, *Essai historique*.

in the Midi, the continuing sale of adulterated wines was the obvious explanation for low prices.⁴⁵

The problem of low prices affected both large and small growers, as well as merchants who dealt in genuine wines. The major political influence in the Midi was the Radical movement, which defended small producers, favored political democracy, and demanded greater social equality. Yet, as historian Leo Loubère has noted, the wine-defense group cut across party lines "and included deputies and senators who were moderate republicans, some who were royalists, and, after 1900, some socialists."⁴⁶ In particular, the wine crisis of 1907 inspired little of the class consciousness that solidified industrial workers, but it united the sector.⁴⁷ Modern forms of political organization, namely mass demonstrations, now accompanied more traditional forms of protest, such as mass resignation of local political officers and tax strikes. A meeting of 300 people in Sallèles-d'Aude on March 24, 1907, became regular Sunday protests that quickly grew in size, and on May 5, 80,000 people took to the streets in Narbonne. A week later the numbers reached 120,000 in Béziers, followed by 170,000 in Perpignan. By May 26, the numbers had climbed to 220,000 in Carcassonne. Almost 300,000 marched in Nîmes seven days later, and, finally, over half a million protesters assembled in Montpellier on June 9.⁴⁸ Demonstrations of this scale were previously unknown in France. They can be explained both by the large numbers of people in the Midi who depended, directly or indirectly, on viticulture, and by the fact that the sector was united in its complaints against the government in Paris.

The central government had in fact already begun to respond, and the laws of August 1905 and June 1907 sharply lowered the amount of sugar that could be used in wine-making, made it easier to prosecute fraudulent wine producers, and introduced measures to record growers' production.⁴⁹ The government now allowed growers to form the *Confédération générale des vignerons du Midi* (CGV), whose objective was to search out those engaged in fraud and initiate legal proceedings against them.⁵⁰ After 1912 it had the direct backing of the Ministry of Agriculture and enjoyed a membership of twenty thousand in 425 wine-

⁴⁵ Growers refer to 1900–09. Lachiver, *Vins, vignes et vignerons*, 588–89. Some contemporaries did believe the problem was caused by overproduction, and others argued that the high domestic tariffs restricted export markets. Warner, *Winegrowers of France*, ch. 3.

⁴⁶ Leo A. Loubère, *Radicalism in Mediterranean France: Its Rise and Decline, 1848–1914* (Albany, 1974), xv, 177.

⁴⁷ *Ibid.*, 3, 189.

⁴⁸ Frader, *Peasants and Protest*, 141; and Lachiver, *Vins, vignes et vignerons*, 468.

⁴⁹ Warner, *Winegrowers of France*, 41; Frader, *Peasants and Protest*, 145.

⁵⁰ The provision for this was found in the law of 1 August 1905. Warner, *Winegrowers of France*, 46.

growing villages. The broad base of its support within the wine communities was crucial to its success, and the CGV's thirty agents in 1911–12 carried out 3,042 investigations that led to 601 successful prosecutions for fraud.⁵¹

The CGV was the creation of large-scale producers, and its success protected the Midi growers from being undercut by the sale of artificial wines, but it did nothing to resolve the smaller growers' difficulties, which arose from their lack of scale in wine production and marketing. A number of influential commentators, including Charles Gide, Michel Augé-Laribé, and Adrien Berget, believed that the formation of cooperatives could restore some of their market power. The first cooperative of the region was initially established as a marketing institution, although its potential for exploiting the growing economies of scale in wine production quickly became apparent. Gide argued that cooperatives were better equipped than private merchants to classify wines and guarantee quality for consumers, thereby providing an incentive for growers to plant quality vines.⁵² In fact the comparatively rapid growth in cooperative wineries in southern France after the First World War could be attributed to the region's relatively small number of grape varieties, which enabled cooperatives to pay according to a simple combination of the grapes' weight and sugar content, rather than attempting to measure quality.⁵³ The success of the cooperatives allowed many growers to remain in production, helping to maintain the Midi's reputation for radicalism.

In a different historical context, Elizabeth Hoffman and Gary Libecap have argued that cooperatives were only likely to succeed in raising prices if the product was relatively homogenous, stocks were difficult to accumulate, and a significant number of individual growers agreed to output cuts, a step that was only likely to be taken if they could be easily monitored by each other.⁵⁴ The Midi's cooperatives were far too small to influence market price, but two much more ambitious attempts to intervene in the market were proposed, first in 1905 by Bartissol, the deputy for Pyrénées-Orientales, and then in 1907 by Palazy.⁵⁵ Bartissol envisaged a commercial marketing board that would sell twenty million hectoliters of wine in their own branded bottles directly to consumers every year. In case of overproduction, all growers would absorb the costs of distilling to reduce supply. However, many growers were reluctant to

⁵¹ Ibid., 46–47.

