Regional Oral History Office
The Bancroft Library

University of California
Berkeley, California

The Wine Spectator California Winemen Oral History Series

John H. Wright

DOMAINE CHANDON: THE FIRST FRENCH-OWNED CALIFORNIA SPARKLING WINE CELLAR

With an Introduction by
Maynard A. Amerine

Includes an interview with Edmond Maudière

Interviews Conducted by
Carole Hicke
in 1991

Since 1954 the Regional Oral History Office has been interviewing leading participants in or well-placed witnesses to major events in the development of Northern California, the West, and the Nation. Oral history is a modern research technique involving an interviewee and an informed interviewer in spontaneous conversation. The taped record is transcribed, lightly edited for continuity and clarity, and reviewed by the interviewee. The resulting manuscript is typed in final form, indexed, bound with photographs and illustrative materials, and placed in The Bancroft Library at the University of California, Berkeley, and other research collections for scholarly use. Because it is primary material, oral history is not intended to present the final, verified, or complete narrative of events. It is a spoken account, offered by the interviewee in response to questioning, and as such it is reflective, partisan, deeply involved, and irreplaceable.

****

It is recommended that this oral history be cited as follows:

John H. Wright, "Domaine Chandon: The First French-owned California Sparkling Wine Cellar," an oral history conducted in 1991 by Carole Hicke, Regional Oral History Office, The Bancroft Library, University of California, Berkeley, 1992.

Copy no. 1

John Wright, circa 1991

Cataloging Information

WRIGHT, John H. (b. 1933) Winery executive

Domaine Chandon: The First French-owned California Sparkling Wine Cellar, 1992, x, 151 pp.

Establishing winery: Moët-Hennessey names Wright to head operation, building winery, staffing, choosing grape varieties; role of Moët & Chandon's Maudière in advising on blending, winery; growth of sparkling wine sales; marketing innovations; mechanical riddling and harvesting; present operations; opening of restaurant; methods of working with French owners; founding Domaine Chandon Australia; expansion into offshore sales; future of sparkling wine. Includes an interview with winemaker Edmond Maudière (b. 1927).

Introduction by Dr. Maynard A. Amerine, professor emeritus, Department of Viticulture and Enology, University of California, Davis.

Interviewed in 1991 by Carole Hicke for the Wine Spectator California Winemen Oral History Series, The Regional Oral History Office, The Bancroft Library, University of California, Berkeley.

TABLE OF CONTENTS--John H. Wright

PREFACE

The California wine industry oral history series, a project of the Regional Oral History Office, was initiated in 1969 through the action and with the financing of the Wine Advisory Board, a state marketing order organization which ceased operation in 1975. In 1983 it was reinstituted as The Wine Spectator California Winemen Oral History Series with donations from The Wine Spectator Scholarship Foundation. The selection of those to be interviewed is made by a committee consisting of the director of The Bancroft Library, University of California, Berkeley; John A. De Luca, president of the Wine Institute, the statewide winery organization; Maynard A. Amerine, Emeritus Professor of Viticulture and Enology, University of California, Davis; the current chairman of the board of directors of the Wine Institute; Ruth Teiser, series project director; and Marvin R. Shanken, trustee of The Wine Spectator Scholarship Foundation.

The purpose of the series is to record and preserve information on California grape growing and winemaking that has existed only in the memories of wine men. In some cases their recollections go back to the early years of this century, before Prohibition. These recollections are of particular value because the Prohibition period saw the disruption of not only the industry itself but also the orderly recording and preservation of records of its activities. Little has been written about the industry from late in the last century until Repeal. There is a real paucity of information on the Prohibition years (1920-1933), although some commercial winemaking did continue under supervision of the Prohibition Department. The material in this series on that period, as well as the discussion of the remarkable development of the wine industry in subsequent years (as yet treated analytically in few writings) will be of aid to historians. Of particular value is the fact that frequently several individuals have discussed the same subjects and events or expressed opinions on the same ideas, each from his own point of view.

Research underlying the interviews has been conducted principally in the University libraries at Berkeley and Davis, the California State Library, and in the library of the Wine Institute, which has made its collection of in many cases unique materials readily available for the purpose.

The Regional Oral History Office was established to tape record autobiographical interviews with persons who have contributed significantly to recent California history. The office is headed by Willa K. Baum and is under the administrative supervision of The Bancroft Library.

Ruth Teiser
Project Director
The Wine Spectator California Winemen
Oral History Series

July 1992
Regional Oral History Office
486 The Bancroft Library
University of California, Berkeley

CALIFORNIA WINE INDUSTRY INTERVIEWS
Interviews Completed July 1992

Leon D. Adams, Revitalizing the California Wine Industry, 1974

Leon D. Adams, California Wine Industry Affairs: Recollections and Opinions, 1990

Maynard A. Amerine, The University of California and the State's Wine Industry, 1971

Maynard A. Amerine, Wine Bibliographies and Taste Perception Studies, 1988

Philo Biane, Wine Making in Southern California and Recollections of Fruit Industries, Inc., 1972

John B. Cella, The Cella Family in the California Wine Industry, 1986

Charles Crawford, Recollections of a Career with the Gallo Winery and the Development of the California Wine Industry, 1942-1989, 1990

Burke H. Critchfield, Carl F. Wente, and Andrew G. Frericks, The California Wine Industry During the Depression, 1972

William V. Cruess, A Half Century of Food and Wine Technology, 1967

Jack and Jamie Peterman Davies, Rebuilding Schramsberg: The Creation of a California Champagne House, 1990

William A. Dieppe, Almaden is My Life, 1985

Making California Port Wine: Ficklin Vineyards from 1948 to 1992, interviews with David, Jean, Peter, and Steven Ficklin, 1992

Alfred Fromm, Marketing California Wine and Brandy, 1984

Louis Gomberg, Analytical Perspectives on the California Wine Industry, 1935-1990, 1990

Miljenko Grgich, A Croatian-American Winemaker in the Napa Valley, 1992

Joseph E. Heitz, Creating a Winery in the Napa Valley, 1986

Maynard A. Joslyn, A Technologist Views the California Wine Industry, 1974

Amandus N. Kasimatis, A Career in California Viticulture, 1988

Morris Katz, Paul Masson Winery Operations and Management, 1944-1988, 1990

Legh F. Knowles, Jr., Beaulieu Vineyards from Family to Corporate Ownership, 1990

Arpaxat Setrakian, A. Setrakian, a Leader of the San Joaquin Valley Grape Industry, 1977

Elie Skofis, California Wine and Brandy Maker, 1988

Andre Tchelistcheff, Grapes, Wine, and Ecology, 1983

Brother Timothy, The Christian Brothers as Wine Makers, 1974

Louis (Bob) Trinchero, California Zinfandels, a Success Story, 1992

The Wente Family and the California Wine Industry, interviews with Jean, Carolyn, Philip, and Eric Wente, 1992.

Ernest A. Wente, Wine Making in the Livermore Valley, 1971

Albert J. Winkler, Viticultural Research at UC Davis (1921-1971), 1973

John H. Wright, Domaine Chandon: The First French-owned California Sparkling Wine Cellar, includes an interview with Edmond Maudière, 1992

INTRODUCTION--by Maynard A. Amerine

The interview with John Wright gives the pertinent facts of his early history: schooling, a period in the army, and early positions with several companies, ending with Arthur D. Little, an important "think-tank" company. But most of the text covers how Wright got into planning, building, and operating a sparkling wine plant in Yountville in Napa County. It is a *succès d'estime*, and Wright tells the story with a flourish and justifiable pride.

Fortunately for Wright, the start of the sparkling winery in 1972 was preceded by a 1968-1970 study of the California wine industry. An interview arranged by Arthur D. Little in Paris in March 1972 with Moët-Hennessy led to further meetings with executives of Moët & Chandon (the Champagne company) in August 1972. By the end of the year, planning had begun on a sparkling wine plant to be built in Yountville in the Napa Valley. The actual final contract is dated March 25, 1973. One concludes that Moët was lucky to get Wright, and that he was lucky to have such intelligent executives at Moët & Chandon in France.

He tells the story with gusto and pride from the early years at the Trefethen winery to the planning and construction of the Domaine Chandon winery and restaurant. There were many problems, which Wright took in his stride. It is important that his French enologists were so careful in selection of the varieties of grapes to be used. However, it is clear that after the start, Wright was running the show, though with an ear to his bosses in France and with due attention to the advice of the two French enologists who periodically came from France for tasting and making the blends. It is significant that many new procedures and equipment were developed at Yountville under Wright's enthusiastic direction and with the cooperation of his staff. He gives specific praise to several of his staff.

One concludes that Wright was a canny executive but a joy to work for. Managing a French-owned company in California must at times have been a headache, but you would not discover this from Wright's text. This tells one something important about the enthusiastic and thoughtful way Wright directed the whole affair.

The second interview in this volume on the history of Domaine Chandon is with Edmond Maudière. Maudière is a French-trained enologist at Moët & Chandon who came to Domaine Chandon from time to time as an advisor after 1972. He tells us about the climatic, varietal, and operational problems here from the point of view of a French-trained enologist primarily interested in the production of sparkling wines.

Since Maudière was in charge of making the blend, he had a very large influence on the character of the wines. As he frankly says, Domaine Chandon wines are not the same as the Moët & Chandon wines produced in France. And, as he says, they shouldn't be. Amen.

During the interview, Maudière discusses many aspects of grape growing and sparkling wine production methods in California and how they differ from those in France. He is obviously proud of his work at Domaine Chandon and of the changes in procedures that he has been responsible for. And he should be.

Domaine Chandon was the first large-scale investment in the California wine industry by a foreign company after Repeal. It did not cause any great excitement in the Napa Valley, as I recall. But it did attract a great deal of interest in France and Spain. Within a few years, at least four French sparkling wine producers had invested in wineries making sparkling wines in California. They were followed by two Spanish-owned sparkling wineries. All are still operating.

It would not be easy to determine what specific influence Domaine Chandon had on each of these companies, but it surely cannot have been small, as far as their inception is concerned.

Maynard A. Amerine

St. Helena, California
March 1992

INTERVIEW HISTORY--John H. Wright and Edmond Maudière

Domaine Chandon, Napa Valley maker of sparkling wine, lists an impressive number of California winemakers "firsts": first French-owned sparkling winery; first North Coast winery to use mechanical harvesting at night; first to use reserve wines for consistency of style and quality; first to develop mechanical riddling. The list goes on. In order to document the advent of this sparkling wine house in California, John H. Wright, president and chairman of the board of M & H Vineyards, Inc. (Domaine Chandon), and Edmond Maudière, consulting winemaker to the Napa Valley winery and *chef de caves* of parent company Moët-Hennessy, were interviewed as part of the Wine Spectator California Winemen Oral History Series.

Wright, an energetic man whose zeal and dedication to his work show clearly in his oral history, began his career as a market development specialist, later becoming a management consultant for Arthur D. Little, Inc. He grew a few grapevines and made a little wine as a hobby. His three-volume marketing study on the future of the wine industry attracted the attention of Moët-Hennessey in the early 1970s, and Wright was asked to head the company's new venture in Napa Valley, a sparkling winery (as it calls itself), which would open in 1977 as Domaine Chandon.

The project was built literally from the ground up, with Wright overseeing the purchase of grapes and vineyards, the wine production, and the construction of the winery. Wright was everywhere; the president thought nothing of working on the bottling line, packing down cardboard in the dumpster, or waiting tables at the Domaine Chandon restaurant, in addition to his duties as host to visiting titled Frenchmen from the parent company. He himself characterizes his style of management as more one of leadership than of management, less structured as to organization, but with an emphasis on the importance of the people employed at the winery.

Help in abundance came from Moët's Edmond Maudière, not only a chemist, microbiologist, and master blender but an architect as well. His contribution to the development of the winery proved crucial in many areas, from the building of the winery to blending the cuvées, and he continues to advise winemaker Dawnine Dyer in the blending of the wines, which are made in the traditional *méthode champenoise*. Their latest effort resulted in the creation of the grande cuveé, *étoile*, which made its debut in late 1991.

Wright was interviewed on two days, April 10 and May 6, 1991. The first interview took place in a conference room that was serving as his office during a renovation. The second was in the winery itself, where there was a small office on the second floor.

The interview with Maudière was conducted on September 11, 1991, when he was in California for the crush. It began in an office and continued on a tour of the winery, during which he discussed the history of the winery as it affected the present operations. For example, he described the method of tracking the shipments and, in the bottling room, told of the development of the VLMs (Very Large Machines) for riddling automatically nearly 4,000 bottles at a time. He offered some observations about the differences between the Napa Valley and the Champagne area of Épernay, France, in viticulture and winemaking. At every step, M. Maudière demonstrated his total immersion in the art of making sparkling wine and his enthusiasm for finding the right ways of doing it in California. The innovative spirit he brought to Moët & Chandon Champagne-making has contributed to the development of Domaine Chandon's distinctive sparkling wines.

Wright and Maudière reviewed their transcripts and made minor changes. Grateful thanks go to Diane Sol, Director of Communications at Domaine Chandon, who coordinated interview plans and provided tours and background information to orient the interviewer. She and Virginia Davis found photographs to illustrate the volumes.

This series is part of the ongoing documenting of California history by the Regional Oral History Office, which is under the direction of Willa Baum, Division Head, and under the administrative direction of The Bancroft Library, University of California, Berkeley.

Carole Hicke
Interviewer-Editor

May 1992
Regional Oral History Office
Berkeley, California

Regional Oral History Office
Room 486 The Bancroft Library

University of California
Berkeley, California 94720

BIOGRAPHICAL INFORMATION

(Please write clearly. Use black ink.)

Your full name John Henry Wright IV

Date of birth July 28, 1933 Birthplace Buffalo, NY

Father's full name Henry Hopkins Wright IV

Occupation Chemical Engineer Birthplace East Hardwick, VT.

Mother's full name Freda Malcolm Cennyoss

Occupation Homemaker Birthplace Niagara Falls, Ontario

Your spouse Barbara Anne Slaatten

Your children Gerald Malcolm Wright,
Karin Wright Oliver

Where did you grow up? East Coast, West Coast, Virginia

Present community San Francisco

Education BA Wesleyan University Middletown Connecticut

Occupation(s) President Warnaire Chandler

Areas of expertise General Business

Other interests or activities Hiking, Biking, Running, Ski-ing, Travel, Wine, Computers

Organizations in which you are active War Institute, Napa Valley Co Vintners, CMCU Society

INTERVIEW WITH JOHN WRIGHT

I EARLY DAYS

[Interview 1: April 10, 1991]##[1]

Hicke: I'd like to start this morning by asking you when you were born.

Wright: I was born on July 28, 1933.

Hicke: Where?

Wright: In Buffalo, New York, at Children's Hospital.

Hicke: Were you raised in the Buffalo area?

Wright: No, I was fortunate to have spent only four cold winters there [laughs]. Then we moved to Illinois. We lived outside of Chicago for about seven years, and then we moved to Virginia. My father I call laughingly an itinerant chemical engineer. He was a chemical engineer who worked mainly in viscose processes, at one time with the DuPont Company, and they tended to switch people around, so he lived in a few different places.

Afterwards he worked for American Viscose Corporation. I was about eleven or twelve when we moved to Fredericksburg, Virginia, so my formative high school years were spent there. Then I went to Middletown, Connecticut, to Wesleyan University, where I got my Bachelor of Arts; my major was in chemistry. Wesleyan had at that time--and probably still--

---

[1]This symbol (##) indicates that a tape or segment of a tape has begun or ended. For a guide to the tapes, see p. 145.

such a devout liberal arts philosophy that they never even gave a B.S. in those days; you got a Bachelor of Arts even if you majored in sciences.

II MILITARY SERVICE AND EARLY WORK EXPERIENCE

U.S. Army, 1954: Germany and German Wines

Wright: I got out of Wesleyan in 1954, and since that was pretty much during the Korean War, I decided to volunteer for the draft to get it over with quickly. I had the very good fortune of not going to Korea but going to Germany and being stationed right in the Rhinegau district in the Mainz.

Hicke: What base?

Wright: It was in Geinsenheim, a little town up the river from Mainz. At that time the 2nd Armored Division was stationed there. I wound up as a medic when I got into the army, and it was the medical battalion that was in Mainz. It was probably one of the earliest times that I really started to get interested in wines as a hobby. My oldest brother, who was in the Second World War and then took his discharge in Vienna for about three or four years, came back with a rather avid interest in wines, primarily Austrian wines. That perhaps had an influence on me, but when I got over to Germany and was stationed right by the vineyards, it really sparked my interest and I guess made wine a hobby.

Hicke: Mostly just tasting at that point?

Wright: Yes, mostly just tasting. [laughs] I didn't make any then.

Hicke: We were stationed there, too, for a while, and I very well remember that the fall came around, and they would have wine festivals up and down the "weinstrasse."

Wright: Yes, up in Rüdesheim and that area. I was there about '55, '56. I can remember you'd get about five marks to the dollar, and I lived like a king on a corporal's pay. [laughs] I used to play a fair amount of golf; I played on the college team. Shortly after I got to Germany, I had the good fortune to get on the division golf team; so I spent that first summer really not as a soldier but as a golfer, which was quite marvelous. We went down to Garmisch, over to Berlin and Frankfurt and places like that. That was great.

By the time I had come back from the "circuit," my whole battalion was transferred to a place called Baumholder, which is in the middle of nowhere. It's one of the few places in Germany where they can run tanks around without destroying everything. I unfortunately had to move out there, and that was not too pleasant, other than the fact that it wasn't too far from Bernkastel, so when I could I would get over to Bernkastel and got to know the Mosel a little bit. But that was certainly not as nice as being in Mainz/Wiesbaden, where there were a lot more things to do. I took in the Wiesbaden opera.

Hicke: Wiesbaden is a lovely town.

Wright: Yes, and it wasn't damaged like Mainz was. You go back today, and Mainz is almost unrecognizable.

Hicke: Yes, Mainz was pretty well flattened. Have you been back?

Wright: Yes. One of our cousin companies is Sichel Söhne, Peter Sichel's company, which makes Blue Nun and also quite a number of regional Rhine and Mosel estate wines. Their main facility is outside of Mainz, so I've been there two or three times.

Working for American Viscose Company

Wright: When I got out of the army, I got back to the States and fairly soon found a job in the packaging business--in cellophane.

Hicke: This was American Viscose Corporation?

Wright: Yes, working out of Philadelphia. That was quite exciting and interesting, because it was just at the point when

supermarkets were really growing, and the whole concept of self-service merchandising was coming into its own. People were recognizing that packaging was a very integral part of marketing. American Viscose was subsequently bought by FMC [Corporation].

Hicke: But this was before that?

Wright: Yes. It was interesting, too, in that it taught me a little bit about technical obsolescence. Cellophane was basically invented by a Frenchman, whose name I forget right now--the whole viscose process, but I think principally cellophane--in the twenties. It came to the States, and in fact my father I think was at the first plant that was built at Niagara Falls and Buffalo with French technology. It was a DuPont plant.

Cellophane sort of got its origins in the Depression. Of course, during the Second World War not much happened industrially with a lot of things, but it really boomed after the war. American Viscose was then called Sylvania Industrial Corporation, located in Fredericksburg. They asked my father to come down to be the technical director. They were the second producer of cellophane after DuPont. Business was really booming when I started coming into the thing because of all the supermarket packaging requirements. But looming out on the horizon was the whole area of petrochemicals--polyethylene, polypropylene, high-density polyethylene, all the polymers.

