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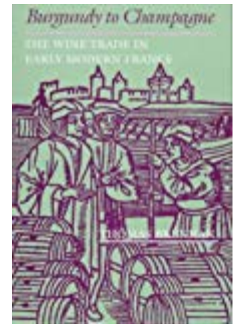
Thomas Brennan. *Burgundy to Champagne: The Wine Trade in Early Modern France.* Baltimore and London: Johns Hopkins University Press, 1997. xxi + 350 pp. $39.95 US, cloth, ISBN 978-0-8018-5567-2.



Reviewed by Jean-Laurent Rosenthal

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In a country that prides itself on its wine tradition, one often easily forgets how many revolutions have occurred in the wine economy. Thomas Brennan's monograph takes up the transformations of the commerce of Northern French wine in the century before the Revolution. Based on an elegant mix of secondary histories of particular wine traders (negociants) and wine growers and of archival sources, the book offers a careful description of the transformation of the wine trade between 1700 and 1789. More importantly, Brennan avoids the pitfalls of localism by taking in both Burgundy (a high quality but distant producer) and Champagne (a producer of varying appeal but more proximate) and by careful reference to the other major vineyards of the area (Paris and the Loire Valley). Because these two regions had significantly different experiences, generalizations are not easy to come by.

The book is a dialogue between the history of Burgundy and Champagne, with occasional forays into the wider world of Parisian and French wine brokerage. In the chapters on Burgundy and Champagne, Brennan bring into sharp relief the importance of information and credit in the commerce of wine. Brennan's focus is on expensive wines for which price is much more a reflection of quality than of quantity. Yet quality is elusive because urban buyers (whether rich consumers or wine merchants) simply cannot take the time to comb the countryside for a particular wine. Hence, there was a great need for brokers. The monarchy had, at first, regulated brokerage by forbidding individuals who took this occupation from selling wines on their own account. The hope, one presumes, was that brokers would, therefore, put all their efforts into satisfying their clients. Furthermore, by limiting themselves to strict brokerage, these intermediaries left the buyers and sellers to bear the risks involved in the market. Yet, other developments in the wine industry made such distinctions impossible. Two elements in particular made them more active. First, because of their privileged "expertise," the brokers could hardly resist the jump from negotiating deals to speculating on their own accounts. Second, because of their information, they were the ideal financial intermediaries for the wine economy that included both wine retailers and wine makers.

As brokers they purchased wine on credit and sold wine on credit, for they were paid neither when they received nor when they delivered an order, but when the buyer could pay. They, in turn, attempted to delay payments to vine growers as much as possible. Because the trade was on a credit basis, brokers had to bear risk--the jump from the risk associated with lending to buyers, to the risk of buying wine on ones own account was small. It was also virtually impossible to detect. What official could tell whether a broker sending wine from Epernay to Paris to a wine merchant was acting at the direction of the merchant or on his account?

There were other more local reasons for the growth of the role of brokers. Distant markets required high quality wines which, in turn, required increased investments in an activity that was already capital intensive. Yet those investments were not without risk. Brokers, because of their knowledge of demand and because of their keen knowledge of local conditions, were ideally placed to bear those risks. As Brennan describes, the development of sparkling Champagne was the result of a "redevelopment" of a region whose previous product (red wine) had fallen out of favor. Despite the legend of Dom Perignom single-handedly inventing the bubbly, the reality is that its growth into a marketable product was fraught with obstacles that the brokers slowly removed. First, wine was typically transported in barrels (which were cheaper and more robust) rather than bottles, but Champagne had to be bottled quickly, so as to capture the second fermentation that leads to the sparkles. Second, the bottles had to be strong enough to resist the increased pressure--no small feat in a period of blown glass--and losses due to exploding bottles could be devastating at times. Hence from simple retailers, brokers took on an important role in shaping the market's product at the local level. Because the demand for high quality wine in Paris was, after all, limited and because the Northeast faced competition from the Loire and the Bordelais, brokers took on the task of developing or regaining markets in Northwest Europe.

Though we learn an enormous amount from Brennan's monograph, the economic historian may be a bit chagrined with the analytical structure. Central to the volume are two distinctions: first, between a transparent market where buyer and seller meet in public and pay cash, and that of an opaque or private market where buyers and sellers need not meet, where transactions are hidden from the public and where credit greases the wheels of commerce; second between competition and power. Here Brennan is less clear about the dichotomy, but individuals who are attributed economic power have informational and/or financial advantages over other protagonists. This reviewer wonders about the value of either opposition. As Brennan himself recognizes, transparent markets only allow a very limited number of transactions. Further opacity need not imply a lack of competition if all parties are accustomed to the process. Similarly, to call informational advantages "power" hardly helps our understanding.

One can, however, read the volume with an eye to the different gains that the expansion of markets could offer. Some were temporary, for instance when a sudden increase in demand for a particular type of wine was not met by an immediate increase in supply. This short-run gain would be captured by brokers, but would rather quickly translate into higher prices in the countryside. Then there would be the traditional response of planting more vines which would drive prices down again. After a while the only change in the countryside would be higher employment. There is an alternative long-term scenario. This one had more complex effects on the local economy, because it involved the development of wines whose qualities could not be easily reproduced (that was the case for both Champagne and Burgundy). Here brokers enjoyed some early profits from finding the demand for that wine, but in time much of the final value of that wine would be transferred to the owners of the land. For the past several hundred years at least, France has been a battlefield between the efforts of quality wine producers to limit imitation and the efforts of others to make more of what is desired. Brokers, whatever their information and their power, contributed to this battle by first selling high quality wine and then seeking out new sources of such wine. Further consideration of the nature of land and information rents in the wine industry might lead us to a better understanding of why the commerce of wine failed to be centralized in Paris and rather remained the domain of a plethora of local brokers. Those scholars who will take up this task will be grateful for the existence of *Burgundy to Champagne*.

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