

Bugs, Tariffs and Colonies:

France and the Mediterranean Wine Trade in the 19th and 20th Centuries

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Abstract

France was the world's leading wine exporter for most of the second millennium. The main harbors were located on the Atlantic coast –La Rochelle during the 13th and 14th centuries and then Bordeaux in the 17th and 18th centuries– and French wine was exported mainly to England.

By the mid-19th century, viticulture played a major role in France's economic development. It created income, wealth, and employment for many citizens. However, all this changed with the arrival of a devastating bug. The appearance of *Phylloxera* –an insect originated in North America that lives on the vines' root systems and kills the plant– ravaged France's vineyards and caused a collapse in the supply of wine. One-third of the French vine area was destroyed, and the remaining (infected) vineyards produced little wine. French wine production declined by about 70% in the 1870s and 1880s.

While potential cures for *Phylloxera* were searched and tested, France became a wine importing country. By 1890, average annual production in France had fallen to 30 million hectoliters, while consumption remained at about 45 million hectoliters. To fill this gap, France had started to import wine and grapes. Wine was produced from Greek dried grapes and Spanish or Algerian wines were mixed with French table wines. French wine imports increased tenfold in

a ten-year period: from 1.2 million hectoliters in 1860s to 10.6 million in the 1870s. At the same time, France stimulated wine production in its North African colonies (Algeria and later on Tunisia and Morocco) to substitute for imports from Spain or Italy.

However, during the 1890s, French vineyards began to recover, with new plantings that used grafting and hybrid grape varieties. Production also increased, and by 1900 it had reached around 65 million hectoliters, the level of the pre-crisis years. Hence, by the beginning of the 20th century, French wine production had recovered. This recovery and the imports caused a fall of wine prices. The declining prices resulted in demands by French producers to limit imports (and wine “adulteration” by mixing imports with French wines). While French consumers (and some of the French producers that used Algerian wine for blending) initially welcomed imports, French producers increasingly lobbied and put pressure on the government to stop them. As wine prices continued to fall, the protests by winegrowers grew increasingly intense. The winegrowers’ revolts in various parts of France included street protests and violence.

The first response of the French government was to increase tariffs on wine imports. Tariffs on Italian wine were increased from 5% to almost 50% in the late 1880s, leading to a trade war began between France and Italy. Next, in 1892, France increased the tax on the imports of Spanish wines and Greek raisins. Import tariffs increased from 5% in 1885 to more than 40% after 1892. This increase in French tariffs led to a dramatic decrease in imports of Spanish and Italian wine.

While import restrictions had reduced imports from Spain, Italy, and Greece, wine imports from the North African colonies continued to grow. Because Algeria and Tunisia (and later on Morocco) had a privileged access to the French market, wine imports from these countries were not subject to tariffs and caused a substitution of wine imports from Spain and

Italy to North Africa. As vineyards continued to expand in North Africa, pressure on the French market grew. Not surprisingly, with increasing imports and falling prices, French wine producers now pressed the government to intervene and stop the inflow of North African wine and its impact on their revenues. French demand was not able to absorb the extra wine, and the market faced a persistent wine surplus. This resulted in a series of regulations aimed at restricting the wine supply and regulating “quality” in an attempt to protect French producers. While imports from North Africa grew at a slower pace from the 1940s onwards, trade remained large. For the North African countries, France was their main export market.

The Second World War brought destructions of vineyards in the 1940s and temporary higher prices. After the conclusion of the war, both vine area and wine production recovered (as vineyards were replanted) and trade resumed. This lasted until the French colonies became independent in the 1960s. From then on, France imposed high tariffs on their wine imports which (in culmination with mismanagement of the vineyards) caused the collapse of the wine trade between North Africa and France.

In summary, to understand wine trade in the Mediterranean in the 19th and 20th centuries, it is crucially important to recognize the central role of France as the dominant wine producer and the arrival of a bug (*Phylloxera*) which devastated French vineyards. This was the start of dramatic growth of wine trade in the Mediterranean as France imported millions of hectoliters of wine from Spain and Italy and increasingly from the North African colonies. However, after French production recovered, French producers lobbied the government to impose high tariffs on Spanish and Italian wines and Greek raisins. This induced a substitution of wine imports from Spain and Italy to its North African colonies (mainly Algeria). Wine imports from the colonies continued until Algeria, Morocco and Tunisia became independent and France “welcomed” their

independence in international trade affairs by imposing high wine tariffs, effectively killing wine exports from these colonies. Attempts to shift exports to other regions, such as the Soviet Union, failed and the wine industry in North Africa mostly collapsed.