It was one of those cases where it was pretty darned evident, if you really sat back and looked at it, that the days of cellophane were numbered, just because of the fundamental costs of regenerated cellulose versus petrochemicals. The company, rather than really understanding this and doing what they could probably have done at that point, particularly with polypropylenes, just decided, "Well, economics--we can't make the same return on investment in plastics that we can in cellophane," so they just put their heads in the sand. And that company doesn't exist anymore. It literally went out of business; the plants all shut down. That was the major employer in Fredericksburg, Virginia. Fortunately--I guess it's fortunately; it depends--Fredericksburg has now become a bedroom community for Washington, so the economy of Fredericksburg is actually significantly better today than it was when American Viscose was there.

It was really kind of interesting, and I realized how quickly, through technical obsolescence, a booming industry all of a sudden, poof, went nowhere, which made me feel a little bit better about wine, because I don't think wine is going to be obsoleted very soon by something else. [laughs]

Hicke: I love that display down there in your waiting room that shows that wine goes back a long, long way.

Wright: In some ways it might not be quite as glamorous as a high-tech, very fast-changing industry, but it has its advantages.

Hicke: Did your chemical background provide you any help in this cellophane business?

Wright: Oh, absolutely. I was in the market development group, which I later found out was supposed to have been a sales training program. I was one of the first people. They were thinking at that time that rather than hiring sales people--people who had a knack for sales but no real technical background--they would see what happened if they could get some people who had some technical background and put them into sales. There were two of us, actually--the other fellow was Bob Ridgeway--who started at the same time and had our degrees with chemistry majors.

Hicke: I would say that was probably a good idea.

Wright: I think so. Actually, though, for me, I got so interested in market development because I felt it was so much more creative to come up with ideas--new ideas for packaging and new products within the spectrum, and helping potential customers work on package concepts--that finally I declined going into sales, because I didn't think I'd be a very good salesman anyway. I don't know if it was that as much as it was that I was more interested in marketing and market development than I was, really, in the sales.

I stayed at Avisco [American Viscose Company] about four years. I started in '56, and I guess I left in '60 or '61. As I said, it was quite fascinating, because the packaging industry is fascinating, particularly in those days.

Hicke: It was kind of a new concept, wasn't it?

Wright: Yes, it really was--the importance of packaging as part of a marketing-merchandising spectrum. But I also liked the

technical parts--the protection part: water vapor transmission rates, oxygen transmission rates, and all this was kind of fun.

Hicke: Was radiated food--?

Wright: Just starting. In fact, in Natick, Massachusetts, the army was really starting to get into that. Radiated food was very interesting because it could use flexible packaging as opposed to metal cans and that sort of thing, and basically that's what we were in, the flexible packaging business. So we started to do some things there.

Arthur D. Little, Inc.; Developing an Interest in Winemaking

Wright: What happened, I guess, was that I was getting a little bit bored and looking potentially for change. I guess I saw an ad--I forget what happened, but it must have been an ad--from Arthur D. Little, which is a consulting company in Cambridge, Mass., for somebody who had a good background in packaging, particularly flexible packaging, and a technical education. I went and interviewed for that and was very fortunate in being hired by Arthur D. Little. The fellow who actually hired me, Peter Baker, had decided to move from headquarters in Cambridge, Massachusetts, down to New York to start a group. He felt he could start a kind of package-oriented group with a bit more freedom being away from headquarters than he could being at headquarters.

They really gave me the choice of either going into what they called the industrial management division of Arthur D. Little in Cambridge, which was primarily a group of people who were chemical engineers and worked primarily in the chemical, plastics, paper, packaging industries, or going to New York. Since I really felt that Peter was pretty much my mentor in many ways, I went to New York. We just had a small group, and I worked in New York for about four years for a lot of different clients, mostly pulp and paper, glass, metal, flexible packaging, et cetera.

Hicke: What were you doing?

Wright: Some of it was fairly straightforward. Market research: we've got a new product; is there a market for it? In

retrospect, it was interesting because it also taught me something. We took a rather interesting approach to doing "market research" for technical products. Rather than just saying, "Well, demand is this, growth is this; therefore this is what the future is going to be," we really worked pretty hard on developing what the properties were of a potential new product or an existing one--polyethylene, we'll say--and then trying to match it up with potential end uses. We did our forecast more on the basis of seeing where new end uses could come in, which were not predictable based upon the past. It certainly taught me that trying to predict the future based purely on the past isn't always that accurate. In fact, if changes occur on the supply side of a particular industry, demand could be very, very much affected.

Hicke: Are you sort of saying that you were not just looking at whether the market is there, but the possibilities for developing the market?

Wright: Possibilities for developing the market. I'd say, really, if you go into consumer type products, try to look at what I call consumer need rather than want. You ask, "What would you buy?" "Well, I want this, and I want that." But they can't tell you what they want if it isn't there. Whereas if you can understand what their needs are, then conceptually you can come up with a product that they could never tell you they wanted, because it didn't exist. But you come up with it, and you create a new market, if you will, or an extension of a market. None of that is generally picked up in what I call conventional market research.

Hicke: You must have been on the cutting edge of that type of thing.

Wright: Oh, it was kind of fun. I enjoyed it. Actually, it carried forward into Domaine Chandon, which I'll maybe get to a little bit later.

Hicke: Yes, I'd like to hear about that.

Wright: Quite a bit later on I did more feasibility studies and strategic studies, and then I was transferred to the European office, in part because I wanted to go to Europe--I'd done some projects over there--in part because I spoke pretty good German in those days, so I had some language capability.

Hicke: Before we get to Europe, though--you planted some grapes?

Wright: Oh, yes, that's true. My gosh, I can't overlook that. My actual winemaking follies [laughs] or whatever, really kind of got started when I lived in Philadelphia and was working for Avisco. I was browsing through the public library, called the Free Library in Philadelphia, which is a lovely library. I was really in the cookbook section; I was sort of interested in looking at things, because I like to cook. Lo and behold, I came across, in that same area--in fact, I almost remember the Dewey decimal number--a book on home winemaking by a fellow named Hedrick [professor at Cornell] or something like that. I devoured that, took it home, and started saying, "Well, this is great stuff," and I decided I would make some wine.

That fall I managed to convince two of my colleagues at Avisco to join me in this adventure. I located some grapes out near Atlantic City, New Jersey, and with, I must confess, virtually no prior planning in terms of equipment or how we were going to do all this, we charged off in Jim's station wagon to this vineyard. They were picked grapes; we had ordered them ahead. They were called supposedly champagne grapes. I think they were the Adams grape, fairly foxy, but not as foxy as a Concord or a Niagara. It was a pink grape.

We loaded them onto the station wagon--with fruit flies all around--and we got to Jim's house. He was the only one with a house; I lived in an apartment, and Bob lived in an apartment, so Jim was the victim. He had a house with a cellar, and we got the stuff down there. Literally, we didn't even have a crusher, but we found a neighbor who, lo and behold, had a crusher. So we crushed the stuff into a barrel. We didn't have a press. I mean, we were trying to make white wine with no press. I said, "What we'll do--it's not the ideal, but I think I can design a press and get the stuff done, but let's ferment it on the skins, and then we'll press; it'll have less pectin."

We got it started, and Jim went off on a business trip. I told his wife, Nancy, "Look, what you've got to do is knock the cap down at least twice and maybe three or four times a day." She said, "Oh, yeah, yeah." Well, about three days later she called me in the office and said, "John Wright?" [bright and bubbly] "Hi, Nancy, how's it going?" "You get over here right away. My whole house smells of vinegar." So I went out, and, oh, the house reeked of vinegar. I said, "Gee, this is great. Let's decant it and bottle it up." She said, "I want it out of here!" So I took it out in the yard and dumped it. That was my first experience, which wasn't too good.

In the next two or three years I would go down to the market; we used to call it the Italian market in Philadelphia. They had grapes coming in from California. The real premium grape was the Cucamonga Zinfandel; that's what you paid a little bit more for. I made some pretty good wine from those grapes. It was kind of fun.

When I moved to Arthur D. Little, I moved from Philadelphia to Wilton, Connecticut, and bought a place with a couple of acres of land. In between all this I was reading every wine book I could find. I picked up this book by Philip Wagner, who was really the father of the Franco-American hybrids; he was the one to promote hybrids in this country. I thought, "This is really interesting. I can grow some grapes." From his nursery, Boordy Vineyard, which was in Maryland--he had both a winery and a nursery--I bought some Seyve Villard and Baco [noir], I guess, and proceeded to plant those. Oh, I had three or four hundred vines, I guess.

The year that they would have borne fruit, I was transferred to Brussels, so I never did--actually, a friend of mine did go in one year and make wine from it, so I did have that wine when I got back from Brussels.

Hicke: Did you have a press?

Wright: Oh, by that time I had everything. Yes, I finally got smart [laugh] and bought the right kind of equipment. It was only the first year that was as disastrous as it was.

Hicke: How much wine would you make?

Wright: Oh, a hundred or a hundred and fifty gallons.

Hicke: That's a lot for a home.

Wright: Two or three barrels.

Hicke: Meanwhile, were you drinking wine for dinner and other occasions?

Wright: Oh, yes.

Hicke: What kinds of wines were you drinking?

Wright: [laughs] That's interesting. In Philadelphia, which is a state-store situation, there wasn't an enormous variety, by any means. My house wine was a Zinfandel from the East Side Winery in Lodi, California, an independent co-op winery. My recollection is that it was a very good wine, and it was about sixty-five cents a quart. Probably if I had that same wine today, I would have a somewhat different view of it, but at that point in time it was a quite acceptable wine. In terms of acceptability, if it were duplicated today it probably still would be; it's just that I don't think I would probably like it quite as well as I did.

Hicke: Most of these wines were sweet wines?

Wright: Yes, I was considered a bit of an oddball. I did a lot of proselytizing, and very soon it became a habit; you get interested in and like wine, and all of a sudden you become the expert. Colleagues at work would come around and say, "We're going to have a dinner, and we're going to have wine. What would you suggest?"

Hicke: You developed your market. [laughter]

Wright: I would say that more often than not we would have wine with dinner.

Hicke: Okay, you're about to move to Brussels.

Wright: It was originally going to be Zurich, Switzerland, but then the Swiss really started cracking down on work permits for foreigners, so Arthur D. Little's European headquarters moved from Zurich to Brussels.

Moving to Brussels, Belgium, 1965

Hicke: What year was this?

Wright: This was 1965.

Hicke: What were you doing when you went over there?

all my clients were European; they were not generally American companies. That kind of gave me an insight into both similarities and differences that exist between European and American companies, and even within Europe there are some big differences between British companies, French companies, Dutch companies, German companies.

Hicke: Did you have all those as clients?

Wright: Oh, yes. Italian, Swiss, Dutch, Swedish, Norwegian, Finnish, British, French, Belgian. No Spanish; I never had a Spanish client or Portuguese--oh, I did a little bit, but not very much. I was in a sense doing sort of the same stuff, but I was doing it in a different environment. That was really quite interesting.

Hicke: You were still bottling wines?

Wright: There are grapes grown in Belgium in hothouses, beautiful table grapes--these huge Royales, they call them, big, black grapes that they packaged sort of like the Japanese package in styrofoam and beautiful sorts of things and sold them for a fortune. They obviously didn't make very good wine, but the table grape business was fairly large; that and endive were two rather important agricultural activities on the outskirts of Brussels.

Hicke: Belgian endive, of course.

Wright: Yes, which the French call *chicon*, and the Flems call it *witloof*, meaning white leaf.

But up in the northern end of Brussels, by the Gard du Nord station, there were two or three companies that brought in wine in barrels from Bordeaux and Burgundy mainly. There were really some good ones, like Vosne-Romanée; I remember that Vosne-Romanée was great. So I'd go there and buy barrels and take them home and bottle them. I saved a lot of money by doing that. Besides, it was fun. I guess I got rid of my winemaking urge by bottling barrels that I bought.

After about five years in Brussels, even though I was traveling all over the place, I really got fed up with the climate. The climate in Northern Europe is dismal, as you well know. Just day after day of--

##

Wright: --clouds and worse. The chairman of the board of Arthur D. Little at that time was General James Gavin, who died only a year ago. He was a really incredible man, who had been the head of the 82nd Airborne Division in the Second World War at the age of twenty-five. Jumping Jim, they called him. He basically got into West Point by having gone into the army first. He came from a family that was not at all well-to-do and managed to work his way through the army into West Point.

He became under [President Dwight D.] Eisenhower the head of research and development for the army and had a major, major falling out with Eisenhower and [Secretary of State John Foster] Dulles, claiming in his mind that wars of the future were really not going to be nuclear, and the amount of money and time we were spending on building up this whole nuclear concept should be reassessed, and that wars of the future were going to require highly mobile forces. [laughs] He was dead on! He was absolutely correct.

He became quite outspoken about this, and as a result Eisenhower, I guess, demoted him. He resigned and left the army, and Arthur D. Little hired him to be the chairman. The guy was not only a great figurehead but actually was a very, very brilliant man, not only in terms of military things but in other things, too. In fact, I well remember that after I moved out here to California, during the Vietnam War, we were all in a meeting in a conference room, and one of us asked him, "Jim, what do you think of the war?" God, he went to the blackboard and laid it out, and you could see we were in the craziest thing we could ever be in. Really, in about a half an hour he turned me from being either somewhat pro-Vietnam or at least neutral to being vehemently anti-the war, just listening to him. It was incredible how he could succinctly boil all this down and explain it to you.

Hicke: And nobody was listening.

Wright: Nobody was listening, that's right. [General Matthew] Ridgeway was on his side; I think there were three or four ex-generals.

In the meantime, though, he was ambassador to France under [President John F.] Kennedy and really came back to Arthur D. Little in part because he couldn't afford to be ambassador to France. Being ambassador to France or the U.K.

normally requires a lot of private money, and Jim didn't have that.

Anyway, Jim was over in Brussels for a trip, and I went to him and said, "Look, Jim, I'm really fed up with the climate, and I'm kind of getting bored, so I think I'll just call it quits." I didn't have any idea what I was going to do. He said, "No, no, don't do that. Why leave Arthur D. Little?" I said, "Well, I don't know; I guess maybe you're right." He said, "You want to go to London?" I said, "I'll take a look at that." I did, and I sort of looked around and decided I really didn't want to go to London; even though it had certain aspects that Brussels didn't have, it still had the same climate. Also, London has always been horrendously expensive in housing, even then, relative to what people earned.

Putting it all together, one of the options was San Francisco, and I figured, "Ah! That will get me out here [to California], and I can start to pursue what I've always wanted to do, and that's buy a few little acres of land and start growing grapes." So that's what I did; I transferred to San Francisco.

Hicke: Was this in '72?

Wright: No, this was 1969. I was in Brussels from '65 until late '69. No, '72 is another sort of a landmark.

In California, 1969

Growing Grapes in the Napa Valley

Wright: While I was still in Brussels I had taken a trip to San Francisco prior to the formal acceptance of me in the San Francisco office and my decision as to whether I wanted to really do it or not. One of the senior staff members in the San Francisco office, a fellow named Dick Lynn, was negotiating to buy a piece of property up in the mountains of St. Helena from a fellow named Al Menasco. Al had a vineyard there with a bunch of different varieties--Grenache, even some old Alicante, and he was getting into Cabernet and Pinot noir, and he had Pinot blanc and Gamay. A beautiful, beautiful

property, very hilly and tough to grow grapes on, particularly in those days before drip irrigation and so forth.

Al was fairly elderly then--I think he was in his late seventies--and was a pioneer in the aircraft industry; there's a Menasco engine that is very famous. He was a real buddy of Clark Gable and a lot of Hollywood people. Clark used to spend time up there at the Menasco ranch.

Dick managed to get enough partners together, and I became one of those partners, to purchase the property from Al. That started me off right away being at least partially involved in vineyards. We'd go up on the weekends.

Hicke: Is this Pickle Canyon?

Wright: No, this was called Lyncrest Vineyards, which is now owned by a friend of mine who was a partner even then, Mike Marston, and it's now called Marston Vineyards. It's up on Sulphur Springs Road going all the way up the mountain.

I guess I still had itchy feet, partly because Dick was somewhat autocratic about who could do what in the vineyard; so I decided I really wanted also a piece of property myself. In fact, I did sell my partnership to Dick in order to get some money to buy my own property.

Hicke: If you're in a partnership like that, can you pick the grapes? You say he was somewhat autocratic; are you talking about running the vineyard?

Wright: I wanted to do certain things, and I guess I felt I didn't have as much involvement as I would have liked to have. Also it was a bit farther to go from Mill Valley, and I thought I would like to find something down valley a little bit but still in the mountains. I was convinced that mountain vineyards really did have an edge on quality.

Meanwhile I had--according to him--lured out to Napa an old school friend of mine. We went to college together, and he went on to McGill University and went into psychiatry. His name is Herb McGrew. I convinced Herb to come out and be a partner with me in the vineyard. Herb was at that point practicing in New York and kind of thinking of going to New Mexico and maybe growing grapes, among other things. So I steered him away from New Mexico, and he came out and had no problem becoming a staff physician at Napa State Hospital.

Herb and I got together, and we bought this property in Pickle Canyon in the spring of 1970, so it didn't take very long. I remember I was in Brazil, and we were bidding on something else in a probate court, and we lost that, which in retrospect was good that we did. Then this came up.

Hicke: Were there vines there?

Wright: No, it was an old prune orchard, and we proceeded to get about ten acres cleared. We might have even planted it in 1970, we moved so fast. If not, we planted in '71; I can't recollect right now. We managed to find some rootstock at the last minute, which was the wrong kind, but that's all right. [laughs] In those days St. George was always recommended for hillside vineyards because the St. George has a root structure that goes right down. Hillside vineyards in those days were notable for being stressed during bloom period because there was no water, no irrigation. Therefore the St. George was deemed to be better in this drought condition. As it turns out, St. George is a pretty lousy rootstock in terms of bloom; because it's so vigorous at bloom time, you do tend to get a set that's much less regular than with A x R or some of the other rootstocks now--SO4, et cetera.

Hicke: Did you go to somebody at Davis?

Wright: More the county farm advisor, which is connected, obviously. When we first came here it was Jim Lider, and then Keith Bower came after that. We were pretty rank amateurs, but we managed to get five thousand roots planted, about ten acres worth.

Hicke: Who is "we"?

Wright: Oh, Herb and his wife, my wife then, and some other friends. Particularly important, up the hill--up Mt. Veeder, sort of on the top, past Mayacamas and Lokoya Road, there was what was really a commune of what would then be called hippies, and a little farther on was a place called The Farm. I met somebody who met somebody, and basically folks from The Farm helped us out a lot, too, on our payroll. They were primarily responsible, along with us, for getting the vineyard planted.

Hicke: Did they have any experience--or did you, for that matter?

Wright: No, rank amateurs. The soil conservation service came and helped us lay out the contours, but other than that it was pretty much reading the book and doing it. It worked. [laughs] I'd do it differently today, but it worked. Actually, one or two of those people still work for Chandon now. Count Robert Jean de Vogüé, when he came over for his first visit and saw them working--this was when [Moët &] Chandon was looking--"You know, I think they are retired 'ippies." [laughs].

Hicke: What did you plant?