⁵² Gide, "La Crise du vin," 230–35.

⁵³ James Simpson, "Cooperation and Cooperatives in Southern European Wine Production," *Advances in Agricultural Economic History* 1 (2000): 95–126.

⁵⁴ Elizabeth Hoffman and Gary D. Libecap, "Institutional Choice and the Development of U.S. Agricultural Policies in the 1920s," *Journal of Economic History* 51 (1991): 397–411.

⁵⁵ This section based on Atger, *La crise viticole*, 116–22. See also Degruilly, *Essai historique*, 375–85.

sign long-term contracts with an independent company. Whereas the size of the trust might have allowed it to influence prices sufficiently, the capital requirements (300 million francs) and logistics of such a huge operation resulted in its remaining just a project. Palazy's proposal was more modest, and it involved the direct participation of growers, who would sell wine to wholesalers and retail merchants. With a capital of just fifty million francs, growers were required to enter into five-year agreements, and the company hoped to control twelve million hectoliters of wine. This proposal also failed to materialize, in part because it was undercapitalized and in part because of the free-rider problem. Growers were required to contribute toward setting up the institution, but the potential benefits of higher prices would be enjoyed by all growers, whether or not they were members.

The creation of the CGV provided the Midi's growers with an efficient institution to monitor fraud and allowed them to compete once more on price in domestic markets, a situation for which they were ideally placed. For the smaller growers, however, the CVG was only the beginning of institutional innovation. In time, cooperatives not only allowed growers to benefit from the growing economies of scale in wine-making and marketing; they also provided an efficient channel to direct credit, subsidies, and technical knowledge to small farmers. By 1952 cooperatives produced about a quarter of all French wine, and in the Midi about three-quarters of all growers belonged to one of the 527 cooperatives.⁵⁶

The Gironde

The Gironde produced considerably less wine than the Midi, but the greater diversity in its quality reduced the incentives for cooperation among growers. The success of the Bordeaux Classification of 1855 (which listed the region's top fifty-seven red-wine producers in five categories and twenty-two white-wine producers in a further three) and the rapid growth in British imports after the reductions of duty in the early 1860s allowed a growing quantity of wine to be sold under the name of an individual vineyard.⁵⁷ However, most of the Gironde's wines were ordinary ones. The producers of both fine and ordinary wines faced serious problems at the turn of the century, although for very different reasons. Consequently, we need to look at both segments of the market, starting with quality wines.

⁵⁶ Calculated from *Bulletin de l'Office International du Vin* 290 (1955): 40–41. The number of cooperatives in the Midi in 1924 was fifty. Michel Augé-Laribé, *Syndicats et Coopératives agricoles* (Paris, 1926), 141.

⁵⁷ Jan Salavert, *Le Commerce des vins de Bordeaux* (Bordeaux, 1912), 66, argues that until about 1860 even the best-quality wines were still sold under the shipper's brand.

Phylloxera was officially noted in the Gironde in 1869, reaching the high-quality wine region of the Médoc in 1875. Its subsequent spread was much slower than in the Midi, in part because growers and *négo-ciants* were worried that the new American vines would ruin wine quality. Growers spent heavily to protect their vines until they were convinced this would not occur.⁵⁸ According to the historian René Pijassou, wine from the leading Médoc growers was still being produced from the old French vines until about 1900, and only after 1920 did it come predominantly from the new, grafted vines.⁵⁹ This had two important implications. First, leading Médoc growers did not participate in the diffusion of information about replanting to the same degree that large growers in the Midi had done, preferring to wait until the American vines had been extensively tested in the ordinary vineyards before deciding to use them. In addition, the heavy use of chemicals weakened the vines and obliged growers to apply five or six times more manure than previously, which resulted in higher yields.⁶⁰

For the leading Bordeaux growers, income was determined primarily by harvest quality rather than size. In the first two-thirds of the nineteenth century, except for the years 1808–10 and 1835–39, there was at least one “good” harvest every three years, and each decade, with the exception of the 1820s, witnessed a minimum of four good harvests.⁶¹ This pattern was interrupted by mildew, a disease that reduced the wine’s alcoholic strength and keeping quality and devastated five consecutive harvests between 1882 and 1886. Between 1877 and 1893 no harvests could be considered “excellent,” and six of the crops gathered between 1879 and 1886 were classified as “poor,” one as “average,” and just one as “good.”⁶² The considerable drop in income occurred

⁵⁸ Treatment was generally limited to the best vineyards. In 1894 the Gironde had only 7.6 percent of France’s land under vines, but 45 percent of the area was being treated with sulfocarbonates, 27 percent of the area was flooded, and 14 percent of the area was being treated with carbon disulfide. Calculated from Roger Pouget, *Histoire de la lutte contre le Phylloxéra de la vigne en France* (Paris, 1990), 98–99. This was also true within the Gironde itself. For example, in 1898 in the villages of Cussac, Cantenac, Margaux, St. Estèpe, and St. Julien, which accounted for 2.5 percent of the vines, 4 percent of the area was flooded, 37 percent of the vines were treated with sulfocarbonates, and 12 percent of the vines were treated with carbon disulfide. Archives Départementales de la Gironde (Arch. Gironde), 7 M 219.

