

Like the commonwealth's wine industry it describes, *Beyond Jefferson's Vines* has both glaring flaws but more than enough compensating virtues to fill the need for an authoritative reference adequately for the moment. One can only hope, however, that like the best winemakers we meet in his chapters, Leahy will learn from his mistakes and produce a much improved edition in a not too distant vintage.

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JAMES SIMPSON: *Creating Wine: The Emergence of a World Industry, 1840–1914*. Princeton University Press, Princeton, NJ, 2011, 344 pp., ISBN 978-0-6911-3603-5 (hardback), US\$ 39.50.

Please do not judge *Creating Wine* by its cover. The main title plus the illustrations of two grape vines might suggest that this is a book about practical viticulture or perhaps home winemaking. The devil is in the details and in this case the truth is in the subtitle (*The Emergence of a World Industry 1840–1914*). This is the story of how the world wine business evolved in the critical years before war in Europe and Prohibition in the United States when the roots of today's global industry were established.

The story told here is how different wine regions adjusted to exogenous shocks (such as the Phylloxera scourge) and disruptive technological change (such as improved rail and sea transportation) and how these differential responses set the industries on courses that still vary today. Significantly, Simpson finds his explanations not simply in history or culture, but instead in differences in relative factor abundancies (land scarce Old World, labor scarce New World) and differing patterns of political and economic power. Here's a summary of the basic argument.

There are many ways to characterize the Old World – New World dichotomy, but from an economic standpoint it can be boiled down to the fact that the Old World is dominated (if that's the right word) by small family winegrowers and by cooperative producers, which account for over half of total production in some regions. Wine growing and production are often separated from the marketing function. New World wine, by comparison, is highly concentrated and vertically integrated, with growing often a distinct business from production and marketing. The top five firms in the U.S. and Australia produce about 70 percent of the wine, according to Simpson's figures. The concentration ratio is only slightly less (50 percent) in Argentina and Chile. The figure is about 10 percent in Italy, France and Spain, although it is possible to find particular regions where a few (often cooperative) producers dominate. It would be easy to say that it is collective wine

versus corporate wine, but many large U.S. wine firms are family-owned so the stereotype doesn't completely fit.

These differences aren't new, Simpson argues, but rather evolved over the period covered by his book in response to six "distinct but interrelated" factors: production conditions (*terroir*), traditions (path dependency), technology and technological change, the nature of market demand, the responsiveness of the political system to the plight of small producers, and particular forms of political organization. The political factors are especially relevant in understanding the differential government policy responses to periodic crises related to fraud, adulteration and over-production. Simpson weaves these six factors together in complex ways, showing that no single cause is responsible for the final effect.

This is rigorous political economy analysis (the author is professor of economic history at the Carlos III University of Madrid) so, although there are no equations, there are plenty of useful tables and charts, which add to the story, as well as some useful maps. And although it wouldn't hurt to have taken an introductory economics class to understand some of the terminology, I don't think this is a firm pre-requisite. I found the writing to be clear and interesting.

Part I focuses on Europe and particularly France and introduces in quick succession the problems of the railroads (19th century globalization), Phylloxera and the development of viticultural science, and the political economy of the response to fraud caused in part by Phylloxera-driven shortages of wine grapes. The rest of the book examines Europe's failure to penetrate export markets (especially the U.K.) followed by comparative analyses of the evolving wine industries in Bordeaux, Champagne, Spain, Portugal, the U.S., Australia and Argentina. A final chapter brings things forward to the present.

I enjoyed this book because of the way it helped me make connections. In every chapter I found two or three interesting facts that I already knew and then Simpson supplied the key connecting idea. Suddenly it all made sense! A very satisfying (and informative) read. Let me pick one example to illustrate. Thousands of Chinese workers came to the United States in the 19th century to help build the transcontinental railroad. Many remained, especially on the West Coast, after the Golden Spike was driven home. Cheap, hardworking and quick to master new skills, they became the backbone of the California wine industry.

But economic conditions changed and anti-Chinese attitudes emerged and many were driven from the country; an underlying labor shortage was revealed, only partially bridged by fresh immigrants from Italy and other European countries. The problem of scarce and expensive labor became the defining economic constraint of American wine, Simpson tells us (just as the uneconomic division and re-division of European vineyards over time defined Old World wine economics). The technical innovation of a "vertical" winery, where the force of

gravity moved the grapes and juice from one part of the production process to the next, was created to economize on labor, Simpson says, not just to provide more gentle treatment of the grapes as a dozen wine tour guides must have told me over the years.

Getting a better understanding of the past is satisfying, but I think what I like best about *Creating Wine* is the way it helped me think about the present and the future. Exogenous shocks are still with us, technological change (the now widespread use of 24,000 liter bulk wine ocean shippers) is there, too, and the problem of penetrating new export markets is with us, too. Reflecting on the past in this way promotes a deeper appreciation of current issues and

Creating Wine is a good book for anyone who loves wine economics, wine history or ... wine! Highly recommended.

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ROGER SCRUTON: *I Drink Therefore I Am. A Philosopher's Guide to Wine*, London: Continuum International Publishing Group, 2009, 214 pp., ISBN 978-1-4411-7067-5 (paperback), \$19.95.

Though I bought the book in Leeds, England, during a conference where I met the author, I read most of it during another conference in unbearably hot Odessa, Ukraine, sitting and drinking (unfiltered, I insist) beer in a German beer cellar.

The title of Scruton's book, a reminder of Descartes' *I think therefore I am*, does not tell it all. Descartes was a serious man and though he was born in Touraine, a wine region, did probably not drink much. Scruton is often very funny, serious at times (perhaps too much), knows wine very well, drinks and fondles it, writes on beauty (2009a), sexual desire (2006), is one among the great contemporary philosophers of music (1997, 2009b), and even composed two operas. He does not look very tender, but his (written) relations with wine, women, music and poetry are very delicate. And this starts very fast, in his Prelude (a musical term, of course) where he quotes Emerson "who commends the great wino Hafiz [a Persian poet] in the following words:"

Hafiz praises wines, roses, maidens, boys, birds, mornings and music, to give vent to his immense hilarity and sympathy with every form of beauty and joy.

This is echoed in Scruton's terms (p. 5) that "by thinking with wine you can learn not merely to drink in thoughts, but think in draughts. Wine, drunk at the right time, in the right place and the right company, is the path to meditation, and the harbinger of peace."