Wright: My initial plan was to plant Cabernet and Merlot. I thought Merlot was going to be a hot grape. It was hardly ever planted then, so there wasn't much around. I was right, and I wish I had planted more. My next door neighbors at that time, Mike and Arlene Bernstein, had bought and had planted a vineyard which today is Mt. Veeder Winery. Mike had planted primarily Cabernet. We were talking, and he says, "Why plant Cabernet?" The curious thing is that Mike was an antitrust lawyer [laughs], and there he was trying to say "Don't plant Cabernet; we'll be too competitive." Basically that's what he was saying. I thought that was really wonderful.

He convinced us, or basically we convinced ourselves that maybe we would just do--what we wound up doing was Zinfandel and Merlot, and we did a little bit of Chenin blanc, which I subsequently grafted over with Chardonnay. To this day I don't know why I decided I'd do any Chenin blanc. Then in what was supposed to be all Zinfandel, 10 or 12 percent of the cuttings turned out to be the Gamay beaujolais clone of Pinot noir. To this day we have to go through the vineyard twice and pick that out.

Hicke: They were just mixed in with the rest?

Wright: Yes, supposedly certified Zinfandel. I won't tell you where they came from. They didn't come from Davis. They came from a winery that had a supposedly good certification program.

Hicke: Other than advice from your neighbor, how else did you decide what to plant?

Wright: Basically I planted what I liked. [laughs] That's about as scientific as you can get. I planted what I liked as wine.

Hicke: You knew Zinfandel from way back.

Wright: Yes. I thought Mountain Zin would be really good, and it is. It's just that up until the White Zin boom it would have been more profitable had I planted everything in Merlot, or if I had planted half Cabernet and half Merlot, or if I had planted Chardonnay earlier. But that's hindsight.

The Merlot at Pickle Canyon Vineyards has always been in great demand. The problem with Merlot is that everywhere, but particularly, it seems like, in hillsides--and maybe it's partly the St. George rootstock, too--it doesn't set very well; it has very loose clusters. I don't think I ever got more than two and a half tons to the acre.

Drip Irrigation

Wright: At that time there was a really interesting technological development taking place, and that was drip irrigation. I immediately got interested in that and fascinated with it, and I think I was probably one of the first to put in drip irrigation for vineyards. Drip irrigation, more than any other single thing in my opinion, has revolutionized the economics of growing grapes in places like on a mountainside or down at Carneros, where you've got very shallow soil and you don't have the holding capacity of water like you have in the mid Napa Valley.

In those days Rene di Rosa was the pioneer in Carneros at Winery Lake [Vineyard]. Rene was lucky to get a ton to an acre in those days in Carneros, and a couple of others--Buena Vista was a little later and were getting very low yields in Carneros. Typical yields on the hillsides would be a ton and a half or two tons to the acre, but with drip irrigation we at Chandon are now getting five, five and a half, sometimes six tons to the acre in Carneros, and we're getting, oh, four or four and a half tons up in the mountains.

Hicke: Can you explain that a little bit?

Wright: It's really because drip irrigation, if you do it at the right time, prevents stress on the vine in May. If the vine gets stressed just about flowering time, it tells itself, "Hey, I don't want to propagate myself, so I've got to watch myself and not set too much seed." Being able to keep the vine

unstressed during bloom and into set makes an enormous difference on final yield. Once the crop is set, then you want the vine to go into some stress; you don't want to over-irrigate.

On a hillside, drip irrigation is about the only practical way of irrigation; because of the contours and all that, overheads don't really work, and of course flood irrigation wouldn't work. In Carneros, in theory overhead would work, but the water requirements of overhead are five, six, seven times as much as drip, and we don't have much water in Carneros. You really need to conserve on water, and of course drip really does that. Plus the beauty of drip irrigation is that it puts the water where you want it; it doesn't create extra humidity, so you don't have the same mildew and insect problems and that kind of thing. It's a lot more efficient, but it also puts it where you want it. Really, you can control everything so much better with drip irrigation.

For young vineyards, it's like night and day. If you start a brand-new vineyard, even in mid Napa Valley here, where you've got rich soils and so forth, and you say, "I'll just sort of hand water, or I won't water," it's going to take you at least a year or two years more to bring that vineyard into production. Whereas with drip it would really save you at least a year.

Hicke: How did you learn about it?

Wright: I just got fascinated. I guess I was at some agricultural thing that had nothing to do with vineyards. I think it was related to orchards or orange groves or something like that, and I saw this thing. It was like, "Wow, this is really interesting!" The original company was down in San Diego that brought the Israeli technology here; basically it was an Israeli invention. Of course, it's gone through enormous improvements in terms of the economics of the performance and all that.

Hicke: Do you recall the name of that company?

Wright: Dripeze was the name of it. It just came into my mind. Those original emitters, which I bought in '70 or '71, still work. Everybody thought they were going to get clogged up in a matter of four or five years.

Hicke: What are they made out of?

Wright: Those I think were ejection-molded out of polypropylene, attached to polyethylene tubing. The tubings held up, too, for twenty years.

Hicke: Were other growers getting into this?

Wright: They were starting, yes. It was all about the same time, but I think I was one of the first to have a drip system.

Hicke: You installed those in '71?

Wright: Yes. I think even today, in going to other projects, it seems to me that with all the water that's used in the Central Valley, if somebody at some time or even now would come up with a plan that would really motivate growers to use drip irrigation rather than flood and overhead, lots of acre feet of water could be saved. But that's another issue.

Hicke: Yes, that's a big part of what drip irrigation is about from the standpoint of the rest of the state. You didn't have any irrigation system before you put this in, right?

Wright: No. What people did in those days, particularly if they were in the hills, you'd go by with a water trailer on the tractor, and by hand--oh, it was really a pain. It wasn't very effective; it was very labor-intensive, and not nearly as precise as drip. As I say, without drip irrigation, some of these hillside vineyards and Carneros vineyards just wouldn't exist because the economics wouldn't be there. So it has really revolutionized that and in turn has opened up viticultural sites that have tremendous quality that wouldn't have been opened up.

Hicke: Such as?

Wright: I just think that hillsides do produce wines of greater elegance than vines grown in very rich alluvial soils like much of the Napa Valley itself. And we see that at Chandon. Without a doubt, year in and year out our best Chardonnay--and this is for sparkling wine, of course--comes from our Mt. Veeder property. It just has more elegance. The Chardonnays that we grow in Carneros have much fruitier character, which for us is a bit of a problem for sparkling wine, because it's a little too fruity, whereas the mountain grapes don't show that at all. In fact, mountain Chardonnay as a table wine, when it's young and hasn't had much bottle-aging, to most

people isn't as attractive as, say, a Carneros Chardonnay, which has all that fruity content to it.

But when the wines age, the mountain Chardonnay that is five or six years old really has an elegance that's very, very intriguing. It's beautiful.

Hicke: Do you associate elegance with dryness and aging characteristics? Can I pin you down on that?

Wright: I think I associate it with enough fruit to have flavor, but not over-fruitiness; you're not bowled over from the fruitiness. Maybe elegance is the wrong word.

Hicke: It's a good word, but it's a little hard to pin down.

Wright: It's more subtle; let's put it that way. You're not bowled over by the fruit. It's there, but it's laid back, and because it is laid back other elements come into play as well, so it's more subtle and more complex. That's been my own experience. I don't know about others. I do think there is something to be said for qualities you get with shallower soils and drainage. I think in mountainside vineyards it's mainly a question of shallow soils plus drainage. I think in the Carneros area it's a combination of the cooler climate plus shallow soils that produce a different sort of grape, a different wine from the same grape variety. The number of acres planted in Carneros and on the hillsides--although the hillsides are still pretty small--wouldn't be there without drip irrigation. It just wouldn't have been economic.

Of course, what it does to land values is pretty amazing, too. Well, I'm getting ahead of myself.

Hicke: In the discussion about soil versus climate as the most important factor, where do you stand?

Wright: I am really honestly convinced that it's totally synergistic; it's not one or the other. They're both working. Therefore, if you say, "Champagne has chalk soil; Champagne is a wonderful wine. Therefore, to make a wine like Champagne you should look for chalk soil," doesn't make any sense, because the chalk in Champagne works because of the climate. The climate is very severe in the Champagne region, very cold and rather rainy, and the chalk is like a sponge and is taking all that down. The chalk is acting not only in its mineral sense but is creating a climate; so it's a very synergistic

relationship. Chalk soil here wouldn't necessarily be beneficial, because we don't have the same conditions of climate. And there are other examples.

The people who are totally concerned about *terroir* or soil, if I were to be a little cynical--certainly mezzoclimates can be if not duplicated rather closely simulated. Let's say there are other places in the world that have climates virtually identical to Bordeaux--some parts of California, some parts of Australia, et cetera. It's to one's advantage, if one were in the lead, like if you were a French appellation committee, to say it's really soil, because soil is really unduplicable, it's so unique. You can get this wonderful taste, and the soil is what makes the best.

##

Wright: Therefore, by making it virtually unique, or making it seem unique, you can command a higher price for your grapes. That's really what a lot of that is all about. Some people think that the *appellation contrôlée* rules were made by some sort of generous group of people who decided that the consumer deserves some guaranteed quality, but that had nothing to do with it. The *appellation contrôlée* laws were set up to restrict the planting of grapes in order to keep the prices up. It's just as simple as that.

Arthur D. Little: Investigating a Project in Brazil

Hicke: Let's get back to your work for Arthur D. Little in San Francisco. When you came out here were you still working with packaging?

Wright: Yes. I came out, and there wasn't any real obvious client base out here, although there was a forest products industry, so actually there was some base there. I guess in a sense it was a somewhat risky move, because I pretty much had my own quasi specialty and no real resources around me to speak of. But that didn't bother me, because I was really interested in growing grapes.

Hicke: You just had to support your habit.

Wright: That's right. Shortly after I got to San Francisco a client, International Paper Company, which was one of the few American companies that I did work for in Europe, had reorganized itself, having been "McKinsied," we called it--a consulting company called McKinsey did a lot of reorganization work (Arthur D. Little in those days didn't do much of that; we were more technology-based)--and they decided that they should become internationalized. Even though their name was International Paper, it started originally because they had newsprint mills up in Canada.

So they bought a couple of companies in Europe, and then they formed a whole international division on it's own and started to look for opportunities to grow internationally. That was some of the work I did for them in Europe; they were looking for a couple of acquisitions, so I got that work.

They tracked me down here in San Francisco, and they wanted to look at South America. I was quite flattered that they really wanted me to be the project leader, even though I wasn't geographically ideally located for that.

Hicke: Where was their headquarters?

Wright: They were in New York.

I started work there, and it quickly boiled down--we took a quick look at Argentina, Brazil, and Mexico, and wound up with Brazil as being the most interesting to start. So I started traveling a lot to Brazil, pursuing this project. The project got kind of dragged out, because they kept changing what they wanted to do. Well, actually the way they wanted to enter Brazil was in a very low investment and low profile, but there was no opportunity. We started there, and we worked our way back.

About a year and a half or close to two years later--I wasn't working full time but sort of off and on--we got all the way to reforestation as the way to approach Brazil in terms of the pulp paper and packaging industries. It started out in terms of printing paper for packaging materials, and that was a low investment, but everybody was in it; there wasn't much opportunity.

We started following the whole chain backwards. Because of Brazil's economic structure, et cetera, low-capital investments were more attractive and easier than high-capital

investments. Yet the need was for industries that needed high-capital investment, and that certainly is the pulp and paper industry, so in terms of an opportunity, that's where it was. But even going in and, say, producing pulp, in order to produce pulp you had to have the trees, and the trees were not there in all that great an abundance. There was a tremendous amount of trees up in the Amazon, but that's a whole other different problem.

It just so happened that at that time the Brazilian government had these fantastic tax incentives to go in for reforestation, and eucalyptus grows incredibly there; you can take your first cut of eucalyptus in six years. So we finally wound up recommending that they go into forest management and use other companies' tax money to plant the trees. Once those trees started growing, then they could put up a pulp mill with some other investors and all that.

It was great; it was just wonderful! Except that by the time we finished the study there had been a total upheaval in the top management of IP [laughs]; they had thrown out the old president, they'd gotten in a new one, and everything had changed. So they never pursued that, but another company did later on with great success.

It was a lot of fun. It was a very interesting project, because, among other things, I really had a very distorted view of South America and what it was like. Working in Brazil and working with a lot of Brazilians--in fact, I did spend some other time down there teaching in Belo Horizonte as a part of the contract, teaching engineers and economists how to do project management. I guess it's fair to say I fell in love with the country. It's a very dynamic, interesting country.

A Study of the Wine Industry, 1970

Wright: So that was fun. The only problem is that it kept me out of the mainstream of activities in San Francisco, and when that project was finally over--and I had done a couple of others--and I got back sort of full time in the San Francisco office, I really didn't have much work to do. As a consultant this kind of bothers you. It doesn't affect your pay, but you know that you want to be billable; that was my role in life. So I

decided to do a multi-client study of the wine industry, because that was really my hobby. This was around mid-1970, and it was pretty obvious that wine was changing, that there was a definite shift over to table wine from fortified wines, wine consumption was increasing in the table wine category, and situations like that.

I managed to design an outline of a study and a proposal and managed to get enough clients; I think there were about six clients to support the study, and we went ahead with the study, which was called Wine America.

Hicke: Who were the clients that supported it?

Wright: I'm trying to remember. I guess it's not a secret anymore. Robert Mondavi was one; H.J. Heinz ; Philip Morris; Schlitz; Coca-Cola Bottling company of New York, which at that time owned Mogen David [winery] and Tribuno [vermouth], which is now owned by The Wine Group; and Quaker Oats. The larger food companies were saying, "Let's take a look at this to see if it's for us."

Hicke: You've got a couple of wineries, a cigarette company, a beer--

Wright: Well, Philip Morris in those days was diversifying; they were in the beer business already. But, yes, it was larger companies who figured they'd better have a look at this.

The findings of that study were that we felt that what we called the premium--in those days we kind of broke up the wine into premium, standard, and nontraditional. The nontraditional wines were Cold Duck and Boone's Farm Apple; they were called pop wines at that time. They were the booming ones--as well as the premium, both premium California and imported wines, but not moving nearly to the same extent as the pop wines were.

Hicke: And in between were the standards?

Wright: And the standards; they were fairly steady. Even in those days they were fairly steady, even in the table wine category. Later the white jug wine started to grow, but at that point it wasn't growing all that much.

Hicke: What was in the standard category?

Wright: Oh, hearty burgundy, Carlo Rossi, generic--we call them jug wines today, but in those days I guess there were a fair number in half gallons, et cetera, but a lot were in bottles.

Hicke: How did you do the research?

Wright: There were three parts to the study. One was to assess the market, and some of that was looking at numbers, and some of it was talking to the trade--retailers, restaurateurs, et cetera, and to the wine folks themselves.

Hicke: Somebody like Darrell Corti?

Wright: Yes. I don't remember if I talked to Darrell specifically, but sure. Another part we did, we commissioned an outside consumer research corporation called Family Opinion, Inc.--I believe they were called that in those days. They have, you know, panels of eight thousand. Basically we did some consumer research on wine buying and consumption behavior. We did a first screen of about eight thousand households, and then got down to a couple thousand households in a longer questionnaire.

Hicke: In California?

Wright: Oh, no, throughout the country. Then there was a third part, what we called the economics. One whole part of the study was examining the cost of developing vineyards. We had actual cost models, and I think we were one of the first to do those. It was just about the time that computers were starting to be able to do some of this stuff at a reasonable cost. Of course, the desktop computer wasn't even around then, but there were time-share terminals. We had a pretty sharp guy at the Arthur D. Little office in San Francisco who was pretty good at this stuff, so he chunked out a whole lot of financial models.

Hicke: Again, was this nationwide?

Wright: We were really looking at establishing a winery in California. Then we had different kinds: we had a standard winery, a nontraditional winery, a premium winery, and in each case different levels in production and sales and so forth. Our final conclusions were--and this was by '71, based maybe on '69 and '70 data; I think '70 was our last data--that the growth prospects for the premium table wine sector were both good and rather predictable; that the standard wine business

was maybe on the order of 3 or 4 percent a year. Not as much. The other, we thought, was 15 to 20 percent over the subsequent five years, say.

And that the nontraditional business, or the pop wine business, was completely unpredictable. Even though every indication at that point was that these wines were going up and up and up, there was just enough feeling, about as intuitive as anything else, that they really weren't going to last. We were correct in that, because they really took a nose dive shortly thereafter. In those days, out of eleven million cases of sparkling wine, seven or eight million were Cold Duck.

Hicke: So sparkling wine was something you looked at?

Wright: Looked at, but it wasn't the focus of the study. Partly it wasn't a focus because once you got out of Cold Duck there wasn't much. So really Cold Duck was part of the nontraditional segment. No, sparkling wine wasn't a big issue in that study.

I guess it turned out that our projections of growth were pretty much correct--quite accurate, actually. I think where we made a mistake was that we felt that because of the capital investment involved, new entries into the market would not be that prevalent. What we totally missed was the romance factor of people getting into the business despite the heavy, up-front investment, that there are just enough people out there, some individuals and some companies, who have talked themselves into getting into the business because of, in many cases, what I think is the romance factor. It's a great business, you know. It's got a lot of romance to it. It is! It's a fun business.

Hicke: That's interesting, because you essentially got into it because you liked it.

Wright: [laughs] I know. Yes, I was one of the guilty ones.

Hicke: It's interesting that you didn't realize there were that many others like you.

Wright: I must say that we advised our clients--basically the ones who were in the business, like Mondavi--as I recall, our main recommendation to them was to develop more vineyards, because we thought vineyards were going to get in short supply. For a

while we were incorrect, but then we became correct, so I think generally we gave them fairly good advice.

Hicke: Is that why Mondavi was in it--to see what the projections were for his own growers?

Wright: I think so. Yes, I think Bob's main interest was--I don't know; I should ask him one of these days. I kind of suspect that was about the time he had taken on some new partners--the Sick's Rainier [Brewing] Company. I think they wanted some outside opinion about this business. Essentially our conclusions were that "If you are in the business today, particularly if you are in the upper end of the business"--which Mondavi was--"it's got a lot of future to it. It's going to require a lot of money, but it's a good business to be in competitively." I'd say the only surprise in that--and I don't know to what extent it has really hurt Mondavi; I don't think it has--is that today there are a good many more competitors in the same price range as Mondavi than I would have ever believed in those days; just because of the economics I felt they wouldn't do that.

Those companies who were not in the business, we basically advised not to get in because we didn't think the economics of starting from scratch would make a lot of sense. On the other hand, there were many opportunities. If they found a winery or two that were large enough to be interesting to these large companies, then an acquisition might not be a bad idea.

Hicke: So not to really start from scratch, but if they could go in and acquire a going concern it would be okay?

Wright: Yes.

Hicke: Did you also work with Lou [Louis R.] Gomberg?

Wright: Very much, yes. In fact, Lou worked on that study with me as an outside consultant. Oh, yes, I forgot about Lou; I shouldn't have done that. Lou did quite a bit of work with me.

Hicke: What types of things did he do?

Wright: He dug up a lot of numbers because he had access to them, and of course he'd been very active in negotiating and buying and selling wineries, so he had some input on that. That's right,

Lou was really a member of the team. A great guy. I always enjoyed my friendship with Lou and his wife.

Hicke: Did you come out with a one-volume report?

Wright: Well, three volumes; they were pretty big. [laughter] So what do you want for $20,000? Of course, $20,000 in those days was a lot of money.

That report was printed in about March of '72, and just about that time I got a call from Paris. Having done the study, it's a classic consultant situation: you become an expert by doing something, right? Educate yourself on your clients' money [laughs]. I'm being a little cynical. But by having been the project leader for this, then I was recognized within Arthur D. Little, at least, as being the wine industry expert. I guess, in all fairness, I probably deserved it.