⁵⁹ René Pijassou, *Le Médoc: Un grand vignoble de qualité* (Paris, 1980), 763.

⁶⁰ Quantities were later reduced, but they remained significantly higher than before the phylloxera infestation.

⁶¹ Auguste Petit-Lafitte, *La vigne dans le Bordelais; histoire—histoire naturelle—commerce—culture* (Paris, 1868), table C. Between 1820 and 1829 there were three good harvests.

⁶² Édouard Feret, *Bordeaux et ses vins*, 12th ed. (Bordeaux, 1969), 137. The measure of wine quality is not an exact science, especially as an initial judgment of a wine’s quality can change by the time it is ready for export. G. Lafforgue, “Cent cinquante ans de production viticole en Gironde,” *Bulletin Technique des Ingenieurs des Services Agricoles* (1954), 299, provides slightly different results.

Table 5
Wine Output in the Médoc and the Gironde

Years	Gironde	Grand crus, Médoc
1864-78	100	100
1879-87	43	67
1888-97	78	121
1898-07	123	138
1907-21	—	72

Sources: Lafforgue, *Cent cinquante ans*, 301; Pijassou, *Le Médoc*, 76-77.

just as phylloxera was driving up costs, which impelled growers to increase output, a trend that was already underway when they had turned to heavy use of fertilizers. As Table 5 shows, quality wine producers in the Médoc not only suffered less than those in the rest of the Gironde in 1879-87, but output in 1888-97 even exceeded the 1864-78 level.⁶³

Growers' reputation for quality wines suffered during the mildew years of 1882 to 1886, but the larger yields in subsequent years caused by the heavy application of fertilizers made it more difficult for growers to recapture markets. The very success of names such as Château Lafite or Château Margaux now contributed to the decline, as less reputable merchants in both Bordeaux and Britain exploited these brands by selling the large quantities of wines from the poor vintages that desperate growers had in stock. Exports of bottled claret to Britain, by far the leading market, slumped from 58,030 hectoliters in 1880 to 7,165 in 1913.⁶⁴ The economic depression was both long and deep for the leading Médoc growers. Many owners were forced to sell their properties, and land prices fell over the thirty or forty years prior to the First World War by up to 80 percent in the Médoc.⁶⁵ Therefore, although the plight of Bordeaux's leading growers in the early 1900s was almost as desper-

⁶³ Château Latour, for example, increased output by 252 percent, but prices fell by 58 percent between 1879-87 and 1898-07, and Château Margaux's output supposedly increased from 450 hogsheads of "premier wine" to 1,200 to 1,400 hogsheads, in 1903, of "indifferent" or "bad"-quality wine. Charles Higounet, ed., *La Seigneurie et le vignoble de Château Latour: Histoire d'un grand cru du Médoc, XIVe-XXe siècle* (Bordeaux, 1993), 297; and *Ridleys & Co.'s Wine and Spirit Trade Circular* (Apr. 1903), 675.

⁶⁴ Simpson, *Selling to Reluctant Drinkers*, 96.

⁶⁵ Ministère de l'Agriculture, *Statistique agricole de la France. Annexe à l'enquête de 1929, monographie du département de la Gironde* (Paris, 1937), 159. Third-growth Château Malescot-Saint Exupéry, for example, was sold in April 1901 for 155,000 francs against the 1,076,000 it had reached in 1869, or the second-growth Château Monrose, which was sold for 800,000 francs in 1896, against 1.5 million in 1889. Pijassou, *Le Médoc*, 815-16.

ate as that of their counterparts in the Midi, the nature of their problem, and consequently the solution that was required, was very different. In particular, because the Midi's growers and merchants competed on price, not quality, and because their wines were relatively homogeneous, it was easier for them to respond as a group, whereas in Bordeaux, growers and merchants sought individual solutions. The low prices of fine wines made it difficult for most growers to limit output and invest in their vineyards in order to rebuild their reputation. The problem was resolved by the merchants, who, especially in 1906 and 1907, established contracts with at least sixty growers to sell their production, including half of the growths found in the 1855 Classification at fixed prices over the following five or more harvests. Clauses were inserted into the contracts that limited production and curtailed the use of American vines.⁶⁶ Backward integration also occurred as merchants or their families bought a number of the leading properties. In 1909 a "trust" between growers and merchants was proposed as a way to raise money for promoting Bordeaux's wines, but the debate came to nothing. More successful was the *Fête des vendanges* (harvest festival), which promoted not just the wines but also the Bordeaux *marque*.⁶⁷

