No. 80.

CONSULATE OF THE UNITED STATES OF AMERICA, BORDBAUX, FRANCE, MARCH 19, 1900.

To the Honorable Assistant Secretary of State,

Washington, D.C.

Sir:

I have the honot to acknowledge your Dispatch No.75, with its enclosures. To say that I am surprised to note the fact that the Department thus brands a faithful official with falsehood on the representation of a group of importers of French wines, the character of which is clearly apparent from the records of this office, is to express very mildly the sensation aroused by the perusal of the apology you were kind enough to permit me to see after announcing its publication. I beg most earnestly to protest against this publication as wholly unjustified and in the main incorrect.

I had already had to meet the charges brought against my report on "Piquette", which had no aim but to show an opening for American dried apples, French wines being mentioned only incidentally, and had intended to place the matter before the Department some weeks since, but other important things coming up, I had delayed doing so. Had I for one moment thought it possible that my government could thus discredit my action as in the proposed publication, the forwarding of the enclosed Exhibits would not have been delayed an hour.

The article in the <u>Feuille Vinicole</u> on which these charges are based alleges:

1--That I falsely stated that there had been a decrease in the domestic wine consumption of France previous to 1899.

2--That I falsely declared the decrease in consumption was caused by the general belief that the lower grades of wine were adulterated.

3--That I advised sending of the "worst apples to France."

As to the first, I wish to say that while I had no purpose to say anything in regard to aggregate consumption of wine in France,

two things are undeniable:

(1) That the known facts and published estimates of consumption are of such a character as to justify an honest belief either way. There are (a) The consumption of kine in the different cantons in which there is collected an octroi duty. These comprise Paris and other "centers of population." (b) The estimated facts which the depend on expert opinion, comprise the consumption in all other cantons of France where no such reliable data is obtainable. In the octroi cities a decrease is admitted. (See Exhibit "A".) In these cities was a contemporaneous gain in the importation of dried apples.

The President of the Universal Wine-Growers League, who should from his position be the best posted man on the subject in France;

M.Rsclavy, as he is the most candid gentleman, says "that consumption progresses, but so slowly in proportion to the increase in production, that the error in considering as a decrease this almost stationary condition is explained. "(See Exhibit "A", hereto annexed, which is a published letter of his in regard to my report on ".A-merican Dried Apples in France.")

The Revue des Vins et Liqueurs, says there are not sufficient data to enable any one to determine with anything like accuracy the production or consumption of wine in France during any particular year. This Revue is the highest authority upon such subjects in France. (See copy of editorial which appeared in the same, August 31,1899, hereto annexed and marked Exhibit "C". It is worth reading if facts are of any consequence.)

The trouble with all these "expert", not official estimates, is that they take no note of the spurious wines—the wines made not grown—which unquestionably exceed the slight apparent net gain since 1895.

Mr Covert says consumption is increasing because the first six months of 1899 exceeded one-half of the year 1898. He might as well have claimed an increased rainfall because there was more rain in July 1899 than in July 1898. The comparison of six months with

half a previous year shows nothing.

The figures given by the <u>Vinicole</u> and reiterated by the President of the Chamber of Commerce in his attempt to convict me of false representation and malign purpose, are thoroughly self-refuting as will be seen by a moment's scrutiny.

They are the "expert" not official figures of consumption for ten years 1889 to 1898 inclusive. A brief analysis will show:

1--That for the first seven years of this decade, 1889 to 1895 inclusive, the aggregate estimated gain over 1888, was 7,035,000 hec toliters; giving an average yearly gain of 1,005,000 hectoliters.

2-For the remaining three years of the decade, 1896, 1897, 1898, the aggregate net gain over 1895 was only 125,000 hectoliters or a yearly average gain of only 45,000 hectoliters.

Does this indicate gain or loss in consumption? In the first seven years the average and aggregate estimated gain over the initial figure, was more than twenty-two times as great as in the last three years. These years, 1896, 1897, 1898, are the very ones of iners creased importation of dried apples, amounting at this port alone to nearly 10,000,000 pounds. The following are the figures of importation of dried apples at this port during this period. Note the gain and keep in mind that no one has ever suggested any other use for this importation of low-grade fruit except the making of "Piquette"

The editor of the <u>Feuille Vinicole</u> says in the article refered to by the Chamber of Commerce, that these apples are <u>not used</u> for making "Piquette." What are they used for? Importers, wholesalers, retailers and consumers declared they are used "to make "Piquette." Are they all liars and the editor of the <u>Feuille Vinicole</u> the only honest man in Bordeaux? There is no edidence that a pound of them was used for any purpose except making Piquette and as a component of spurious wines.