I got a call from Paris from Michel d'Halluin, who was the manager of the Arthur D. Little office there. Michel I had known because of my work in Brussels, and he said that Arthur D. Little had been engaged by the Banque Nationale de Paris, the BNP, the biggest bank in France, to look at investment areas of interest for French companies. They decided to structure this project by going to an input-output computer model. Lo and behold, the wine industry was one of the industries that the input-output model had preliminarily tagged as potentially being of interest to a French company. I said, "I don't think you need a computer input-output model to determine that, but what the hell, that's all right. So what do you want from me?"

He said, "Well, I'd like you to write a little report on--." He says [with French accent], "Now, John, only three days of your time, because I do not have a very big budget." I said, "For $20,000 you can buy the whole thing." "No, no, John, you must remember our old friendship." I said, "All right, Michel, I guess in good conscience I can write a very general overview without prejudicing the clients who paid good money for this. I can't get into the details, because that would not be ethical, but I feel confidant that I can write an overview generally." I wrote a fairly general overview of the situation as I saw it.

At that time I was pretty heavily engaged in a project for one of the Unilever companies in Europe. They had a packaging division, several companies located in many

different countries of Europe that produced packaging materials. The whole project was really what were they going to do with these companies in the future in terms of direction and organization and all that? It was a fun study.

III MOËT-HENNESSY

Exploring the Possibilities

Wright: So I was going over to Europe quite frequently. That July, on my trip over, Michel called and said, "Look, while you're here I've set up appointments in Paris with some potential investors." The reason the BNP, by the way, had commissioned the study was that they were developing branch banking facilities in the U.S. They later bought the Bank of the West here in California. There is a BNP bureau here in San Francisco as well, but they really finally enlarged by buying the Bank of the West. They figured that if they were going to have these operations in the state--branch banking; I guess that's the right word--if French companies were there, they'd naturally be attracted to the BNP as a primary lender.

In July they set me up with meetings, and there were BNP people there. I guess there were two or three meetings. One was with a fellow named Guy de la Serre, who was then and still is secretary general of Moët-Hennessy. Guy actually is from the family Mercier, which is a company that is part of the Moët [Hennessy Louis Vuitton] group. I spent a couple of hours with Guy going over what I'd written and answering his questions.

Then I met with two other groups. I met with Pernod Ricard, the pastis people. Pernod Ricard had just merged, and they were looking to expand their activities and possibly get into the wine business. They subsequently bought Austin-Nichols in this country, which is really the bourbon business more than the wine, although they had some wines.

Then I met with a company called the Salin du Midi. They're a very fascinating company. Their original primary business was solar salt down in the Mediterranean area at the mouth of the Rhone River.

Hicke: Solar salt?

Wright: Yes, like that stuff that we make--dried salt. They still do that, but the amount of land that they own--not where they were evaporating the salt, because it would be too salty, but somehow they wound up owning thousands of hectares of land. This was way, way back. That land is almost pure sand, and when the phylloxera hit Europe, the phylloxera bug doesn't exist very well in sand, so they were able to plant vines on this soil without having to graft them, and they developed a huge wine business; they have been referred to as the Gallo of France. Their brand name is Listel, and they make very acceptable wine at that price level and have very good technology. So they were somewhat interested, too.

Well, as it turned out, of the three people, the one who was really interested enough to make the next step was Moët-Hennessy. I don't think I met Alain then. I got word from Michel later--I believe it was that August--that two executives from Moët-Hennessy, Alain Chevalier--who didn't have a title, but essentially he was president of Moët-Hennessy and the holding company; I think he was called general administrator, or *administrateur general*--and Bertrand Mure, who was the managing director of Moët & Chandon, the Champagne group, were coming over in August to visit me in San Francisco.

I brought them up to the Napa Valley and showed them around. I remember one night they stayed at Silverado, and Alain and I were taking a little stroll around the golf course. He said, "I'm really interested in doing something. I think it's time we started a California venture." He described some of the reasons why they were interested, which I'll get to in a minute. He said, "No matter what the market is--" I told him up front that I had studied the market. I said, "The sparkling wine market at this point is a little bit of champagne here, some sparkling wine here, and Cold Duck is the main thing. I do believe there's an opportunity for growth in this business if somebody comes in with the right product at the right price and so forth, but we're starting with a small market." The whole *méthode champenoise* business at that time, which was largely Korbel [F. Korbel & Bros.

winery], Kornell [Cellars], was only, I think, a hundred thousand cases. We knew pretty much that we were going to have to start with a capacity of about a hundred thousand to make it interesting.

So I said, "The market is not there, but I think it can be developed." He said, "Fine." He said, "Besides, for me the really important thing is to get the right person to run it," and he said, "I think that could be difficult." I said, "Geez, with Moët & Chandon behind it, there'd be 150 totally qualified people lined up to get the job." [laughs] I didn't know he was testing me; he was very subtle.

##

Hicke: You were just having your conversation about looking for someone to head up this new winery.

Wright: Right. At that point it was left that on my next trip to Europe, I should come by for a further conference, not only with Alain and Bertrand but with the bank. It was just left somewhat loose, but, "We'll work it out when you come over next." I said fine.

Just about this time, which would have been August of '72, I had kind of decided that I was so intrigued with the winery business, and really grape growing more, I think, that if I resigned from ADL I could probably still--because they do use a lot of outside consultants if you've got a track record for special things--figure on maybe getting work from Arthur D. Little half time or even less, and even with that I probably wouldn't starve to death.

Further Conferences With the French

Wright: I had already informed ADL then, in August, that I was going to resign, but that I'd complete the Unilever work, which was fine with them. That happened, and then it must have been a week or two later that I got a call from Michel D'Halluin again from Paris. He said, "Look, when are you coming over for Unilever?" I think it was October or something, and he said, "Well, Moët wants to see you, and we have to have the bank there," and blah, blah, blah. I said, "Look, I have officially resigned from Arthur D. Little. If you want to pay

me for a day or two, I'd be delighted to do that." He said, "Oh, yes, yes, no problem." So I said, "Fine."

I came over, and I remember I called Michel from Brussels; he was in Paris. I said, "Is everything set up?" [quickly] "Oh, yes, yes," and he was very, very excited. "Mr. Chevalier has invited you to his house that evening." I said, "Oh, that's nice." "Well, it's more than nice; it's very important." You know, he was giving me this--I didn't think it was such a big deal.

I went down [to Paris] Thursday night, and on Friday we met officially at the Moët-Hennessy headquarters in Paris and went through the whole thing again about the wine business and where it was going and so on.

Hicke: Where is their headquarters?

Wright: It's changed now. It used to be at the Rue Tremoille, but shortly thereafter it moved to Avenue Hoche.

Alain was rather short, curt, and somewhat agitated by the meeting. You could see he was just impatient, I guess is the best word. He didn't quite cut the meeting short, but it felt a little bit like it was shortened. We broke up, and he said, "I'll see you tonight." I said, "Wonderful." I was walking out with Michel, and he says, "Now, look, when you go to his house tonight, I'm sure he's going to want you to do some more work. I'd just like some assurance from you that Arthur D. Little will be involved." I said, "Well, of course. Anything I would do as an individual consultant would only be through Arthur D. Little, because obviously he made the first contact, and I wouldn't think of doing anything other than that." Then I said, "But I can't imagine that that's going to happen."

"Oh, yes, it is. I guarantee you, you'll have a nice dinner, and after dinner he'll take you into another room and talk about doing some more work." I said, "All right, Michel, maybe you're right." And, sure enough, that's exactly what happened. We had a delightful dinner with Alain Chevalier, his wife, and two other couples who were friends. Actually, one was the brother of John Haskell from Dillon, Read [& Co., Inc.]; I don't think I'd met John then.

After dinner was over and everybody had gone, Alain asked me to stay around for a while. We went into another

room and sat down, and he said that he wanted me to--I guess even that morning he had said he wanted me to go up to Épernay to meet Robert-Jean de Vogüé, who was the chairman still of Moët-Hennessy, and to take a look around. I said, "Fine," so that had already been decided. But essentially that evening he said, "I think we'd like to pursue this further. What would your involvement be?" I said, "I can promise you total involvement in terms of being a project leader. I might need some other help, which would come from Arthur D. Little. I'd only ask that you write the contract with Arthur D. Little and not with me personally." He said, "That's no problem. But I want you to see Bob de Vogüé first, before anything is decided." I said, "Fine."

I went up to Épernay the next day, and they put me up at the Chateau de Saran, which was quite impressive and luxurious. I've never stayed there again. [laughter] As an employee, you see, I didn't, but then I was given the full treatment. That's all right; I've eaten there a few times, and my daughter has been there a couple of times.

I met with Bob, who was this incredible--he was a very short man, but he looked a little like Maurice Chevalier. He sort of had an air about him. He'd wear a hat a little cocked like Maurice Chevalier. He actually had graduated from St. Cyr, the military academy, so he was very military in his bearing always, very elegant; a true nobleman, which he was. The Vogüé family is very, very old. In France they have a saying that there's the nobility of the sword and the nobility of the robe, and he was definitely the nobility of the sword, the family going back to the Knights-Templar and all that, whereas some of the newer nobility were only made ones by doing favors for Louis XIV, Louis XIII, et cetera.

In fact Bob, even though his education and his first career were military, really got into the champagne business because the lady he married was a member of the Moët family, and somewhat distant, too. Well, she was a member, yes, but it's a little complicated, because her name wasn't Moët or Chandon. I've forgotten what her maiden name was. She's still alive, Ghislaine. After they got married they brought him in, and I guess in a matter of a very short period of time he became the dominant leader of Moët [snap, snap, snap], just like that--a fantastic, great sense of leadership.

And he was a bit of a terror; he didn't suffer fools very much, I guess. I remember he told me one time, "You

know, when I came into the business, all the other *champenoises* wanted to do was leave the bottles in their cellar because they felt very rich with all the bottles in their cellar. *Moi, je suis un marchand du vin*--I'm a wine merchant. I decided you ought to sell them to get rich!" So he did. He was one of the first people who had really aggressively gone out and actually tried to capture market share. He went into the U.K. [United Kingdom]. At that point Moët was hardly anything and very soon became the number-one brand, and he did that in other markets. So he really had a sense, as he said, of being a "marchand du vin."

But he was also very, very supportive of technology, almost to a fault. He really believed that technology made better wine, and he was the first person to have a truly accredited enologist, as opposed to a kind of "learn on the job" winemaker. Actually, he separated enology from the *chef du cave* anyway. Moët was an innovator in a lot of technology. The only problem was, when they did any sort of consumer research they realized that they had to play this down, because consumers looked upon technology as anti-quality in some ways.

Hicke: Like it's machine made or something?

Wright: Yes, exactly. But he was very supportive of technology, as well as being really savvy in marketing and very aggressive in sales and marketing.

Hicke: He had been to California, hadn't he?

Wright: Yes, at least once, and I'm sure more than that. His son, [Count] Ghislaine [de Vogüé], tells me that in '69 he and "papa" were here at a wine WSWA (Wine and Spirits Wholesalers of America) meeting in San Francisco. They were looking for the hospitality suite of our then agent for both Moët and Hennessy, Schieffelin & Company, and they wandered into the wrong suite, which happened to be the Wine Institute that was having a tasting as well. Ghislain said, "I said to Papa, 'Papa, we must go over to Schieffelin.' He said, 'No, I want to stay here and taste some of these wines. I'm very curious.'" So he spent the next three hours there, both tasting and pontificating, I guess, telling people what he thought of the wines. He was very fascinated, particularly with the Cabernets. So he sort of had implanted in the back of his mind that California was an up-and-coming place to make

world-class wines. He was that kind of a person; he was really quite broad minded in global outlook.

So I arrived on the scene and was ushered into his office. I sat down, and I was somewhat curious as to what language we were going to speak, but he spoke beautiful English, which certainly helped, although I could speak a little bit of French. I speak more today, but at that point I spoke, well, not bad French, I guess. We chatted, and Bob, after maybe forty-five minutes or so, said, "Well, I've always wanted to do something in California. I think the time is right, but the main thing is to get the right person, and I want you to be chairman of the company." I said, "What?" "Well, chairman, president, or whatever you call it." I said, "I'm very flattered." I didn't say he had made me an offer I couldn't refuse, but I almost did. I said, "That would be wonderful, but I think you ought to take a certain amount of time to study the situation, maybe principally to see whether we should start from scratch, or whether we should buy an existing company and what the implications of that would be--sort of a feasibility study." I said I'd like to do that under contract with Arthur D. Little, if that was all right. "Oh, that's no problem. Go right ahead. Fine, fine."

M. Poirier Tastes California Wines

Wright: With that, he said, "Now I want you to meet Monsieur [Renaud] Poirier, because he will be the one to finally determine whether or not we go to California." I said, "Oh, really?" He said, "Yes." So I got ushered out. I didn't know who Poirier was from whatever. Going through all the buildings at Moët, into the winery and upstairs in the winery, in the *cuvérie*, which is the tank room, was the lab. I got ushered into the lab, and this rather tall fellow--well, Renaud was about ready to retire, so he was about sixty-two or -three then, with gray hair, not very much hair, with a lab coat on. I sat down, and he proceeded to talk to me only in French [laughs]. I found out he could speak English. He wrote beautiful English, but he would never speak English to me. He's one of those characters, you know--sort of one-upmanship.

He asked me a lot of questions about my family life and all that. Then he said, [forcefully] "Okay, I'm coming over in December, and I want to taste wines. I don't want to taste

any sparkling wine, because I know it's all *inbuvable*--undrinkable. I only want to taste wines that were made this year that are still fresh from this vintage." This was October, and I said, "It's not going to be terribly easy." "Well, that's what I want to do." I said, "Okay, I'll start talking to some wine people there to see if I can get something set up."

He said, "And I want any number of different *cepages*--varieties--because I don't believe that just because we use Chardonnay and Pinot noir in champagne, it will work in California. It's too hot a climate; it won't work. It won't work, so we've got to look at all these others," and then he goes on this long speech. He was a real kick. He said, "I'm a very ill person. I've been diagnosed, and I have a very serious disease. I don't expect to last for a year." I'm looking at him like this [shows facial expression]. He's still alive. [laughter] He said, "I'm bringing my nurse with me." I said, [whispering] "All right, fine."

It turns out his nurse, Françoise, is his wife as well, and a delightful, lovely lady for whom he had literally stormed a convent, where her father had put her to keep her away from him, and dragged her out of the convent, and they got married. It's quite a story. I think he really did think he was very ill. He had had an operation, but it was obviously very successful.

He laid it out: "I want a place where there are no extraneous smells, and for every wine I taste, I want a complete chemical analysis before I taste it, in front." This is the first person, at least from Champagne, that I have ever known who wants to taste with a technical analysis in front of him.

He was the key person who was going to come over and say, "Can we make really world-class wine here or can't we? And where should we be?" I came back and busily went around and got tremendous cooperation from Louis Martini, Bob Mondavi, Bob Travers at Mayacamas, Mirassou, Christian Brothers, and a lot of people like that. I got samples of wine from that year. I told them what I was doing, and there wasn't any problem. I had a whole bunch of samples there, and I had all the chemical analyses done by Scott Labs.

Hicke: Can I interrupt and ask why he wanted the chemical analysis? To check the acidity?

Wright: I don't know. That's just the way he tasted. [laughs] pH, acidity, et cetera.

Hicke: He wanted to know all that at the time that he was tasting it?

Wright: I think Renaud, who was a very key figure, was so proud, I guess--he was the first true enologist in Champagne, with proper scientific background, although his father was the *chef du cave* at Pommery. Renaud followed his father in that job, but he always fought with the Prince of Polignac, who used to own Pommery [& Greno]--the Polignac family. Apparently every two months he'd go in and say, "I quit," and Guy de Polignac would say, "Oh, no, no, don't do that; don't do that," and bring him back. So one day I guess Guy de Polignac was so fed up that when Renaud said, "I quit," he said, "Fine. You're fired."

Within two days Bob de Vogüé hired him, for two reasons: one, he had a really excellent reputation as a scientist/enologist; and secondly, Bob de Vogüé, because he was head of the resistance during the war--[Joachim] von Ribbentrop, the German foreign minister, had been a sales manager for Pommery in Germany, so whether it was correct or not, there was a certain feeling that Pommery was a bit pro-German. Pommery was always kind of an enemy for Bob, so if he could get back at Pommery, he'd do it. So he hired Renaud for that reason, too.

I got back and hustled around and got everything done, and Renaud and Françoise came that December. He tasted the wines and, as I said, wouldn't touch a glass of sparkling wine--absolutely would not. He was really quite an interesting guy. He went through all the swirling and sniffing and spitting, and he wrote down his notes. What he found at that stage was that potentially Chardonnay and Pinot Noir might be a little more interesting than he thought, although actually I didn't have any real Pinot Noir; I had red Pinot Noir, but I didn't have any white.

He felt there was a possibility of making a really high-quality wine. He felt, interestingly enough, that the mountain vineyards showed a certain subtlety and interest that some of the valley vineyards did not. And he felt that Napa Valley was more interesting than the Monterey area or Sonoma area. Now, was that very scientific? I don't know.

Hicke: Did you have any of your own grapes?

Wright: No, they weren't ready.

So he gave his blessing, said yes, we could make some really fine wine here.

Hicke: That's amazing, because it sounds as if he came with his mind made up.

Wright: [laughs]. Even there, he said, "Yes," but he was still very, very skeptical, particularly about Chardonnay, and for good reason, considering what he had tasted, although I think there was one mountain Chardonnay he kind of liked. He said, "Fine, but we ought to focus primarily on Folle Blanche," and that was based on one tasting. Lou Martini then had a Folle Blanche white wine, and Renaud liked it because it was "neutral"--not insipid neutral, but it wasn't too fruity. He also thought that Saint Émilion or Ugni blanc--he didn't taste any Ugni blanc, because there wasn't any around, or maybe there was one--but based upon, really, his experience in Argentina; he'd been down and set up things in Argentina--he just kind of pre-guessed that Ugni blanc would be an interesting grape.

His focus was being worried about too much fruitiness, too much *gout du terroir* and this sort of thing, based upon his preconceived notion that even though some of these wines tasted pretty good, the climate was probably still too warm, in his mind.

At any rate, he put his blessing on it, and we were on our way. At that point, in looking at the structure of the industry and who was doing what and what we could do, it became pretty obvious that buying a company didn't make any sense. Any company that could have been purchased with any sort of position in the sparkling wine business--i.e., Korbel, for example--would have required really a very high price-to-earnings ratio, simply because things were looking very good at that point. I never even inquired whether they were for sale. And once you've done that, you're still going to have to invest millions in order to bring the thing around to where you want it to be and to expand the production, so why try to undo what others have done?

IV DOMAINE CHANDON

Starting Up, 1972

Wright: It wasn't exactly a no-brain decision, but it didn't take very long to figure out that we ought to start by ourselves. So we made that decision. Renaud was over in December of '72, and by March 26, 1973, the company was officially formed. At that point I had already optioned some land up on Mt. Veeder next to where I lived because of the quality potential. It was also convenient, because my office was in my garage up there [laughs], so it worked out well. I was really fascinated with Carneros. That was just starting to come in, and I thought about the cool climate.

Hicke: Did he taste any wines from there?