On the eve of the phylloxera incursion, Bordeaux was France's leading center for the export of cheap table wines. In years of poor local harvests, the merchants had traditionally brought in supplies from outside the region, enabling them to sell cheap wines in London or Paris at stable prices. The decline in production in the Gironde caused by phylloxera and mildew led to a rapid expansion in these activities, and the local British consul noted in 1889 that "about 50 percent of all wines shipped from here to British ports in wood" were made out of wines from outside the Bordeaux region.⁶⁸

As domestic harvests began to recover after the phylloxera crisis passed, pressure from growers resulted in increased import duties being imposed in 1892, although the system of free ports gave the merchants some leeway, provided that they only continued to import foreign wines in order to mix them with local ones for export.⁶⁹ However, not only did

⁶⁶ Charles Cocks and Édouard Féret, *Bordeaux et ses vins*, 8th ed. (Bordeaux, 1908), xvii–xxii; and Higounet, ed., *La Seigneurie*, 335. The *négociants* insisted for Château Latour that "the vineyard can in no way be increased during the period of the contract, and grafted American vines must be excluded, save those that are already there," *ibid.*, 276–77.

⁶⁷ Philippe Roudié, *Vignobles et vigneron du Bordelais (1850–1980)*, 2nd ed. (Bordeaux, 1994), 217–19.

⁶⁸ British Parliamentary Papers, no. 501, 9 (London, 1889).

⁶⁹ Roudié, *Vignobles et vigneron*, 212–13; and Bernard Gallinato-Contino, "Un débat sur le commerce du vin à fin du XIXe siècle: le conseil général de la Gironde et les entrepôts spéciaux," in CERHIR, *Le vin à travers les âges. Produit de qualité, agent économique* (Bordeaux, 2001): 171–82.

Figure 4. Gironde wine production and exports, 1875–1910 (in '000 hls). (Source: Salavert, *Le commerce des vins*, 187.)

the Bordeaux exports amount to little more than two hundred thousand hectoliters a year, but poor-quality wines also were often sold in countries that were major markets for fine wines, creating bad publicity in these locations.⁷⁰ The closure of Bordeaux's free port in 1899 and competition from Hamburg's more competitive free port contributed to Bordeaux's decline as an international center for cheap wines.⁷¹ As Figure 4 suggests, exports drifted downward from the late 1880s, just when domestic production was recovering.

By the late nineteenth century, Bordeaux's growers, who numbered about half those in the Midi, were also losing their competitive edge in the domestic market for ordinary table wines. Lower rail freight rates made the Midi's wines cheaper, not just in Paris, but also in Bordeaux. In the 1900s, the Midi's yields exceeded those of the Gironde by more than 70 percent, while its production costs were considerably lower. The 1907 parliamentary commission noted that the wine crisis in the Gironde was caused not so much by overproduction (*fraude par multi-*

⁷⁰ Audebert, 1918, 15, in Arch. Gironde, 8 M 13.

⁷¹ Farou, *La Crise Viticole et le Commerce d'Exportation* (1909), in Arch. Gironde, 7 M 169, 7–12. Phylloxera in Cataluña and Navarra also created difficulties in obtaining wines from Spain. By contrast, Hamburg merchants bought wines from the cheapest producers, whether in Portugal, Greece, Turkey, or Hungary; they were more efficient at creating wines and even enjoyed lower freight rates to Buenos Aires than Bordeaux.

Table 6
Wine Supply in the Gironde, 1902–1906

<i>Wine Supply</i>	<i>1902–03 (‘000 hls)</i>	<i>1904–06 (‘000 hls)</i>	<i>1902–06 (‘000 hls)</i>	<i>1902–06 (%)</i>
Local harvests	2,478	4,144	3,478	67.6
Wines purchased from:				
Midi	746	750	747	14.5
Other areas of France	358	277	309	6.0
Foreign imports	700	557	614	11.9
Total	4,282	5,728	5,148	100

Source: Chambre des députés (1909), 2352.

plication) as by low-cost competitors (*fraude par substitution*).⁷² In 1902 and 1903, the Midi sold the equivalent of 28 percent and 32 percent of the Gironde’s local harvest; other wines accounted for a further 36 percent and 52 percent. However, when the average for the period from 1902 to 1906 is taken, the figures fall to 22 percent and 27 percent, respectively, and two-thirds of the wines sold in the Gironde were produced locally (Table 6). Yet the Gironde’s growers were correct to identify the threat posed by the Midi. Local harvests in 1902 and 1903 were just 82 percent and 60 percent of the average in 1902–06, but French wines’ prices were 5 percent and 47 percent higher. By the turn of the century, competition from the Midi effectively placed a ceiling on the prices of Gironde’s *vin ordinaire*, whose higher costs made production unprofitable in most years. For local producers of cheap wines, the solution was to regulate the market by restricting the use of the “Bordeaux” brand to their own wines, excluding those of their competitors, regardless of quality.