They say I advised sending "the worst apples to France," The

Department knows the contrary. I designated a particular grade of draed apples just as well known as a commercial product as pig-iron viz, windfalls, as the quality of fruit demanded by French importers. To send any other would be an act of folly. I said distinctly that these "must be sould, white and of a spicy odor. No unsound apples could fill these conditions.

"Cores, skins and inhabitants!" shouts Mr Gourd in a curious frenzy. Exactly, why not? Is not all cider, in all countries, made of apples of the lowest grade with "skins, cores and inhabitants" throw in? The only difference in this respect between cider made from dried apples and that from green apples, is that in the former case all trace of the "inhabitants" is easily removed by a few minutes washing. In the latter case, the "inhabitants" become an essential ingredient of the resulting decoction.

In addition to this is the incontestible fact that no one can call how much spurious wine (vins fictif) is made, sold and exported or consumed as wine. (See the article from the Revue des Vins et Liqueurs of August 31,1899, Exhibit "C" and an article from the Feuille Vinicole of Sept. 7,1899 appended as Note "D.")

That this manufacture is a very considerable element of production there can be no doubt. The Revue says that one of the chief reasons of the bad condition of the wine-trade is "the competition between growers and makers of wine."

As the claim is always made by wine journals and exporters that none of this manufactures product is exported, it must be a still more important element of domestic consumption.

Under these circumstances, I am perfectly willing to admit that my estimate may be wrong; but I am not willing to admit that any one has any right to declare it to be so. The best that can truly be said is that there may have been a slight increase since 1898, the figures of which were the last ones accessible when my report on "Dried Apples in France" was written.

It must be remembered that during this period, 1888 to 1898, inclusive, the period coussed by these estimates, there was no change

in the population of France which was practically stationary, and the returns of consumption are not "official" except from the communes having an octroi tax, in most of which a loss is admitted, but mere expert opinions based on certain official returns which do not give consumption but from which consumption is inferred by so-called "experts".

I could not at first understand the excitement caused by what X was meant as a very innocent report showing a large market for an American product. I could not understand why, when both production and consumption were questions as to which any one might honestly entertain an opinion either way, it should be counted a crime for an American consul to say incidentally that consumption of wine was diminishing. Neither could I understand why the idea of making "Piquette" of American dried apples should raise such a storm. Being accustomed to investigate economic questions without bias and having no purpose or intention to prejudice any one against French wine, but only to show a demand for American fruits, I began an investigation to show exactly the reasons for this prejudice as well as the real chasecter of the so-called "official figures. " As a result. I am now able to define exactly the reasons for the attack made on my report by the Chamber of Commerce, and why it is that my good-natured allusion to "Piquette" should have met with such displeasure. I cannot give the whole matter here without missing the next mail steamer. Suffice it to say now, that the French government neither makes nor publishes any statistics of production or consump= tion of wine in France. The figures called "official" are made up from the officail figures in regard to the taxation of alcohol. The conclusions arrived at by so-called "experts" on this subject are so variant in character that, as you will see by reading Exhibit "C"; an extract from an editorial in the most authoritative of all the wine-trade journals of France. does not hesitate to say that such estimates are often as much as ten millions of hectoliters out of the way and that no one can have sufficient ground for claiming to know either production or consump= tion with accuracy.

I will send by Saturday's mail another dispatch on this subject showing the exact method in which these estimates are made up, and why it is that the mention of "Piquette" made such a clamor. Of course, you understand that I cannot rest under the imputation of the publication the Department has made in this matter. These parties may accomplish what the editor of the Feuille Vinicole has boasted that he was able to do--secure the removal of any American consul who had the courage to express views contravening his own. Of that I know nothing; but I do know that if I am compelled to defend myself, those who have made this assault will have abundant reason to regret it. I am quite ready to say that the margin as to consumption was so narrow that I might have been mistaken, but if I must fight for my personal and official character, I will make them sorry they ever induced the Department to give me such a slap without even an opportunity for explanation.

But that is for them and the Department to decide. At the wors (I can only lose my place, and that will demand an explanation which I am fully prepared to give. The Department was no doubt misled by false representations, though the exceedingly prompt compliance with Mr Gourd's request for an apology, would seem to iindicate a purpose to force me into a false position and expose me to wholly undeserved contempt as an official discredited by his government on charges that were not investigated and cannot be sustained.

I am, Sir,

Very respectfully,

Your obedient servant,

Consul of the United States at Bordeaux.