Wright: Yes, but they were all red, red Pinot Noirs for the most part. I thought that was a really interesting area, and I guess I was somewhat romantic, too, in thinking that what were then lower-yield vines that had to struggle a little bit--I did believe it. In those days we paid fifteen hundred dollars an acre when we first bought five hundred acres in Carneros. At that point, if you bought bare land, let's say, in the mid-Napa Valley--Oakville, Yountville, Oak Knoll, or wherever--I would say the going price for bare land then was about eight thousand an acre. So it was a big difference in price.

Hicke: Did you consider buying vineyards?

Wright: Well, we did, but there weren't any for sale. There really weren't; there was nothing out there. Nothing out there in terms of varieties that we thought we'd know and climates that we'd like. But there was really very little available, and

for very high prices. I mean, you've got to recognize that in that period of '69, '79, '71, although subsequently things went downwards, people were getting a thousand dollars a ton for Cabernet and a thousand dollars a ton for Pinot noir and Chardonnay, and so on. On an inflation basis, that was a tremendous amount of money, particularly when you figured a vineyard cost then nine or ten thousand an acre; so if you got four or five tons to the acre, you were getting a really good deal if you got that kind of money. Therefore obviously people were asking for a good deal more than that per planted acre, if anything was available; but essentially nothing was available.

I had already optioned some land in Carneros, and I optioned the land up on Mt. Veeder, waiting for the go-ahead: are we going to go or not? Well, we made the decision in February or so to go. Kilian Hennessy had just then become the chairman of the board; Bob had officially retired, although he subsequently came out for visits two or three times. Kilian came out, and we signed the papers in the lawyer's office in San Francisco to officially form the company.

Hicke: Was that Morrison & Foerster? John Austin?

Wright: John Austin, right.

A French Company in Napa Valley

Hicke: Let me back up and ask you a little bit about the implications of a French company starting a winery in the Napa Valley. First of all their risks, which you assessed very well.

Wright: Yes, or perhaps more opportunities than risks. Interestingly enough, particularly in the de Vogüé era, but even Alain Chevalier was of the same mold in many respects, they were much more focused on opportunities than they were on risks. The focus wasn't how to avoid risk or how to be risk free; the focus was, "Is there an opportunity here?" I didn't understand it at the time. I was, frankly, a little amazed. They never asked to see my study.

Hicke: Oh, they didn't?

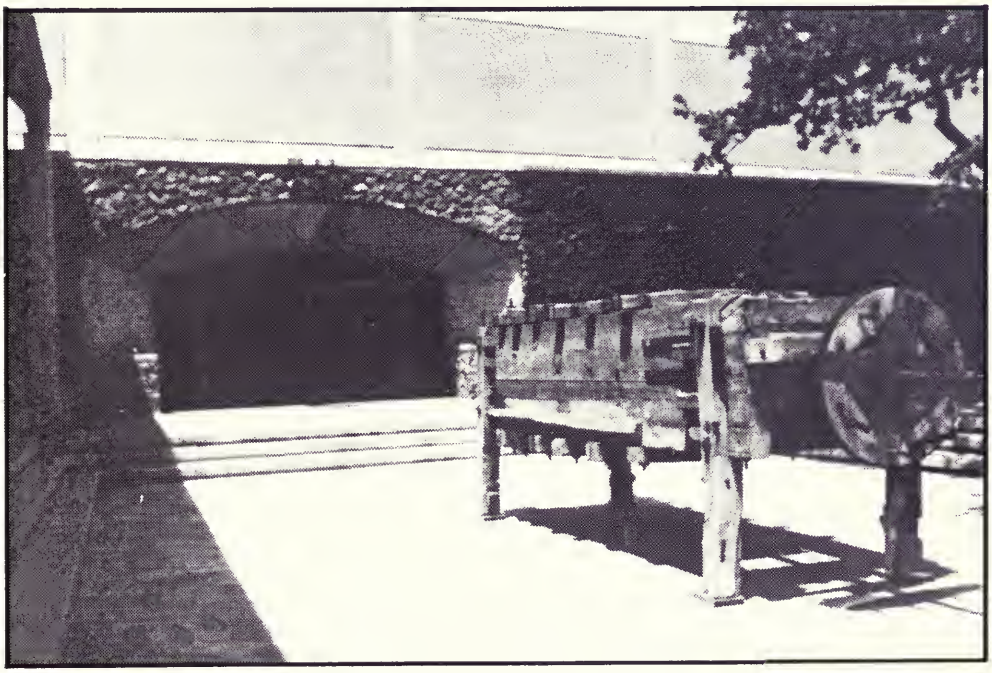
Domaine Chandon

Old press from France, 1991

Tasting area, 1991

Photographs by Carole Hicke

Domaine Chandon winery, visitors' entrance.



Ancient French wine press in winery courtyard.

Wright: No, they never even looked at a page of it. I think I would have had some moral misgivings about it, although by then the study was getting a little old, but they never even asked. I'm not saying the work I did was slipshod; it wasn't. But once Poirier came back and said, "Look, we can make good wine there," I think that was it. They were going to do it because they saw an opportunity. Why they saw an opportunity or were looking at it opportunistically was that at that point in time--and this was the fall of '72--

##

Wright: We're looking now at the fall of '72, when I met Bob de Vogüé. The apparent demand for Champagne, in terms of their sales in '69, '70, '71, looked like an ever-increasing demand, particularly in the French market. Post-World War II, the French really discovered Champagne and were drinking tremendous quantities; their consumption really leaped up. Exports were less buoyant but still sound.

So they were looking at a situation, in the fall of '72, where the harvest of '71 produced excellent quality but very little quantity in Champagne. The harvest of '70 was both relatively large in quantity and very good in quality. Right at this point--this was October of '72, and the weather was foul; '72 was absolutely a hideous year in terms of quality--they were looking at a more or less normal crop but a very, very low quality. So they were really sitting on an inventory which wasn't of the size that they usually felt comfortable with for the future. They were saying, "Here's the demand for Champagne running up this way; here's what our supply is. The *appellation contrôlée* laws say now we can only plant about 1 percent or 2 percent a year." You see, they changed the law, which they do frequently, sometime in the mid-sixties to slow the planting down.

"Here we are, Moët & Chandon, being the dominant producer by far, essentially being forced to restrict our growth in the future because of lack of grapes. So let's not only continue to export our product, but let's take our scientific knowledge--art, if you will--and experience and transfer them to other places in the world where the market looks attractive and where we can make quality wine that we're not ashamed to put our name on." This was the basic rationale, primarily formulated by Bob de Vogüé and Alain Chevalier, both of whom were fundamentally strategic thinkers.

Hicke: Was there some worry about France turning a little bit towards socialism?

Wright: None whatsoever on their part. That came later, but it was never a motivation for Moët. It's been a motivation for other investments, but there was never any consideration of that whatsoever; it was purely, "This is a business opportunity. We're not trying to sock money away." Even the exchange rate--they said, "We don't care about the exchange rate; that all evens out over time, so let's not make a big deal about it." No, it was really based on a business opportunity.

Now, there was a good deal of concern about what the American reaction was going to be, or more specifically, "What is the reaction of the Napa community going to be towards a foreigner coming in and investing?" I said, "Gee, I can't believe it will be anything other than favorable, for several reasons. One, Moët coming into the Napa Valley is just a sign of approval, that in a sense you have arrived, because Moët's a very prestigious company. Unless people are totally xenophobic, they're not going to react negatively to that. Secondly, we're not buying anybody. We're not buying out a little old family and all this kind of thing, or even a corporate thing. We're contributing straight from the ground up, so nobody can accuse us of just doing something like, if you will, the Japanese and so forth are accused of--buying up companies."

Of course, the reason for a lot of their concern is that the French had historically been more xenophobic and mistrusting of foreign investment, particularly foreign purchase of high-quality wineries. In fact, it's virtually impossible to do that unless you are part of the European Community.

Hicke: They would feel uncomfortable about somebody coming into Champagne?

Wright: Oh, you bet your life. Now, legally, if it were a British or German company, a member of the EEC [European Economic Community], they couldn't do anything about it; the government can't do anything about it. But if it's a Japanese company, yes, the French government probably would not allow that.

But we Americans are not like that, right? Or we weren't in those days. So I said I wouldn't worry about it. "Well, but we must." One of the first things they wanted to

do was to have a reception for Napa Valley vintners and growers. I said, "Fine, we'll do that," and we went over to the Silverado Country Club and brought in numerous cases of Moët Champagne, because we had nothing ourselves that we had made. Bob de Vogüé came over specifically for that, and with him was a fellow named Tex Bomba. Tex had just retired from Schieffelin & Company and was really--I don't think his official title was president, but he really ran Schieffelin and was a wonderful guy, very open minded and a very nice person.

Both Tex and Bob at that point were about age 75 or 76. Tex came with Bob to accompany him to the party at Silverado, and all sorts of people showed up--a great success. I remember that I got involved in talking to somebody, and Bob came right over to me and said, "John, you must stand with me at the front door. I want you to introduce me properly," and I said, "Yes, sir!." [laughs] That reception I think was quite successful in saying that we were maybe okay people, and in those days I never, ever felt any kind of community resistance, certainly not in the grape-growing or winemaking communities. There have been times when I felt that some of the politicians in the city or in the county have been a little prejudiced, but nothing of any real impact.

Working With the Trefethens

Wright: The other importance of that party was that among the invitees was the Trefethen family. Katie Trefethen, Gene Trefethen's wife, came with her sister, Barbara Eisley and her brother-in-law, Milt Eisley. Gene was on a trip. He was president of Kaiser [Aluminum & Chemical Company], and he was over in Japan or Australia or somewhere. He was actually due back that evening, so he couldn't come to the party. Tex was always one to spot a very attractive lady and go and be very gentlemanly and gracious and so forth, so I think the minute that Katie walked into that room, Tex was probably right over talking to her.

I met Katie; I knew the vineyard because I'd seen it, but I had yet to meet anybody from the Trefethen family. I might have met Tony Baldini, who is vineyard general manager. At any rate, I was familiar with the vineyard and its size and its quality. Tex brought me over and introduced me to Katie,

and Katie said, "Why don't you all come for lunch tomorrow at the Villa Trefethen?" I said, "That would be a great idea," so Bob de Vogüé, Tex, and I went over there and met John Trefethen and Katie and Gene and had a wonderful lunch and a wonderful time.

I started talking a little bit to John. He was starting to make some wine from some of his grapes, and he had some help from Tom Farrell, who was then with Inglenook. I said, "Gee, you grow a lot of Pinot noir, don't you?" "Well, we're in the process." I said, "You know, we'd maybe like some grapes," and I sort of planted the seed and made an appointment to see John the next week.

When I sat down with John, I realized that he had this building over there that used to be a winery that he wanted to get back into being a winery. It was one of the few sources of potentially significant quantities of grapes, and the problem then was to try to find grapes.

Hicke: He wasn't making wine?

Wright: No, not at that time. He had made a little bit at home. In fact, I remember, we tasted it. [laughs] No comments, John.

I met with John perhaps a week later, and he told me, "We're in a situation where we think we want to sell about a third of our grapes to the co-op, because that's fairly dependable. We'd probably like to make wine out of a third, and then we'd like to find a home for the other third that we can be comfortable with." I said, "Here's a wonderful kind of mutual opportunity, because we're looking for grapes." What we wanted to do that year--this was in '73--was to vinify ten or twelve different varieties. This was Poirier's plan, see, because he wasn't convinced. We were going to try Riesling, Sémillon, Pinot noir, Chardonnay, Colombard, Folle blanche, Ugni blanc, and you name it. The only way we had to do that at that point was to contract it out. We weren't really happy with doing that, because we wanted to press the product right and handle it correctly and all that. We had hoped that some of the wine would be useful enough to put away as reserve wine to blend with the next year's wine.

This was June. I said to John, "We could probably, on a very hurried-up basis, get your building over there"--which was dirt floor, nothing--"into a functioning winery by crush. Because we pick grapes early, et cetera, and you're just

starting anyway, we'd provide equipment, we'd provide the basic infrastructure going in; once we leave the winery you can find a way to pay us back on some basis. And we'd like to buy"--I forget what it was, but it was a pretty substantial amount, certainly our major source of Pinot noir and Chardonnay, although we didn't buy everything we could have because we were still cautious about those varieties.

I said, "We can make wine in your facility under our total control, and you, in turn, will have a winery built for you at that level." He said, "That sounds like a great idea," so literally in a matter of about a month and a half or two months--I think we started making wine at Trefethen on August 28 that year. That was pretty exciting.

Hicke: Did they already have it bonded?

Wright: No, they had nothing. I guess they were in the process of getting it, but that wasn't a problem. A bigger problem is always with the county. The feds and the state aren't a problem; it's the county that's always a problem in trying to do anything innovative around here. Fortunately the building was up, and the kind of permits you needed to get were not as horrendous as they could have been. Today, hah! It would be totally impossible. The county just wouldn't get their act together in nearly enough time to get a winery put up in that order. This would never happen.

But that was really fortunate, because it gave us a year up. It was a wonderful opportunity for us, and I think it was a good opportunity for Trefethen. They proceeded to make some damned good wine that year, and the year after--the '74--I think their Chardonnay won the French tasting.

Hicke: I read somewhere that you were working upstairs, and they were working downstairs.

Wright: [laughs] Yes. Well, from time to time--I know both Janet and John were very thankful when we left [laughs], and rightfully so, because we were expanding all the time, and Trefethen actually expanded faster than they thought they were going to, so we started getting a little bit in each other's way.

Hicke: You mean in following years?

Wright: Yes, exactly. The last crush we did at Trefethen was '77, and even in '77 what we crushed--pressed would be more accurate--

presses up here in Yountville, but we still had stuff in there in '77, and we got out, basically, in '77. Then they still had to build another building to meet their needs.

Hicke: That was an amazing coincidence.

Wright: Oh, it sure was, and thank God for that party.

Choosing the Grape Varieties

Hicke: What happened to these other varieties of grapes that you were going to try?

Wright: Well, it was wonderful. We vinified all these varieties, and then Renaud came over that spring to taste what we called the base wines--the individual wines. I guess Philippe Coulon, who is now the technical director of Moët & Chandon, came over during the harvest to help supervise. He's an excellent wine man, really an enologist. The rest of it was us, really.

Hicke: Who was "us"?

Wright: Me and a fellow named Kim Giles, who had just been the winemaker at Mt. Veeder Vineyards and left--a kind of an acquaintance; I knew Kim, and I knew he made wine at Hanzell [Vineyard] and a couple of other places. Kim came on board, and that was about it, I guess. But Philippe came over, and they were very precise as to what they wanted. Of course, the equipment was all laid out for what they wanted. The tanks were American, et cetera, but the presses and other things were all basically dictated to us, and properly so, by Moët as to what they wanted.

Hicke: Were you acting as winemaker?

Wright: Well, I was pulling hoses around, yes. Kim was the real winemaker, but, sure, I certainly worked the crush. I used to work the night shift; I did that for five years. That was a lot of fun; I enjoyed that. They wouldn't let me be the winemaker; I'd screw it all up. I make wine at home still--very, very good Cabernet and Pinot Noir, occasionally a Zinfandel port.

Hicke: Does Renaud come and taste it?

Hicke: Does Renaud come and taste it?

Wright: No, he hasn't. Actually, I've been out of touch with him for probably five years. I hope he's doing all right. He retired after that; just at that point he was ready to retire. But he did come over in the spring. I guess prior to that I was back in France, and I met Edmond Maudière, who is our present consulting enologist. Edmond had come out of Mercier as the *chef du cave*, but also went to the Institute Pasteur and was a qualified enologist, although a fourth-generation Champagne maker--his great grandfather and so forth. Edmond, in the merger of Mercier and Moët, in terms of the *chef du cave* type of roles, was pushed aside because Moët was the bigger company, even though Edmond was totally qualified for that. Partly that, and partly because he really does speak rather good English, much better than Renaud--well, I think Renaud speaks, but he won't.

Renaud was ready to retire that coming year, so I was introduced to Edmond as being the successor to Renaud. Edmond came over with Renaud that spring to taste the wines. I think in retrospect that was also a very good stroke of fortune, because Renaud was unquestionably an extremely qualified Champagne maker, enologist, et cetera, but is not the most flexible of people. Edmond is really a very open-minded, enthusiastic, optimistic, "try it" type of person. Had he not been on the board, I think we might have been a little more confined in what we finally did.

They both came over, and lo and behold, of the wines we tasted, the clear A-1 wines were (1) Pinot Noir, (2) Pinot Blanc, and (3) Chardonnay. But Renaud still insisted that Folle blanche and Ugni blanc ought to be used, even though they didn't come up very well. The good news with that is that we realized that we could expand the purchase of Pinot noir and Chardonnay from Trefethen and feel very comfortable with what we could make from that wine. We had already developed some other sources, albeit rather small, but a source for Pinot blanc up at the old Lyncrest vineyard; we got that.. I don't remember right now where we got some other Pinot noir from, but it was predominantly Trefethen.

That really, as I said, allowed us to put away some reserve wine--Pinot Noir and Chardonnay--for the following year, and allowed us to go back to Trefethen and say, "Hey, we can use a lot more." We did that. It also solved once and for all that we weren't going to use any Riesling, Sémillon,

Green Hungarian. About the only thing we didn't try was Thompson's Seedless. [laughter] I don't think there was any grown in the Napa Valley or on the coast; maybe we would have if there had been any.

So that was a very important decision point. We did subsequently plant some Folle blanche and Ugni blanc, both in Carneros and some Folle blanche up on Mt. Veeder. Those vineyards have since been budded over to Chardonnay, Pinot blanc, and Pinot noir. [laughs] The theory wasn't true in practice.

As I say, Edmond came in at that point, and Renaud was still on board through that year, I guess. We were on the right way, I felt, in terms of the grapes we were going to use, and I felt really comfortable with that. I didn't feel comfortable making a wine that was out of Folle blanche or Ugni blanc.

Support and Involvement of the French Owners

Hicke: What kind of financial support did you get, and how did you work out that arrangement?

Wright: Well, just deep pockets. [laughter] Not totally. Actually, they brought over a million dollars to get things started. That was enough to make the down payments on some of these vineyard lands. What I was not aware of at the time was that the company, Moët-Hennessy, as successful as it was even in those days, was experiencing--particularly in the subsequent year, '73 going into '74--some pretty severe cash problems. I thought, "Heck, there's lots of money over there," but when I looked at the balance sheet, particularly when I understood a little better how they kept their balance sheet, I realized that they had the financial wherewithal, but in terms of what they were generating from actual cash, there was not an enormous amount of cash.

I think for that reason, but also for other reasons which I've never totally fully understood, they took the position of very high leverage, so we almost immediately went out and borrowed a hell of a lot of money locally.

Hicke: From which bank?

Hicke: From which bank?

Wright: Initially from the Bank of America. Jack Hart was the head of the wine group or whatever at B of A [Bank of America]. We borrowed or had a [credit] line of about five million dollars. It's always been our policy to be very highly leveraged. Today the debt that we have we owe to the parent company. Over time they took over and took us out of the banks, but we still pay interest to the parent company. It's a pain, but it's also good discipline [laughs], because when you have that big, huge interest bill out there, life isn't a bed of roses from a financial point of view. Life was perhaps a good deal more complicated or severe by having this huge burden of debt, but at the same time I think it served a certain disciplinary purpose of not being profligate (or whatever the right word is).

