

Wine, Francophobia and Boycotts

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The History

Political relations between France and the US in the post-WWII era have never been smooth. Beginning in the 1950s Charles de Gaulle used French foreign and defense policies as "counterweights" to US hegemony in Europe. More recently, French and US interests have collided in the Middle East. The French were reluctant allies of the US in the first Gulf war. But in the recent Iraqi war, they were in active opposition and, as a result, triggered well-publicized, anti-French reactions in the US. The time frame which best highlights these latest events is roughly the period from November 2002 through May 2003.

On November 8, 2002, with the active cooperation of France, the UN Security Council passed Resolution 1441 unanimously. Although this resolution declared that "serious consequences" would result if Iraq did not fully and completely comply with UN resolutions, cease all violations, etc., it was not, in itself, an automatic authorization for use of military force. For that, a second UN Security Council resolution would be required.

As it turned out the requirement of a second resolution was to be France's "hole card" in their fundamental opposition to war. They began the process of playing that card in early January 2003 when French Foreign Minister Dominique De Villepin used his position as chairman of the UN Security Council for the month of January to propose a full-scale ministerial meeting on terrorism. However, this meeting was not about terrorism at all, but was used by de Villepin to announce France's unequivocal opposition to a resolution for war. Secretary of State Colin Powell, who was not informed of de Villepin's intentions, was caught flat-footed and considered the announcement a virtual "ambush." The French thought their tactic justified because they were receiving strong indications that the US viewed war as inevitable and was beginning to mobilize for a military attack. It was a mockery, in the French view, for the US to ask for a UN resolution in support a military campaign they were going to undertake regardless of the UN outcome. From the perspective of the Bush administration the French were being devious obstructionists using their permanent seat on the UN Security Council to protect commercial and sovereign debt interests linked to the Hussein regime.

The Consequences

Whatever the true motives or intentions of the parties, after January 13, 2003 French-US relations declined rapidly. Across America there were reports of fierce backlashes against French products and French nomenclature. French fries were renamed "freedom fries" and French toast became "liberty toast. The company that produces French's Mustard felt it necessary to hire a PR firm to explain that their product was not French, but named after an American founder, Robert T. French who started the company in 1904. Most notably, perhaps, a restaurateur in Palm Beach, FL was shown in nationwide, front-page photographs pouring French wine into the gutter in front of his establishment.

The Politicians were only a half-step behind. On Capital Hill a group of Congressmen called on Secretary of Defense Donald Rumsfeld to boycott a French firm, Sodexo that was catering for the U.S. Marine Corps. In Pennsylvania a state representative demanded that the Liquor Control Board bar all sales of French wine. And locally, back in Palm Beach County again, a county commissioner tried to block a subsidiary of the French Company, Vivendi Environmental, from getting a contract to build a sludge treatment factory nearby.

A Gallup Poll in early February showed that France's "approval rating" in the U.S. had dropped 20 points in less than two months. Then a crescendo of anti-French sentiment was reached in March 2003 when de Villepin refused to answer a direct question as to whether he would prefer to see the Coalition forces or Saddam Hussein win the war.

In the face of such an onslaught of negative publicity it would be natural to assume that a sales analysis of French products in the U.S. would show a significant effect of boycott activity, especially for products as ubiquitous and easily substitutable as French wine and cheese. Early reports, however, were mixed. Import data, for example, showed across the board increases in French products, but qualifications were given that these orders were placed before the "boycott" began. On June 18, 2003 the Wine Spectator reported the first hard data indicating that French wine sales measured by dollar value were off 26 % comparing May 2002 with May 2003. This comparison was relatively sophisticated since it compared a current month with same month a year earlier. Other reports, neglecting all seasonal factors, showed declines in French wine sales measured from December 2002 of nearly 50%.

The Surprising Conclusion

Contrary to these early reports, the conclusion of this paper is that there was, in fact, no effective French wine boycott. Viewed correctly, the data show that despite all of the anti-French hype, U.S. consumers continued buying French wine in a manner consistent with "pre-boycott" patterns. These patterns consist of a strong holiday seasonal in favor of French wine sales and a pre-existing, longer-term trend against French wine sales.

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