The 1905 law provided the legal framework to establish regional appellations. Local growers argued that their wines were superior to those from the Midi and elsewhere, pointing out that consumers required information and a guarantee of quality if they were to pay more for them. The most vocal opposition to this idea came from merchants within Bordeaux itself. They were opposed for four reasons. First, because it would be harder to maintain stable prices and quality after a poor local harvest, as they could no longer use wines from other regions for blending and still sell their wines as “Bordeaux.” Indeed, the merchants argued that if they were not able to mix local wines with wines from else-

⁷² Revue Agricole, *Viticole et Horticole Illustrée*, 15 June 1907, no. 183.

where, they might not even buy from local growers after poor harvests.⁷³ Merchants frequently argued that a regional appellation could only guarantee a wine's origin, but not its quality. Many of the wines from Entre-Deux-Mers, Palus, and Réole required blending with the stronger Roussillon and Dordogne wines if they were to be transported.⁷⁴

A second reason for their opposition was that the new appellation increased merchants' operating costs, precisely at a time of low prices. Merchants who bought wines from outside the Gironde were now obliged to keep two sets of books, and the government took the opportunity to levy new taxes (five francs per one hundred bottles) on the required labels showing the origin of the wine. There were also concerns about implementation. The law of June 1907 required growers to declare the size of their harvests in order to reduce fraud, and this figure became the maximum that they could sell. But according to the Syndicat du Commerce en gros des vins et spiriteux de la Gironde, growers exaggerated the size of their harvests in 1907 and 1908, presumably to enable them to buy cheap wines from outside the region.⁷⁵ Finally, if the regional appellation succeeded in raising local wine prices, this victory was likely to be only temporary, as growers would be encouraged to increase output by planting on less suitable soils and/or using high-yielding vines—the classic free-rider problem. In addition, foreign governments might be tempted to impose higher duties on a supposed “luxury” wine, as many were already doing with champagne.⁷⁶

The producers of fine wines were primarily concerned with protecting their own brands, and their consumers were usually both rich and well informed, so a regional appellation was considered a largely irrelevant means to the solution of their own financial difficulties. Nevertheless, the leading growers and their merchants signed a joint agreement in July 1908 to tackle the problem of the sale of fraudulent wines. Although merchants questioned the need for outside controls on their stocks, they agreed to support the measures, so long as they were not “inconvenienced,” and providing that the measures were accompanied by strict monitoring of growers' harvests. The Ligue des Viticulteurs, which represented Bordeaux's small growers, strongly criticized this joint agreement, claiming that the (1905 and 1907) legislation required merchants to control their stocks and did not permit them merely to apply voluntary controls.⁷⁷ These producers viewed the cause of low prices as the influx of cheap wines, which they blamed on the merchants.

⁷³ *Feuille Vinicole*, 12 May 1910.

⁷⁴ Henri Vitu, *La question des délimitations régionales* (Paris, 1912), 70.

⁷⁵ Arch. Gironde, 7 M 190.

⁷⁶ *Feuille Vinicole*, 12 May 1910.

⁷⁷ Arch. Gironde, 7 M 169.

The establishment of the geographic appellation can be interpreted in two different ways: as an attempt to improve quality by excluding inferior wines from outside the region; or as an effort to restrict the number of growers who could use the Bordeaux name. Opposition to the regional appellation was therefore also strong outside the Gironde. Although historically a number of different wines had been sent down the Garonne and Dordogne rivers to be sold in Bordeaux, the commission in charge of establishing the appellation concluded that these were now “negligible” and decided to confer it only on wines produced in the Gironde.⁷⁸ This position was rejected by outside growers and their merchants, who claimed that the regional appellation was an attempt to restrict competitive markets and that it represented a return to the privileges of the ancien régime. According to one writer, “with this system France will no longer be a country of free trade, such as was achieved with the Revolution, but a cluster of provincial monopolies protected by excise officers. We shall return slowly to the Middle Ages.”⁷⁹

For many producers of ordinary wines in Bordeaux, the regional appellation was a cheap and easy way to restrict competition from growers in the Midi and elsewhere who enjoyed lower production and marketing costs. As a measure for guaranteeing minimum quality, however, consumers would have to wait until after the Second World War, when the *appellations contrôlées* imposed additional restrictions on the grape varieties and on production methods. Cooperative wineries did not appear in the region until the 1930s, in part because the growers cultivated a greater variety of grapes, which presented difficulties in measuring wine quality.