In terms of, "Hey, can we borrow more money?" or, "Would you send over another million?" and that kind of thing, they were fantastic, just wonderful individuals and very, very hands off--really hands off, for the most part. Technically it was just a wonderful situation, because I can go to Moët even today and interface with the technical people. I don't have to go through all sorts of layers of management to do this. They are very open minded about this, and vice versa; they get stuff from us, and we get stuff from them. But it's never, "I'm going to charge you this much for Edmond's time," and all that kind of stuff.

Today, as of a year ago, we are officially a subsidiary of Moët & Chandon, whereas before we were a part of Moët-Hennessy. So today my real boss is the president of Moët & Chandon.

Hicke: Who is he?

Wright: His name is Yves Benard. I find that very beneficial in today's world, because the overall company, LVMH [Louis Vuitton Moët-Hennessy], in Paris--a holding company--is composed mostly of people who are pretty much financially oriented, as they should be, but without a good deal of understanding of the Champagne business per se, but with enough sense to say, "The Champagne group ought to run its business, and the cognac group ought to run its business"--globally. In that kind of philosophy, which is totally correct for today's world, it does make sense to have Domaine Chandon--and for that matter Simi [Winery], which is the

company that was bought later, not as a purchase directly of the winery but as a purchase of our distributor, Schieffelin--to be a part of the champagne and wine group. That's headed up by Yves Benard, who is the president of Moët & Chandon. He has primarily a technical background; he went to Montpellier, which is generally considered to be one of the best schools in France for viticulture and enology. He understands the pluses and minuses, et cetera, of the Champagne and sparkling wine business very well, so it's good to have that relationship.

But prior to that, when Alain Chevalier was chairman of the whole thing--partly because he was the founder with me, I guess--I think he always felt he wanted to have a more direct line to Chandon. Up until recently we officially weren't a part of Moët & Chandon and Épernay, but I never felt that to ever be a problem of lack of cooperation on their part; it's always been very generously given. So it's been a good relationship.

Taxes

Hicke: Since we're on finances right now, how did things work out with the taxes--for instance, California's unitary system?

Wright: Oh, boy! Well, back when we formed the company, John Austin was there, and we formed the two companies on paper. One was called M & H Vineyards, which stood for Moët-Hennessy, and the other was M & H Ventures, which was to be a holding company based in Delaware, the thought being that by insulating it a little bit, the possibility of getting hit with unitary tax was somewhat lessened. He went through all this; I didn't have the foggiest notion what the unitary tax was then. Subsequently I've learned.

As it turned out, the French government was really anti-holding company and didn't allow us to form another holding company, so M & H Ventures never really materialized into anything. But it was understood, not by me but by the financial people in Paris--to some degree, and certainly Morrison & Foerster--

##

Wright: It wasn't considered as major an obstacle as maybe it should have been considered for the investment. As it turned out--I'm trying to remember--what we finally got hit with, because of the unitary tax, was not as much as one might have expected. I forget why now. Because in theory we could be losing money here, which we were, but the state of California would be taxing on Moët's worldwide profits.

Hicke: Yes, and maybe even LMVH. It would be incredible.

Wright: Well, now, yes. Oh, yes.

Hicke: There's a court case on it now.

Wright: I think now, where we are in terms of the amount of our investment, which is based on the number employees, the investment, et cetera, that comes from California, for everything, I think, the actual tax implications are pretty neutral. What we pay in taxes to California wouldn't be a heck of a lot different than what they would be taxing based upon their formula.

Hicke: What about the French? Do they tax this operation?

Wright: No, only on what's gone back, and nothing has gone back yet. Not a sou or a franc. [laughs] I laugh, but we've just continued to put money into growth, so we really haven't paid anything back.

Hicke: We've covered my outline pretty well, and we've gotten to your first year. One question I'd like to ask: obviously Champagne people are used to this, but to make sparkling wine, do you have to have a greater capital investment than you would for some other wines because of the aging?

Wright: That's an interesting question. [long pause to think] I think a better way of saying it is that you've got an investment that is much more affected by economies of scale than fine table wine, because you have principally disgorging equipment, riddling, and that sort of thing. Particularly disgorging is a very complicated kind of thing, and you want to do it at a reasonable rate of speed, therefore at a feasible labor rate, which means buying some very, very expensive equipment. If you're at 10,000 cases, you've either got a very high labor input or you've got a reasonable labor input with a very high, normally underutilized investment in--we'll call it bottling equipment, particularly.

If you're a 300,000- or, as we are, a 400,000- or 500,000-case winery, our investment in property, plant, and equipment is significantly lower per case than it would be if we were a 20,000- or a 10,000-case winery. In white wine and red wine with their barrel age, every fifty gallons you've got to buy a barrel, and that's a very heavy investment, particularly if you're using French oak, but even if you're using American oak.

So economies of scale are much more favorable. To be bigger in sparkling wine is a bigger economic advantage than it is in the fine table wine business. Now, if you're making wines that never see oak, then somewhat the same thing holds true, except the bottling equipment isn't as complicated or expensive in table wine.

Once we broke the 100,000-case barrier, so to speak, which was our initial capacity, I went back and said, "Look, I've just pretty much proven that we can certainly sell 100,000 cases." Our initial strategy was to get in and demonstrate that that was true and develop our niche in the marketplace. The secondary strategy was to get really efficient and be the lowest-cost producer using the quality grapes that we did. That said, it made a lot of sense to increase capacity, not only for market, because we thought we could develop the market, but also because subsequent investment per case is a fraction of the initial investment per case.

Champagne or Sparkling Wine?

Hicke: I know everybody asks why it's called sparkling wine rather than champagne; I think that's a story you might tell. And then you were just talking about a market niche, and I wondered if you targeted some special niche in price or--

Wright: Oh, yes, absolutely.

Hicke: First the name:

Wright: Sparkling wine. I can well remember--maybe my memory is a little hazy, but I don't think it is; I can at least somehow remember Robert-Jean de Vogüé telling me, when we were

starting this whole thing, "John, I do not care, but the *Champenois* probably will not want you to call this champagne. Really rather silly of them, because it's wonderful that Champagne is such a wonderful image," and so forth and so on. He said, "So you go ahead and do what you want." I said, "Well, to tell you the truth, I don't think we should label the product champagne, because I see the trend anyway going away from chablis and burgundy; but a little more difficult is the instant kind of image and vision that champagne has. Let me think about it."

As I was thinking about it, Bertrand Mure, who was then the managing director of Moët & Chandon, since retired--and he was not my boss; in fact, Alain tried to keep all these guys out of the States at this point [laughs]--came over as Moët & Chandon. This was probably '74 or something like that. Actually, Bertrand and I got along very well. Bertrand was over here for something and got interviewed, and about the first thing out of his mouth was, "Of course, we will not call it champagne; it will be sparkling wine." So inadvertently, Bertrand made the decision for me, and I said, "What the hell."

For a while it became quite a big point of controversy. All the marketing "geniuses" said, "Oh, you'll fail if you don't put champagne on the label," oh, horrible, horrible, horrible. Other marketing geniuses said we could never think of charging more than three dollars a bottle, and all that kind of stuff. The San Francisco *Chronicle* came out with an editorial that ended, "As the late Joe McCarthy said," which I thought was kind of humorous, to use him as an example, "if it smells like champagne, tastes like champagne, and looks like champagne, it is champagne and shouldn't be called anything else." So there was a little bit of controversy there.

I think even if Bertrand had not put me into that position, I think I still would have believed that we ought to call it what it is. Certainly in public or in talking I often use the word "champagne" for Chandon. I really don't get all hooked up about it, but I think on the label it ought to say what it is, which is sparkling wine. I know there have been some abuses, particularly among bulk-fermented products, which are still on the market at this point, that are not labeled strictly according to labeling law. That annoys me a bit, but it's not a big deal overall.

Up until very recently, I'd say Chandon has been primarily purchased because we developed a reputation as a brand offering quality for a reasonable price, when you think about it. I think at this stage we--Chandon and all the newcomers that have come into the business, and there have been many--must work on a group approach towards getting recognition of this as a category. Just as California Cabernets and California Chardonnays have developed a world reputation, California sparkling wine using the classical varieties deserves a "world class" image.

By and large the press doesn't realize this or has not particularly publicized that. When the press go out they always say, "Well, there's the real stuff--Champagne--and there's all the rest." They haven't really clearly distinguished that there is a class of product out there, whether it's Chandon or Mumm Napa or Roederer Estate or Domaine Carneros. We are different stylistically, but we are all making really quality sparkling wines, higher than 99 percent of all sparkling wines in the world.

We need to work on that, and that's the next step, to really do more group promotion, publicity, and education of this as a category. Otherwise I think we're going to run into some problems. We've got an over-capacity situation at this point, and it'll get worse. I'm particularly interested now not only in what I ordinarily do in terms of the Chandon brand but in actually working on the category.

Marketing

Hicke: What kinds of things did you do in the beginning to place yourself in what you might call the champagne market, but calling your product sparkling wine?

Wright: First of all, since we were new and something really different, I think we got a lot of publicity just because of that. If you're reasonably large, I'm not sure that getting a lot of publicity in the wine and food press does all that much for you, just because the people who really read the wine columns are not very numerous. Although there are enough, certainly in the beginning, if you're reasonably small. If you can get to those people and you get a good review, it helps. Certainly it gets the point out. Also when you're

brand-new you get a certain amount of support from the trade, because they figure, "Oh, here's something new," and it's a great story to tell. It's a great story to tell, but interestingly enough the consumer by and large doesn't know the story or doesn't respond to it. It's amazing how many consumers--I mean very good consumers of Chandon--don't connect us whatsoever with Moët & Chandon.

Hicke: Really?

Wright: Absolutely. It's very, very surprising. We have our own identity.

Hicke: Is that good or bad?

Wright: I think probably on balance it's been good. What's really interesting here is going back to the original strategy that demand for champagne was going to outweigh supply. One thing that happened was that going into '73 and into '74 we had a recession, and the whole wine industry went down. If my meeting with Bob de Vogüé had been a year later, or certainly a year and a half later, this might never have happened. Oh, it might still have happened because of Bob and Alain, but it would have been a lot tougher.

So they went from a shortage to a period of surplus, in part brought on by some very large vintages; '73 was a big, big harvest. Seventy-four was pretty big but not such good quality; '75 was small, and '76 was huge.

Hicke: Was this in Champagne?

Wright: Yes. Moët found other ways of increasing its production, more so than they thought they'd be able to.

Hicke: What other ways?

Wright: Well, there are ways of doing this. [laughs] There is a whole system, not only at Moët. I don't think many people realize this, though it's not ever been particularly hidden, that the law on champagne says that if you have your label on it, it doesn't necessarily mean you made the wine.

Hicke: That's interesting.

Wright: Yes. So there is quite a trade in Champagne in what they call *vin du spéculation*, where you can buy wine that's made by the

co-op or whatever and bring it into your winery, riddle it, disgorge it, and put your label on it. Some of that's been done, not only by Moët but by all the major companies. Generally when they do that they buy good wine, because there's very little bad wine in Champagne; they really know what they're doing.

Hicke: And they obviously want to keep their reputations.

Wright: And generally those particular wines don't get onto the export market very much, because they're not exactly the same.

So there are ways like that, and other ways, such as the Mercier brand; we kind of held or decreased its volume. Mercier has some wonderful vineyards and base wines, and we've used these in Moët blends. So we had much more Moët available to this market than we ever thought we would, and therefore what really happened was that Moët started to grow just as we were growing. We started in 1974--let's say in the era of '74, '75, '76, because we didn't start selling really until Christmas of '76, and our first full year was '77. At that point, the sales of Moët, including Dom Pérignon, in the U.S. were about 120,000 cases. Of that, as I recall, something like 30,000 was to border stores, which is really kind of a Mexican type of situation--Texas, Mexico. So probably the true domestic demand for Moët and Dom Pérignon was about 90,000 cases.

We started at zero, okay? Moët last year sold about 480,000 cases, including Dom Pérignon, and we sold about 400,000 cases. So both brands have grown; they haven't cannibalized each other. And I've never had any pressure from France, like, "John, you must raise your price because you're taking business away from Moët," or things like that.

There are a couple of people out there who shall be nameless who have almost publicly accused "the French" as deliberately wanting to make inferior wine here in order to prove that Champagne is somehow superior. That has to be about the dumbest thing I ever heard. We've got seventy or eight million dollars invested in this, and we're sure not going to put that kind of money into something to deliberately make inferior wine. In that sense, the distinct personalities of these brands as viewed by the consumer--or seems to be viewed by the consumer--is a real benefit. What's interesting is that there is very little evidence, which I never would have believed when I started, that we gained a lot of actual

consumer trial and repeat purchase because we were connected to Moët. It's quite fascinating.

Hicke: What market did you target?

Wright: Geographically, certainly California and, shortly after, the key metropolitan areas.

Hicke: And a price niche?

Wright: Yes, we wanted to be somewhere in between Korbel and Champagne at that stage. In those days there was mandatory fair trade in the key markets--California and New York--and the fair trade price for Chandon was $7.80 a bottle. I think Korbel was about $5.80 and Moët was $9.99. Within a year we went up to $8.50; Moët was still at $9.99, and Korbel was up a little bit at six something. That was all based upon some pretty hefty mark-ups at retail in California and New York. In those days a retailer typically made a 33 percent margin on his sales, so he took his costs and marked up 50 percent.

Today you've got a very different world out there, with major chain stores like Safeway or these clubs--Price Club and Costco. Other retailers, in order to compete, take a much, much lower margin--in fact, in some cases no margin. Last year the lowest price that I know of that Chandon was sold at was $8.49 a bottle, which was basically a retailer's cost of picking up the wine from this winery--a loss leader.

Hicke: There's no wholesaler?

Wright: In northern California we're our own wholesaler, so yes, the wholesale price, but the deepest wholesale price--the hundred-case price. When you consider that when we first opened our price was $7.80, and that was in '76, and there's been enormous inflation since then, the consumer is getting a hell of a deal to get it for that. Meanwhile, Moët and other champagnes have gone up from $9.99 to probably the lowest you can get Champagne today that I know of is $17.99. But if you went to Europe right now, if you were in London, even in a discount store, you would pay $40 a bottle for Moët and in France about $30 a bottle. So still the cheapest place in the world to buy French Champagne is the United States.

Hicke: Why is that?

Wright: Because we're a competitive market, and Americans are spoiled. We are very assertive, vigorous, nasty buyers. I mean, the consumer here is really very, very cost conscious. We Americans are not prepared generally to spend the kind of money on food and fine beverage that Europeans are. We are totally spoiled in this country. It's amazing.

Hicke: Does the Chandon wine keep the price of the Moët wine down here in the states?

Wright: No, not at all.

Hicke: So they're not competing?

Wright: No, no, I think what's kept the price down is that the importer agents, of which Schieffelin-Somerset is ours that we own, have managed to convince so far the suppliers--Moët, Mumm, et cetera--that, "Golly, if you're above a certain price, you're going to start losing this market." And then there's a lag response to wine in inventory that hasn't gone through; the wholesaler is still playing games with his mark-up structure, so that the price increases that have occurred in Champagne for grapes and for wine, which are enormous, still haven't been fully felt in this market. Once that's true--I mean, by the end of this year, 1991, I can't imagine any Champagne brand of any sort of notoriety, or even not, being less than $20 a bottle, and more likely $25. But there may still be some around. Even the $20 will represent a retailer selling at his cost.

That should offer an opportunity for us. Chandon certainly, but also like companies that are using Pinot noir and Chardonnay grapes and aging the wine properly and all that--the others don't have exactly the same cost base that we have, because we're more efficient, but we're still looking at--let's say if we buy grapes, and right now we buy about 40 percent of our grapes and grow about 60 percent, we average--let's make it easy--a thousand dollars a ton for Pinot noir and Chardonnay together. You pay a bit more for Chardonnay and a bit less for Pinot noir. I think our average is about a thousand dollars. Thus last fall, if we converted what the franc was worth then (now it's decreased a little bit), the price of grapes in Champagne was seven thousand dollars a ton, so we have a seven to one cost advantage. That was at five francs to the dollar. The dollar has improved a little bit--I think it's 5.6 or so--but we have clear raw-material cost advantage.

interestingly enough, were about equal to what our costs were in Épernay, even though they're thirty million bottles a year and we're five million bottles. By being new, we had certain economies.

Hicke: And the most modern equipment?

Wright: Yes. At five or six francs to the dollar, we have a very definite cost advantage. Labor input is much lower here than it is in France or in Germany or in Italy. Things have just really skyrocketed. If the world were a truly fair-trading place and totally open, we and other California wineries would have a very significant fundamental reason for being more prominent in the world market than we are. But it isn't just protectionism that prevents more export than we see; a lot of it is just plain what people are used to. In the traditional wine-drinking countries, which are the big markets--heck, a Burgundian won't drink a Bordeaux, and you want a Burgundian to drink a California wine? It's not going to happen.

V GROWTH OF DOMAINE CHANDON

Winemaking

Hicke: Let's go back to when you were starting to make wine. What was the first year that you made wine?

Wright: That was '73, and it was kind of amusing--in retrospect. [laughs] I remember Edmond decided that we should really press in a closed area. There wasn't any obvious way to get it into the Trefethen winery building, so we built an extension on it, a fairly simple structure, so it wasn't all that costly. We put our one press in there--we only had one press in those days--and it was pretty crammed. To properly process grapes for sparkling wine, you don't want to crush the grapes, just press them--whole skins--because you don't extract the tannins that way.

That was relatively easy with Chardonnay and Pinot noir. It's just by happenstance that those grapes, and Pinot blanc, press beautifully. They've got the sort of skins that break up nicely, and they don't have a lot of pectin kinds of stuff. Well, Ugni blanc is absolutely miserable, as is Colombard and some of these other varieties. So what we had in this press were these grape skins and grapes shooting out of the slots in the press, all over the building. Oh, it was an absolute, bloody-awful mess. Plus, because of this sort of enclosed space, we didn't really have at that point a very well-designed way of taking out the pommace at the bottom.

Tony Baldini, the manager at Trefethen, who is really a great guy and very flexible--well, sometimes he isn't so flexible, but he's very ingenious--dug up an old walnut conveyer that husked walnuts or something, and it looked like

it would carry these grapes out. There we were, and that darned thing really wasn't working very well. There were grapes and seeds and skins all over the place, the result being that the next harvest we tore down that whole structure and put the presses outside where they should have been in the first place; it's a lot easier to deal with. So we had some pretty interesting times there those first couple of years. It was a lot of fun.

I remember another amusing story. We had a big Dempsey dumpster type of thing where we dumped all of the cardboard and stuff that we had.

##

Wright: In those days, as we started our tirage, or bottling, the bottles would come in units of fifteen to a corrugated box. At Trefethen we aged these bottles--*sur latte*, we'd call it. You know, we didn't use the boxes; we just stacked bottles on top of bottles. So we had all these corrugated boxes, and we took it out to the Dempster dumpster to then be sent to a recycling company. I was out there, and I jumped into the dumpster to get the boxes sort of knocked down, because they were overflowing. I think it was a Saturday, and this car drives up. It was the local ABC [television] guy from California. I forget his last name; it was Italian. He was just about to retire.

He said, "Anybody around here?" I said, "Well, I am," and he says, "Yeah, but I mean is anybody in charge here?" I said, "I guess I am." He said, "Who are you?" I said, "I'm John Wright." He said, "What do you do here?" I said, "I'm the president." He looked at me: "What are you doing up there?" [laughter] He was pretty amazed. There were some amusing times at Trefethen.

The '73 wine was a bit more mature because we harvested a little bit later then. We didn't know quite as much as we know now. I remember Tony Baldini was absolutely adamant: "Labor Day's a holiday here; we can't start until after Labor Day." We went off that Friday before Labor Day, and things were getting up there in sugar, but they didn't look too bad. This hot spell came in on Saturday, Sunday, and Monday, and by Tuesday the wine was up to nineteen, nineteen and a half Brix. It was a bit more than we subsequently harvested to, but the wine came out well. We didn't bottle that separately. We blended that in with the wine from '74. As I recall, the

percentage of the two blends of wine from '73--the Blanc de Noirs blend and the Brut blend--constituted about 13 percent of the blend, so the first cuvée was largely '74. All the Riesling and the Colombard and all that we sold in bulk. We didn't use it; we just used the Pinot blanc, Pinot noir, and the Chardonnay.

Hicke: Who did the blending?

Wright: Oh, Edmond. He's done the blending ever since. By then Poirier had retired, so from the very beginning our blends have always been put together by Edmond, and they still are with, now, Dawnine [Dyer], the winemaker, and Pat [Howe], her assistant. Edmond's been there from the very beginning, which is great, because that's provided a degree of continuity. It's fascinating to talk to him. I didn't realize it at first, but Edmond is outgoing. He's a little hyper, but he's very open and nice and humorous and just has a wonderful time. He's a wonderful guy and has a wonderful personality.

I've always accused him of having the best job in the company, because he just goes around and doesn't have a lot of people problems to deal with and all that. I think he does, actually, have the best job in the company [laughs]. Fortunately, he loves to travel. He loves to do everything: he loves to fly airplanes.

Hicke: How old is he?

Wright: Well, he's going to retire this year. He'll be sixty-five in calendar year '92, but he's got the personality of a twenty-year-old--just great *joie de vivre*. I used to notice that he'd be very casual about things, which was nice in a way, because he wasn't overly, "Do this, do that." He really let people develop. But every time he'd come over to blend, he was a different person. He was really uptight--communicative, but visibly tense. After the first couple of years, I finally said to him, "Edmond, I don't understand this. Every time you come over for the blending you're really kind of a different person." He said, "Well, yes, you're right." I said, "Why? Look at all you blend in Épernay; you blend many more millions of bottles, and you've got the responsibility for Dom Pérignon." This is a shared responsibility; there probably would be three or four people who put these blends together at Épernay, just like there are here, except that they're different people--except for Edmond.

I said, "I don't understand." He said, "When I taste in Épernay, I have a benchmark of experience. A wine from Aÿ [should taste] this way, Bouzy, this way." For each one of these communes, he can tell you where these wines come from. "Now, when I come to blend Dom Pérignon, I won't even taste 98 percent of the wines." I said, "Why not? There might be some great ones there." He said, "We wouldn't take the risk." Even though a commune that wasn't the best commune that they used in Dom Pérignon for some strange reason one year made a wine that tasted great, they wouldn't blend it for Dom Pérignon, which is pretty sensible when you think about it.

So he's got a benchmark against which to taste in Champagne, even though the amount that he is tasting is much broader. But here he has no benchmark, he said, "so I don't really know. I've got to taste every wine for what it is. I can't say, 'Is this a typical Bouzy or Aÿ and all that?'" He's more relaxed today, but I'd say it was eight years before he really became what I'd consider to be somewhat relaxed during blending. It's a great advantage for us to have that kind of experience. Dawnine, the winemaker, came on board as a technical assistant in 1975, so she's been here for quite a while, which is great. That really does provide a continuity, which is quite important. They work together very, very well.

Of course, every year Edmond says, "It's the best ever; the best ever." Sometimes his optimism gives you something to wonder about, but generally he's deceptively accurate about a lot of things. He'll tell you some stories that are hard to believe, and when you check up on them they are very often true.

Hicke: Is somebody going to replace him?

Wright: I suspect--there's a young man named Richard Geoffroy from Champagne, a very capable taster. His family is a long-time *Champenois* [family]. In fact, his father was for many years, and may still be, head of the growers' syndicate--the group of growers. When Moët started the operation in Argentina, which predated us by a year or two, there was literally a parade of protest in the streets of Épernay, led by Richard's father, who thought this was a horrible thing for a Champagne company to go make anything outside of France. And now Richard works for the company. [laughs]

He's actually a doctor; he has his M.D. He went all through medical school, and then at the last minute he decided

he really wanted to be a Champagne maker. He's an interesting young man. He's primarily doing blending in Épernay, but he's also doing the Australian blending and the Spanish blending--blending in Spain, which is a new venture.

I expect that he's tagged to be Edmond's successor, except that I would hope that we could work out an arrangement so that Edmond can still be our consultant. I'm sure we'll be able to do that. I didn't realize it until Edmond told me, but apparently the French used to be somewhat lax about a really strict retirement date. Well, they've gone from that to just the opposite. Edmond claims it's in the law, although I don't know what he means by "law." Unless you're a director or something, the year you are sixty-five, you must retire. He doesn't want to retire; he's young and vigorous and still has a heck of a lot to offer. We'll find a way to deal with it; we're not affected by French law, so we can probably work out something..

Building and Equipping the Winery

Hicke: During the seventies, while you were crushing, pressing, and so forth at Trefethen, you were also developing other plans for a winery and equipment. Can you tell me about that?

Wright: Oh, yes. There Edmond played a particularly vital role. The good fortune is that Edmond was not only a *chef du cave*, taster, maker of champagne, but when he was at Mercier he was also, if not the head of production--generally over there, and we do the same thing here, you separate the winemaking function from the production function. There are a lot of good reasons for it that we don't have to go into, but generally that's pretty classic. That's what we have evolved to here, as well.

But Mercier was a little bit different, and I don't know exactly why, but Edmond was much more involved in production equipment and ordering and designing--you know, getting layouts and all that--than a typical *chef du cave* would be. So he came with that background, and quite frankly, at the time Moët merged with or, really, bought Mercier--they called it a merger--despite Robert-Jean de Vogüé's focus on technology, the equipment at Mercier and some of the bottling disgorging equipment was definitely more sophisticated and

newer than it was at Moët. So Mercier had a very good experience there, and Edmond had done most of that.

I remember in his first period he probably spent a month here, and we'd just meet every day, and he'd lay out what we needed from the inside out in order to develop for the architects what they needed to do. The architects basically worked that way, from the inside out.

Hicke: How did you select the architects?

Wright: [laughs] That's in the book, too, but we'll get it on tape. I was sort of looking around. At that stage I wasn't really looking seriously for an architect, but it was getting to that point. When we moved from Brussels, we moved to Mill Valley, and my son's best friend at Mill Valley Middle School was a fellow named Danny Mountjoy. When we moved up here, Danny came up a couple of times. He came up for this one visit on a weekend, and he said, "Mr. Wright, what's happening to the winery?" I said, "Oh, we're getting there. We're going to start building." "Gee," he said, "my dad's an architect." I said, "Oh, I guess that's right. I sort of forgot about that." He said, "I think he'd be real interested in this." [laughs] I said, "Well, that's an interesting idea. I'll go talk to him."

Bob, his father, was with the firm Rockrise Odermatt Mountjoy Associates [ROMA], which was the name of their company at that time. Bob was one of the managing partners. I went down, and I met with Bob and a couple of people on his team. They put forth a proposal--how they'd work, what they were going to look for, and all this--and I was really impressed with his approach. I think he had a really good environmental approach and a feeling that it would be inappropriate for us to build a replica, if there were such a thing, of a French chateau or that sort of monument building. I felt he really had a kind of organic approach.

Also, ROMA, and the people who are still there--George is now retired, as is Bob and, I guess, all the managing partners there [at that time]--were very active in land-use planning and community planning. They've done about as much of that as pure architecture. Of course, they blended them both, and I felt that was a very useful skill to have in putting this building up. I guess the chemistry was right, basically. I made the decision with not too much thought--I mean time spent--that they should be the firm we worked with.

Hicke: I would say it was an excellent decision.

Wright: I think so. It's been one of the few good ones, at least. [laughs]

Hicke: It's beautiful, and it really does fit in with the area.

Wright: Yes, it really belongs here. I was pleased with that.

There was a lot of activity getting the winery designed. Again, except for one time, my colleagues in France basically said, "Hey, it's your baby; you go ahead." But as we got to the end of one particular design, I thought, "Well, they're coming over anyway, so we might as well have a meeting and show them the model at this point." I wasn't totally satisfied myself at that stage with what the concept was. The concept was not totally unlike what we finally wound up with, except the top part of the building was going to be open archways with glass, which surprised me a little bit, because that wouldn't have been terribly energy efficient. It looked great on paper, but it also looked, oh, a little bit Moorish, and the French clearly didn't like this. So therefore I didn't. [laughs] It was the right decision.

That was the only time they made any real comment, which certainly helped. If I had gotten into a situation where everybody over there had their ideas, I don't think we would have wound up with much. Whereas basically the concepts were ROMA's in terms of its appearance. Of course, the layout and all that was mostly Edmond's work.

The Decision to Use the *Méthode Champenoise*

Wright: Oh, I forgot to tell you--I'm going back in time a little bit, while Poirier was still there. He really believed that technologically, Champagne was in the dark ages. From his perspective, purely technology, you could not make a bulk-fermented, charmat-process wine that had the same final elegance and character, et cetera, particularly a mouth feel, a tactile feel for the bubbles, that you could with the bottle-fermented process. But what he loved intellectually about the charmat process was its control of bigger batches and things like this. He came in and said, "Don't even think

about the *méthode champenoise*. Make it in the charmat process," or the *cuve close*, as they call it. The French never use the word charmat, even though charmat is French; they always say *cuve close*.

I said, "I'm sorry, but that's got to be the dumbest thing I've ever heard." I didn't quite say it that way, but I said, "From a marketing point of view, that would be near suicide, for us to come in, with a name like Moët & Chandon, and make sparkling wine in a clearly less than 100 percent quality process." "Oh, oui, oui, oui," but he went on and on. He said--and this is always Poirier--"Of course, I don't make the decisions, but from a technical point of view, this is the way, because it's an industrial way of working, and I think we all ought to work in an industrial way." I said, "Well, Renaud, maybe so, but from a marketing point of view--."

This little argument finally wound up in a supposed compromise where we would design the winery to produce 250,000 bottles--20,000 cases--of wine that would be true *méthode champenoise*, and the rest of the wine we would produce with the transfer process, which is still bottle-fermented but doesn't go through the riddling. Now, as it really turns out, the transfer process is the worst of both worlds, because it isn't all that economic; it isn't nearly as economic as the bulk process, because you still have the bottles, and you have to go through the bottling operation and all that. Really, *remuage* itself--riddling--its cost per bottle is not outrageous; it's about twenty-five cents a bottle. It's outrageous if you try to make $1.99 wine, and you're paying $1 for tax, yes, but not when you're selling a wine at $6, $7, $8, or more per bottle.

Renaud was absolutely convinced that for some reason, I guess because we were Americans, there was no way we could be capable of riddling more than 250,000 bottles a year. I said, "Look, over there you're riddling 30,000,000." "Ah, yes, but, but, but--." I said, "Okay, fine; that's what we'll do." But I just knew that it would never happen. Once we started with *méthode champenoise*, nobody would come in and say, "Hey, where's the transfer process?" So that's really what I did. As a consequence, the design of the winery was a bit out of kilter, because we really didn't have enough room for the *remuage* for more than 250,000 bottles. We had to innovate a little bit. What we did was build a second floor out of wood

to double that capacity, and then we did a few other things and basically managed to overcome that problem.

By the time we were at the point of doing more than 500,000, we had already expanded the production outwards so that we had additional riddling.

Horizontal Tanks

Hicke: Why are the tanks horizontal?

Wright: Ah! [laughs] When Edmond took me through Mercier on my first visit, which is just down the road from Moët, they have in their tank room this great lighting--red light, and a little bit of stained glass windows--and horizontal tanks. The impression it gave to me--generally in Champagne, almost without exception, if you visit they won't take you into anywhere except the riddling and maybe the disgorging, but you never see the process, which is a shame. But this room at Mercier, this huge hall, was really striking visually. I asked Edmond, "Why are these horizontal?" "Oh, just because they are." They had a way of refrigeration then. They didn't have these two jackets at that time. They took cold water and basically poured it into the room and over the tank, so there was some quasi-technical reason why horizontal tanks were somewhat better.

I decided that would be really nifty visually, so that's why. There are a few technical advantages. Because heat rises, with a tall, vertical tank you have to have jackets disbursed throughout the tank to get even cooling, and here, because of the horizontal nature, we can have it right in the middle on one side, and it gets good, even cooling. And subsequently I realized that these tanks are a darned sight better in any sort of earthquake situation than tall, vertical tanks, which are a real problem. The cost per gallon was maybe 5 percent more, if that; it wasn't a big difference.

Hicke: Did you ever find out why the Mercier tanks were horizontal?

Wright: Not really.

Hicke: It really is very impressive.

Wright: That was just borrowing something from somebody else.

Some Aspects of Harvesting

Hicke: There were some other things that you did. For instance, you used smaller bins for the grapes being picked at some point. I don't know if this is still true or not, but these are things that I've read.

Wright: Yes, in those days gondolas were used, for the most part, which would hold three to five tons. So we came in with a compromise with taking what looks like a prune-picking bin, which holds a thousand pounds, and used that as our basic container with plastic liners. There's a good reason for that. If you get too much piled on you get "auto crushing," and you start getting some degradation. On the other hand, some of our competitors who come in believe that they ought to go to the Champagne situation, which is fifty pounds--little buckets with baskets. I think that's extreme. One of the reasons they use them in Champagne--they say they use them for quality, but one of the reasons they use it is that the spacing in the vineyards is so narrow that they couldn't get a bin through there anyway.

I would say that if you were mechanically harvesting in the daytime and could not get the grapes into the press very quickly, certainly that would pose a problem even with thousand pound bins. But harvesting at night, as we do, with mechanical harvesting, and with a very short time from the time the grapes are picked and into the press, there's juice, obviously, with mechanical harvesting, but it's not a problem, really. What starts to affect tannin pickup and color pickup and all the rest is really a combination of temperature and time. Generally at night our average temperature for grapes comes in at about fifty-eight degrees. Generally even in the morning it stays cold, and then it starts to rise at about twelve noon. Grapes picked at three o'clock in that same kind of temperature type climate--if it's fifty-eight at night, the grapes get up to about seventy degrees at three o'clock. Ideally, I think, if we could do it, we'd probably pick everything at night.

Hicke: We're talking about the vineyards that you own, right? Carneros?

Wright: Yes, and our growers.

Hicke: What about the mountain?

Wright: That we pick generally in the day because we hand-harvest them out. We hand harvest quite a bit. We probably mechanically harvest 60 or 70 percent and hand harvest the rest. The smaller vineyard plots and the mountain vineyards and all that we hand harvest, and the larger plots we mechanically harvest.

Hicke: Do you do any mechanical pruning?

Wright: No. We're pretty familiar with it. We do a little bit of pre-pruning. Australia has done a lot of that, but I think they're kind of going away from it because it hasn't been totally successful for high-quality products. It has problems of getting a regular kind of crop every year on an acceptable level. It hasn't been quite as successful as it appeared to be in the very beginning.

Presses

Hicke: The new presses--what kind of presses did you buy, and how did they turn out?

Wright: Originally we bought the Vaslin presses, and they were the press that was pretty common in Champagne at that time. The alternative presses at that time were the traditional *pressoir champenois*, which just isn't very efficient--hard to clean and a lot of other things.

Hicke: What is the difference between these?

Wright: The traditional one--we have one up there [points]; we have sort of a museum in front--is sort of a basket that has a rather wide diameter to depth ratio, so it's not very deep, but it's [wide]. The classic held four metric tons, which is called *un marc*. If you go to Champagne and start listening to what their production was in a day, they always speak in marcs, which is really four metric tons. "How many grapes did you sell?" Oh, *quatorze marcs*," or "*trente marcs*." Then they have a whole regulatory formula for the extraction from that. So you've got the *cuvée*, the *premier taille, deuxième taille*. This is all very strictly regulated as to how many liters per

marc you may extract for each one of these, and quite rightly so, because you start getting more pressure on and you pick up tannins. This is the best juice.

Hicke: The *cuvée*.

Wright: Generally the *premier taille* and the *cuvée*, after being fermented separately, are put together for the blends. The *deuxième taille*, if it's used at all by somebody like Moët, would be used in the demisec and the extra dry, because the sugar masks some faults. But the reality today is that we take the *deuxième taille*, and we trade that to a company called Marne et Champagne.

##

Wright: Marne et Champagne now is, I think, the second largest producer in Champagne, and they do a lot of private label stuff at a lower price for the French market. But see, they've got contracts for grapes, too, so they get *cuvée* and *premier taille* in their operations, so we'll trade *deuxième taille* to them. I don't know what the ratio is, but probably five liters of this for every liter of that; that sort of thing goes on all the time.

Hicke: For every liter of *cuvée?*

Wright: So as a practical matter, we don't really use the *deuxième taille* there. Here we do the same thing, a little more stringent than they do, just to be a bit on the safe side, and we don't use the *deuxième taille*; we bulk that out, and we use the *cuvée* and the *premier taille*.

Hicke: Why do you separate them, if they are then--?

Wright: Well, just to be safe. We always taste this. I guess on average, we have probably utilized only 80 percent of the *premier taille* in our final blends and bulked the rest off as *deuxième taille*.

Hicke: It's just control?

Wright: Yes. And then it varies by year, too. You'll find some years where even the *deuxième taille* tastes pretty good, except we still don't do that. There are other years when even getting a good *cuvée* adds a little more difficulty.

Viticulture

Hicke: I have a note, "Champagne-style vineyards," but I'm not sure now what that means.

Wright: I guess just this little vineyard out in front.

Hicke: Oh, the narrow--?

Wright: Yes. That was done exactly according to the way you would train and prune a vineyard in Champagne. I think some day we should, but we've never made a *cuvée* specifically from that vineyard, probably because the wall is a little hot and so forth, so we've always just blended those grapes in with the others. But fairly early on we did start using somewhat narrower spacing than what was typical. In those days I felt it was interesting, from a cash-flow point of view. In Carneros soils, which aren't very vigorous, we'd probably get grapes a little bit earlier in terms of reasonable tonnage. I also thought there had to be a reason why they plant so close there. A lot of our Carneros vineyards were planted, let's say, rather than 480 or 500 vines to the acre, more like at 700 and 750.

Subsequently, what's been learned, which is not applicable to every situation, but I think in a lot of situations--well, the conventional wisdom when we started was, "Studies at Davis show over time, maybe in the sixth year, if you plant 1,000 vines to the acre or you plant 500 vines to the acre, you're going to get the same tons to the acre. So why not plant 500 to the acre, because it's going to cost you less money?" That was the conventional wisdom. Along with that conventional wisdom it was believed that if you let the foliage proliferate it would provide a certain amount of protection against sunburn; if you have very vigorous soils, that's all right. Even today you see a typical vineyard like that, and in July or so it's just shade all over.

Subsequently we've been beginning to learn, more from New Zealand experience than from California experience, that this shading provides some real problems in that canes that are shaded are not going to be as fruitful the next year. And from a quality point of view, for reasons that I forget--they're sound, logical, scientific reasons--this vigorous growth actually creates a kind of vegetative, herbal-like

taste in a lot of these grapes, particularly Cabernet, but not only Cabernet. So there's been a complete turnaround now, where we're going to vineyard training systems where you suppress this excessive vigor by planting closer together and/or by training upwards, and by hedging--by actually trimming the shoots as they grow.