Champagne

Of all the wine-producing regions, the champagne producers (*négociants-éleveurs*) were the most successful in establishing brand names and informing consumers of wine quality. In the 1880s, 83.4 percent of champagne was exported, and the figure for the better wines was probably even higher. Property was highly fragmented in the Marne: 14,430 growers each owned less than a hectare of vines; 3,202 had between one and five hectares; 89 had between five and twenty. Only 18 had more than twenty hectares.⁸⁰ Most growers sold their grapes to the small number of firms that possessed the necessary capital, and

⁷⁸ Cazeaux-Cazalet, *Rapport de la Commission de délimitation de la région Bordeaux à M. le Ministre de l'Agriculture* (Cadillac, 1909), 4–10, in Arch. Gironde 7 M 187, 189.

⁷⁹ Cited in Vitu, *délimitations régionales*, 55–56.

⁸⁰ *Le Vigneron Champenois*, 29 Mar. 1911.

skills, to produce and market champagne. The Syndicat du commerce des vins de Champagne (Syndicat du commerce), established in 1882 by the largest houses to promote their interests, never had more than one hundred members, and it was reported in 1908 that nine-tenths of the exports of fine wines were sold by just thirty-four houses.⁸¹ The growing market power of the champagne houses, especially when it came to setting prices for grapes, worried growers, even before the onset of phylloxera.⁸²

Phylloxera was first discovered in Champagne in 1890, making it the last major wine-producing region to be infected. Nevertheless, the appearance of the disease created fierce conflicts in the local community. Like the leading growers in Bordeaux, the big champagne houses were concerned about the quality of wine produced from grafted vines, and they wanted to do everything possible to preserve the traditional French rootstock. Unlike the Bordeaux growers, however, most of these houses were not major producers of quality grapes; they depended instead on hundreds of small growers. Thus a different policy was adopted in this region. The champagne houses believed it was necessary to keep the Marne free from phylloxera for as long as possible, a strategy that required a group response. All diseased vines had to be uprooted and destroyed and the land treated with chemicals, in order to ensure that no aphids survived. The law of December 1888 provided the means to remove the potential threat of the free rider, as it obliged all growers to participate. This law allowed a departmental syndicate to be established if two-thirds of growers possessing three-quarters of all vines or three-quarters of all growers with two-thirds of all vines supported the project. In June 1891, 17,370 growers (67.5 percent of the total) who owned 9,772 hectares of vines (76.2 percent) had agreed to join a syndicate, and the Association syndicale autorisée por la défense des vignes contre le phylloxera (Association syndicale) was authorized in July 1891. All growers in the Marne were obliged to pay dues, and the syndicate's officials had the legal right to uproot and destroy diseased vines. Disputes arose immediately, especially between the growers and the champagne houses over who should control the executive committee, and there were differing opinions about the best means to fight phylloxera. A policy that dealt just with the elimination of vines was unpopular with small growers, because, as one petition put it, "phylloxera is at our doors and a large part of the vines are anaemic and sterile. We need to regenerate our vines . . . and to profit from the experience of others

⁸¹ Ibid., 15 July 1908.

⁸² Opposition centered around René Lamarre, the author of the pamphlet *La Révolution champenoise*, published in 1890.

before we lose everything.”⁸³ In the face of widespread opposition from the growers, the association was quietly disbanded in 1895, but its demise did not imply the end of collective action against phylloxera, as a large number of associations were created at the village level. In March 1898, the Association Viticole Champenoise (AVC) was established as an umbrella organization on the initiative of twenty-four of the leading champagne houses to provide funds and practical help to individual local syndicates. By 1911 it was helping 117 village syndicates with more than eleven thousand members to fight phylloxera with chemicals and replant with American rootstock. Unlike the Association syndicale, the AVC was accepted by the small growers, despite the fact that it was run by the leading champagne houses. One reason was that the growers retained full control over local decision making; another was that, from the start, the new organization helped with replanting, rather than just destroying diseased vines.

The wine crisis that occurred in the Marne during the first decade of the twentieth century had a different cause than the crises that afflicted other areas of France. According to Augé-Laribé, the situation in the Marne was brought on by a combination of low prices and small harvests.⁸⁴ Augé-Laribé took between 350,000 and 400,000 hectoliters as a “normal harvest,” a figure that was reached seven times in the decade from 1897 to 1906 but that did not recur once over the next five years (Table 7). Although harvests had also failed to reach this figure during the five years between 1888 and 1892, when they fluctuated between a range of 127,000 and 278,000 hectoliters, growers in those years were compensated by the high quality of their grapes and by prices that were two or three times higher than in normal years. Table 7 suggests, however, that low prices and small harvests for growers were only part of the story, as merchants’ sales increased by 51 percent between 1889 and 1892, exports grew by 18 percent between 1907 and 1911, and French consumption tripled, going from 4.4 million to 13.2 million bottles. French consumers showed “a marked preference for the cheaper *vins de deuxième choix*,” and smaller firms, catering to this market, became increasingly important.⁸⁵ If production in the Marne was declining rapidly while merchant sales were growing, only part of the discrepancy was being met by drawing on stocks. As Alphonse Perrin, the secretary of the Fédération des syndicats viticoles de la Champagne, commented in 1906, “la misère du vigneron” was caused not by over-

⁸³ Letter from growers to the mayor of Epernay, cited in Kolleen M. Guy, *When Champagne Became French: Wine and the Making of a National Identity* (Baltimore, 2003), 110.

⁸⁴ *Le Vigneron Champenois*, 29 Mar. 1911.

⁸⁵ Guy, *When Champagne Became French*, 79.

Table 7
Harvest, Prices, and Wine Sales in the
Marne and the Aube, 1889–1911

Years	Marne Annual Harvest (‘000 hls)	Aube Annual Harvest (‘000 hls)	Grape Price in Rilly (60 kilos)	Merchant Sales of Champagne ^a	Merchants’ Purchases Minus Marne Harvest ^a
1889–92	205	264	160	23.6	+3.3
1907–11	169	71	—	34.6	+17.8 ^b
1892–96	463	372	66	23.3	–8.5
1897–1901	447	319	52	28.3	–10.0
1902–06	484	221	45	32.0	–8.6
1907	300	113	60	33.7	+21.5
1908	127	130	60	32.0	+17.5
1909	268	59	65	39.3	+3.4
1910	0	3	100	38.6	+29.2
1911	139	52	—	29.4	—

Sources: Production and merchant sales, *Ridleys*, various years; prices, *Le Vigneron Champenois*, 7 April, 23 Aug. 1911; Peter Gabriel, *La viticulture dans le département de l’Aube* (Paris, 1913), 182–83.

^aIn millions of bottles.

^bFor 1907–10 only.

production but by wine shipments from outside the region.⁸⁶ The last column in Table 7 provides a rough estimate of the differences between merchants’ purchases and sales of wine.⁸⁷ Whereas between 1892 and 1906 local wine production was apparently more than sufficient, during the period from 1907 to 1911, merchants expanded the amount of their purchases from outside the Marne.

The Syndicat du commerce had been created by merchants to promote the drink in international markets and to avoid the use of “champagne” as a generic name for sparkling wines within, and outside, France. A ruling in 1889 made it illegal for French producers from outside the Marne to use the term “champagne” or “vins de champagne,” but it was not illegal for the champagne houses to buy wine from elsewhere and then manufacture it locally as champagne. The Syndicat du commerce used a voluntary code of conduct, requiring members to sell as “champagne” only wines that were produced from locally grown grapes and made in the region. When the winemaker Mercier refused

⁸⁶ *Le Vigneron Champenois*, 14 Mar. 1906.

⁸⁷ The coefficients used are those in *Le Vigneron Champenois*, 13 Aug. 1904.

to stop the sale of young wines to Germany and Luxembourg, where they underwent their second fermentation, the firm was expelled from the Syndicat du commerce.⁸⁸ However, not only was this decision not made public, but a large and growing number of houses outside the Syndicat du commerce also began to supply the expanding market in cheap champagnes.

The best wines were vintage champagnes, sold under the manufacturer's brand. This market was experiencing some difficulties, and André Simon, writing in 1905, noted that "the 1889 and 1892 vintages being excellent wines, and sold on the market at a highly favourable time, mark the apogee of the vintage Champagne boom from the point of view of the public."⁸⁹ If most growers accepted assurances that these wines were rarely, if ever, adulterated, because they knew that the leading houses had invested considerable quantities of money in establishing brand names, the rapidly growing market for cheap champagnes was another matter. The institutional response to the phylloxera infestation, namely the creation of local syndicates, provided a useful rehearsal for growers to respond to the new situation of low prices, meager harvests, and wine purchases from outside the Marne. In August 1904 a new syndicate, the Fédération des syndicats viticoles de la Champagne (Fédération), was established by growers, specifically to control fraud. Initially, the leader of the Fédération was the moderate Edmond Bin. The merchants' Syndicat du commerce was also worried about the declining reputation of champagne, and its members agreed with the Fédération on the official boundaries of the "true" Champagne, namely the three arrondissements, Épernay, Reims, and Châlons-sur-Marne. The Fédération was instrumental in attaching a clause to the 1905 legislation on consumer protection that referred to establishing regional appellations.⁹⁰ Despite this agreement between the grower and major producer organizations, the following years were filled with bitter conflicts, which exploded into the violence of 1911. These outbreaks were caused by two very different factors. First, the machinery for establishing the geographic boundaries was left to the Ministry of Agriculture. Growers who were excluded from the appellation and merchants who specialized in cheap champagnes immediately started lobbying the Ministry. Second, the economic conditions in the Marne (and the Aube) for growers had grown desperate, especially after the poor harvest of 1908 and the nonexistent one of 1910.

⁸⁸ Guy, *When Champagne Became French*, 79.

⁸⁹ André L. Simon, *The History of the Champagne Trade in England* (London, 1905), 146. For the importance of the British market, see Simpson, *Selling to Reluctant Drinkers*, 98–100.

⁹⁰ Guy, *When Champagne Became French*, 135, 140.

Unlike in Bordeaux, disputes arose over what constituted the natural region of Champagne. The modern department of the Marne contains Epernay and Reims, the two major centers of production, but the old province of Champagne was much more extensive, taking in also the modern departments of Aube, Haut-Marne, and Ardennes. Growers in the Aube were particularly incensed at being excluded from the first boundary proposal, as they claimed they had replanted after the phylloxera crisis with low-yielding varieties to guarantee quality, namely half pineau and half gamay.⁹¹ If they could no longer sell their wines for making champagne, they would be unable to compete with the high-yielding producers of sparkling white wines in the Loire and elsewhere. The Fédération argued, however, that the Aube vineyards remained low-cost producers of inferior wines, and it claimed that production costs were higher in the Marne because its denser vines made the use of ploughs impossible. Yet the entries in Table 7 suggest otherwise. The harvest failure in the Aube was even more extensive than the one in the Marne, leaving growers who had invested heavily in replanting as desperate as their neighbors. The large number of growers in both departments encouraged a political compromise, and the final decree of June 1911 created two zones: one area, comprising the Marne and L'Aisne, had been initially included in the 1908 proposal; in the other, made up of Aube, Haut-Marne, and Seine-et-Marne, growers could still sell their grapes to the champagne houses, although this information had to be given on the bottle.⁹²

Although the growers regained some power as a result of the new regional appellation, the readjustment was less significant than the shift that had taken place in the Midi or Bordeaux. Producers of quality grapes would always find a market, because the leading champagne houses needed to create an exclusive product, although many took advantage of the opportunity provided by phylloxera to integrate backward by buying up vineyards cheaply. The voluntary regulation followed by the Syndicat du commerce before 1911 was now extended to all producers, an important factor for controlling the sale of cheaper champagne in the domestic market. The growers' widespread economic difficulties and the legislation of 1905 offered a political opportunity to restrict the market power of houses specializing in cheap champagne. However, only by forming cooperatives would the growers be able to establish some independence from the leading champagne houses.

⁹¹ Vitu, *délimitations régionales*, 58. Pineau is a synonym for the pinot family of grape varieties and better-quality wines, while gamay denotes a high-yielding variety.

⁹² Vitu, *délimitations régionales*, 36. For the conflicts, see especially François Bonal, *Le Livre d'or du champagne* (Lausanne, 1994), 161–66; Nicholas Faith, *The Story of Champagne* (London, 1988); Patrick Forbes, *Champagne: The Wine, the Land, and the People* (London, 1967), 173–76; and Guy, *When Champagne Became French*.

Conclusion

In this article, I have examined the response of growers and merchants, first to vine disease and high prices, and then to the problems of overproduction and product adulteration. Commodity chains had to deal not just with the volatility in supply but also with changes in the quality of each vintage. Although France produced, and still produces, a large range of wines, by the early twentieth century most commodity chains were failing to provide the accurate information that would enable consumers to discriminate between differences in quality. This weakness encouraged the widespread planting of high-yielding, low-quality grape varieties, especially in the Midi. However, it also encouraged the production of “artificial” wines, which were sold even more cheaply. In the Midi, the collapse in prices in the early 1900s was attributed to widespread fraud, and it united large and small growers, who joined with large sections of the local community in massive demonstrations and demanded state intervention. The CVG allowed the Midi’s wines to become competitive in the national market once more, but it failed to address the other major problem faced by at least two-thirds of the region’s growers: lack of scale in wine production and marketing. Two very different institutions were devised to help restore the competitiveness of small growers in the three regions: cooperative wineries and regional appellations. The former were developed first in the Midi, as they were well suited to areas with similar grape varieties and quality. In the Gironde and the Marne, by contrast, the strategy of regional appellations was initially preferred as a way of banning competitors from using the Bordeaux and Champagne brands. Both institutions were opposed by merchants, who had seen their market power increase significantly during the shortages caused by phylloxera. However, as rural workers, especially wine growers, became more organized, their political influence eventually exceeded that of the relatively small number of wine merchants during the Third Republic.

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