When I first started, I asked Keith Bowers, "There must be something to this hedging." He says, "Nah, what do you want to do--" and he used some analogy like cutting your veins to clip these wonderful, beautiful leaves. So that was a no-no in those days, and now it's a practice that's being recommended for quality. It's really pretty interesting.

Hicke: So you're starting to do more of that?

Wright: Oh, yes, at our Carneros vineyards. This phylloxera problem that's developing may actually be a bit of a blessing in disguise, because in some of these vineyards that are developing phylloxera, pulling out a vineyard that was planted eight by twelve--and I imagine you could probably take a tax write-off at that point; I know you can--and replanting it today in a four by six or something, it also turns out that you're going to get more production year in and year out. You're going to take something that gave four tons to the acre, and actually you're going to get about five and a half or six tons to the acre, and you're going to get better quality. So over the long run, it might be good for overall quality of vines growing in the coastal valley, and will actually be economic.

We decided early on when we got into this that the conventional way of grafting, which was field grafting--I didn't feel very comfortable with it, particularly in mountain soils and Carneros soils, so we decided to do bench grafts. There wasn't any real good supply, so we did our own bench grafts, and we continue to do those today; we have a nursery. As long as we got into that, we started looking at rootstock. I guess I wasn't so much anti-A x R--well, I was a little worried about phylloxera because of its parental heritage having a lot of Aramon in it, which is a vinifera grape.

Also, SO4, which was a variety that was used in Champagne--not huge quantities, because with the chalk in the soil they used some exotic rootstock that we wouldn't have to use here--we got in pretty early, so a lot of our own vineyards are on SO4 rootstock, which appears to be totally

resistant to phylloxera. We're fortunate in that sense. But now we have a lot of other rootstock that we've been working on, so we've got a complete nursery inventory of rootstocks that are now coming into favor. It's run as kind of a little business on the side. It's primarily for our own needs, but we do sell some.

Hicke: Do you have any phylloxera?

Wright: Yes, one little patch over in Yountville. We haven't seen any in Carneros yet. I think we'd be rather naive if we thought it wasn't going to come. It's just that I'm not sure it's going to come with the rapidity that some people think. A lot of vineyards in Napa Valley are getting to the point anyway where you should probably be pulling out 5 percent every year and replanting. It's not quite as bad as it seems.

The Cuvées

Hicke: I have another note that says you developed a 100 percent Pinot noir *cuvée*. Can you tell me about that?

Wright: Sure. We found when we started that the Pinot Noir wines were really the ones that we were most comfortable with in a blend--that and the Pinot Blanc; the Chardonnay was still for us a little aggressive. However, the Pinot Noir (even the *cuvée*) was fairly heavily tinged with pink; the French would say *tâche*. If you really do some research into old Champagne books, that was the color of Champagne back in the nineteenth century, particularly in good years when it was warm. I don't quite understand why, and I think I know better now because we do some things, but presumably once the phylloxera epidemic started and they re-grafted onto American rootstock, this particular color, which was called lion's mane or *corail*--kind of disappeared.

Now, the *premier taille* has even a bit more color to it. So for color reasons we felt that the more colored, *tâche*, lots were going to present a problem in the blend, not because they didn't taste really right but because they gave up color that was perhaps a little too pink. So we decided--I guess really I decided--to come out with a whole new *cuvée*, and we originally called it Cuvée de Pinot Noir. That got started and became very, very successful. Then we changed the name to

Blanc de Noirs. It had nothing to do with marketing, nothing to do with, "Hey, would the consumers like this?" It really had to do with the fact that we had this, and it had a wonderful taste and different; it's got a fruitier character to it.

For reasons that have to do with treatment of juice, et cetera, the color is less today than it used to be, but it's still--where we get our Pinot noir for the Blanc de Noirs *cuvée* is really primarily from Carneros, and that does provide a slightly higher degree color, because the pH is lower and the color is a bit more stable. But most importantly, Pinot noir vines from a lot of the Carneros area have more of that strawberry flavor, true Pinot flavor, that is very attractive in the Blanc de Noirs. It really comes through. It's really a unique wine in many respects.

Hicke: When did you start doing this?

Wright: Oh, gosh, the first Cuvée de Pinot Noir I think we made in '74, but without reserve wines. That would have been *cuvée* 753. I know we made some from the '75 vintage. I'll have to look. I bet we still have a couple of bottles around. [laughs] I must say, the first few *cuvées* we made, we labeled on the bottle 174 and 374 (that's right, we did make a Blanc de Noirs), and they were bottled in '75. Particularly the 174, the Brut, was the least-good wine we ever made. We thought it tasted pretty great at the time [laughs], but upon reflection five, six, seven, eight years later, we realized that we've been improving all the time.

I think the common perception on the part of consumers and a lot of writers, journalists, trade, and so forth, is that quality wine can only be made in small quantities. I think there's a lot of truth to that with red wine, because with red wine you are looking for personality and what I call contrapuntal notes. There's a polyphony going on there, where you're looking at contrasts between hints of cassis and tannin and all this sort of stuff. Your developed, great, red wines are almost always from single vineyards, and I think you get some of that character literally by hand, punching the cap down rather than pumping over. Of course, you are finally aging them in fifty-gallon barrels; that's important.

But with sparkling wine your biggest enemy is oxidation. Our initial fermentors were 3,600-gallon fermenters. We still have some out there that we use for experimental lots. We

moved from 3,600-gallon to 500-hectoliter, so that's 14,000 gallons or something like that, and the quality really improved. Today we have those, and then we have 1,000-hectoliters, which are about 25,000 gallons. There's less oxidation because there's more volume per surface area. So long as you have an efficient cooling system, refrigeration, there's no disadvantage. Of course, in the old days before refrigeration, you couldn't even think of fermenting in that kind of quantity because it would get too hot; it would just kill all the yeast with the heat of fermentation.

As we got not only experienced, but also by using larger tanks, we felt we improved quality. The other real quality advantage to being bigger when you're in the sparkling wine business is that you've got more notes to pick from--more vineyards to pick from. What you're looking for is a certain base line of quality, but what you want within that are differences. The worst would be one variety from one vineyard, because that's too--the French use the word *monocru*; it's just too one dimensional. A cru is like a vineyard.

Also the vagaries, because year in and year out that wine is going to change. The same vineyard, year in and year out, even in California, produces different wines. But, funnily enough, if you work with sixty-five different vineyards, as a whole they're each different from the year before, but when you put them all together the differences of the blend that year are not so different from the prior years.

Hicke: So consistency is important?

Wright: Consistency is certainly important, yes. Not consistency to a mediocre level, but consistency as a quality factor. Really, for quality in sparkling wine you're looking much more for harmony and balance. I sort of compare it to Mozart. I think of red wine as being kind of Bach-like, very polyphonic and moving this way [motions] and this way. Champagne and sparkling wine are moving in a very chord-like fashion, so you want everything there where it should be, not dissonant. Dissonance in sparkling wine is definitely a fault, where it's an attribute in great red wines. My music comes into this a lot.

Hicke: I like that; it's a nice analogy.

More on Presses

Hicke: We started to talk about the presses, and we got as far as your first one, but we got sidetracked.

Wright: Oh, yes. We wound up, because of efficiency reasons, et cetera, discarding the idea of using the traditional press, which most of Champagne has, too. At that time in Champagne the two presses that were being used instead of the traditional press were the Vaslin press, which is what we chose, and the other was generally called the Wilmes press, but was also called the bladder press. We didn't like that as well, because if you look at the bladder as it was then, you've got a rubber inner tube. When you put the air in there, that pushes out. What we don't like about that is that the room for filtration is only around the circumference. As the juice passes through the grapes there's a little bit of filtration that goes on, which we like. The bladder press didn't do that as well as the Vaslin.

Hicke: Especially when it's expanded, as you say.

Wright: Yes, and it's expanded in order to press the juice out. The Vaslin press is horizontal as well, but it goes this way [indicates]. As you got pressure on, you've got your plates here, and you've got this much grapes, so you're getting the filtration effect through a bigger tank.

Hicke: It's pressing in from each side.

Wright: Yes. We still have one Vaslin left, but there have been changes in the technology of pressing, and today the best press, particularly for sparkling wine, is what we call the tank press. Wilmes makes one, and Bucher, which now owns Vaslin, makes another. They were Swiss, but they've expanded. That's a design where you've got the cylinder, and on the bottom you've got the bladder. That's blowing up this way [indicates], and you're getting the benefit of the filtration. Also, because you're using--as you were here [points], too--compressed air, you've got a lot more control over the pressure. It's all computerized; so it's a step upwards.

You could chemically measure how well you are pressing, principally by taking your phenol content. If your phenols are low, that's good. Now, it's not good for red wine, because phenols give you the tannin, et cetera, but

particularly in champagne and sparkling wine the lower, within certain limits, the phenols the better the quality is for sparkling wine. The bubbles in sparkling wine amplify a lot of factors, particularly the sense of bitterness and astringency. If you were down talking to Bob Mondavi, he would say, "Well, you know, I like to get more middle body in my Chardonnay, and I get that by grape skin contact for twenty-four hours. It's picking up more flavor, and it's picking up some tannins." It's developing what he calls middle body, which really means that in the mouth and as you swallow, it's not empty. Sometimes some still wines are kind of empty and short.

Interestingly enough, if that wine becomes bubbly, that middle body turns itself tactually and organoleptically into a sense of bitterness and astringency. Far from it adding middle body, it actually makes the wine short on the palate. The bubbles really accentuate the palate's ability of evaluating bitterness-astringency. The one thing a champagne really should not be is bitter and/or astringent. It's really a very major fault, and there are a lot of sparkling wines that are. When I taste, it's one of the things I probably put most emphasis on--the cleanliness of the finish and the lack of astringent and/or bitter character.

Some of that is related to grape varieties, but if you've got the right grape varieties, like Chardonnay and Pinot noir, the real factor then becomes how you press. So the pressing is a very, very important part of the quality. If you use a continuous press, it's absolutely disastrous for sparkling wine, because it just presses everything out of there. And/or if you are sloppy in the way you press. And we feel that if you crush prior to putting the grapes into the press, you are picking up phenols and tannins that you wouldn't want.

Really the philosophy is different. Within reason--I'm probably exaggerating to make a point--the philosophy of still-wine making, particularly in California, is kind of, "Get everything possible out of the grape." You want maximum flavor and body and all this. When you're making a base wine for sparkling wine, it's just the opposite: "Don't extract; just be subtle, subtle, subtle." So it's a different philosophy. It certainly does mean, in my opinion, that somebody who maybe has been trained or has skills in still-wine making isn't necessarily going to make a very good

sparkling wine. It's a really different approach and philosophy.

The Domaine Chandon Restaurant

[Interview 2: May 6, 1991]##

Hicke: Last time we just finished talking about the building of the winery, and you told me a lot about that. I wanted to ask you about the decision to include a restaurant. Was that part of the original plans, or did it come a little bit later?

Wright: That came on fairly early. The winery site, which is right here in Yountville, I had picked for a couple of reasons. One, it was very accessible; i.e., we're really at the end of the freeway when people come up to the wineries.

Hicke: To visitors and also to the airport and other--

Wright: Yes. Up until that time, most of the wineries in the Napa Valley were really north of Yountville. There were a few that were south, like Clos du Val and Trefethen. Since most of our grapes were going to come from the southern part of the valley because we need cooler climates, it made more sense to be somewhat south.

Then I felt a vigorous visitors' program was essential to marketing, and therefore we were going to have a winery that was certainly going to be open to visitors, with, I hoped, a very well-thought-out visitors' program. I didn't want to particularly create more traffic up valley. [laughs] You see, when you get up there the road narrows, so really the site here was ideal for being right on the cloverleaf at the end of the freeway.

That was the reasoning behind picking the site, and then once we saw the site I felt what I wanted to do was create an experience where people trying the wine after the tour would not just sort of walk up to a bar and taste a bunch of different things. I thought it would be preferable to have a nice environment and be relaxed about all that. That was one thing. Second, since we're paying a tax that's twenty times that on still wine, you don't give this away very easily, so I felt we really wanted to charge for tastings. I also felt we

wanted to charge for tastings because, quite frankly, people usually don't appreciate something unless they pay for it.

Hicke: Were you the first place to do that?

Wright: Yes.

Hicke: I notice that now most of the champagne houses charge.

Wright: Yes, and some of the others are doing that, too. The law at that stage was quite explicit that to have an on-premise sale license you had to have a restaurant, essentially serving regular meals at regular hours, not just a cold cut or something. So in order to have a facility whereby we could charge for the tasting, the law at that point was that we really had to have a restaurant. That was how it all came about.

When that decision was made and I discussed the overall plan with my colleagues in France, they said, "Well, my dear John, if you're going to have a restaurant, it has to be a good one, you know. Think of our *image*." [laughs] So they were quite insistent, and I think properly so, that we put in a high-class restaurant rather than a hamburger joint or something like that.

What was surprising to me was that I felt the novelty, if you will, of a French-owned winery producing sparkling wine and the location where we were would be such that we could probably expect the restaurant to be reasonably well attended and booked up because of everybody who would be wanting to come to the winery. As long as they were here, they could come in and have a meal. Just the opposite occurred. [laughs] The restaurant was an immediate, instant success in the sense of it having developed a notoriety really much stronger and earlier than the visit to the winery as an experience. I'd say almost immediately after the restaurant opened we had too many bookings, really, so we were booked out way in advance. At the same time, we didn't have that many visitors to the winery, so it was sort of the tail wagging the dog--exactly the opposite of what I thought would happen.

Hicke: Did people who came to the restaurant go to the tasting room first?

Wright: Not necessarily; not at all. It was quite interesting. It was the cause of developing a theory that I have that I think is still valid, and that is that people who are at least

interested in food and wine will be immediate experts on restaurants, with absolutely no inhibitions whatsoever. I.e., they'll go to a restaurant, they'll like the experience--be it the food, the service, the ambience; hopefully it's really got to be all three--and then they'll get back on the phone and call all their friends and say, "I just discovered this blah, blah, blah." Right? The good news of that is that word of mouth works just like wildfire in restaurants. It is really a very, very fast kind of communication chain. Of course, if things are good, that's good; if things are bad, it can go the other way.

With wine, I think people are just really still very inhibited about recommending a wine to other people. They don't quite trust their own judgment, which is really pretty silly, because most people have very good palates and shouldn't have any inhibition about saying, "Gee, I found this wine, and it is really good," but they won't do that. So word of mouth in wine is a very effective form of marketing communication, but it works much slower than restaurants do. It's fascinating. It totally, really surprised me.

Hicke: If you had to do it again, would you also open a restaurant?

Wright: I would. It was a real struggle. The original kitchen was ill designed for the kind of food we were doing, even though supposedly our architects had engaged a very qualified restaurant consultant. He simply didn't know what it took to put out really high-quality cuisine which is all cooked to order, so the kitchen was down below and it was too small. We struggled with that for about three years, and then we built a new kitchen. I thought, "Oh, these chefs; Christ, they're awfully fussy." But it really did make a difference. The only way I would ever do it over again is that I would have a chef there as my main consultant, and ideally it would be the chef who was going to run the place. [laughs]

Hicke: Who was your first chef, and how did you find him?

Wright: The first chef was a young man [Udo Nechutnys] who had studied under Paul Bocuse, who is German but who has lived most of his life in France. He came over, and shortly thereafter the sous-chef, a very young man, Philippe Jeanty, came over. Philippe is from Champagne and had been a protegé of a chef who is actually employed by Moët in France. Philippe had worked for Joseph Thuet in Épernay. Joseph had come over for our opening to help--we had this big opening--and he recommended to me that as qualified as Udo, the original chef,

was, he thought it would be a good idea to have a good back-up, so Philippe came over.

After about a year, Udo decided he wanted to go and do other things, so he left and Philippe became the chef, and he has been the chef since then.

Hicke: Since 1978 or '79?

Wright: Yes. I think the restaurant opened in June of '77.

Hicke: So he's been there for thirteen years.

Wright: Yes.

The Visitors' Center and Museum

Hicke: When you opened the winery and the visitors' center in '77, it also included a museum. Did anything very memorable happen when you opened it?

Wright: There was a young lady who was just working for us in the vineyards, Judy, who turned out to have had her master's degree as a museum curator. [laughter]. We always had people like that around. So we gave Judy the job of coming up with a concept for the museum, and she really did a great job.

Hicke: Why did you want a museum?

Wright: Education, number one. Number two, to make the connection to the French parent. It's interesting that even today that connection, even for people who come here, is not as strong as I would have thought it would be. I'm not sure I know why. I think the product itself, the sparkling wine or champagne, has a strong image as a product, and then I think that Chandon as a producer has a very strong image within that. Whereas I would have thought the connection to the world's largest Champagne producer would be very important to people, it doesn't seem to be as important as I would have expected, which says something--actually, that consumers are a hell of a lot more intelligent than we give them credit for. Rightfully so, I think they judge us, not so much consciously as subconsciously, on our own merits and don't try to say either, "They've got to be good because their parent is the biggest Champagne producer," or vice versa.

Hicke: You think it has something to do with the fact that you decided to call it sparkling wine rather than champagne?

Wright: No, I don't think so. I think most people will still say champagne anyway. We do feel that the labeling of the product and the way we refer to it should be as sparkling wine, but we're not paranoid about it.

Hicke: You were also the first winery to call it sparkling wine?

Wright: As far as I know, yes.

Hicke: How about Schramsberg?

Wright: No, Jack [Davies] at Schramsberg still uses "champagne" on their label. It was a bit controversial at the time. All these so-called marketing experts in the press and other places said we would really be a failure unless we put "champagne" on the label, but we went ahead and did what we thought we should do.

Hicke: Did you actually talk to Jack Davies at Schramsberg very much when you were starting out?

Wright: Yes, we told him that we were coming in. I took Robert-Jean de Vogüé over to meet Jack. Jack was very cordial and very helpful. He sort of laughed and said, "Gee, I'll be able to sell Schramsberg to the people who want to compare my wine to yours."

Hicke: That was a nice way to look at it.

Riddling and the Very Large Machines

Hicke: I want to ask you about riddling and the development of your Very Large Machines. Can you tell me about that?

Wright: For a long time people have looked at trying improve the productivity of the classical hand-*remuage* or riddling process. Of course, to a lot of people just looking at it, the first thought would be, "Rather than have people turn these bottles, why don't you have a machine on each one of these racks that turns them?" That's been tried, and, in fact, way back. The only problem is that it doesn't save you

any money, because the real cost in riddling is setting the bottles on the racks, taking them off, and the space that they take. We could store about 120 bottles a square foot when we're aging the wine, but once you put the bottles on the racks, on an annual basis--it takes something like six weeks for the cycle--you're only getting about 10 bottles to a square foot. So annualized space requirements are enormous, and partly because of the inefficiency of that design, which is needed to do the proper job of riddling.

Hicke: The triangular--

Wright: The *pûpitre*, they call them in French, which means "pulpit," an interesting name, I always thought. The cycle plus the space does make it very inefficient, and it doesn't save an awful lot of money to just mechanize that. What does save money and improve efficiency, really, is to come up with an idea where you can get more bottles stored in a given area. You can do that not only with the geometry but also the cycles. If you can do something that will do the same thing in ten days rather than forty days, that's where the real improvement comes.

There were two developments, actually. Probably the inventor--I'm sure they are; they claim to be--of machine riddling was Korbel, going quite a ways back, I would guess probably in the early sixties. They had a kind of a table that the bottles came and went "tshhhh" and then over. They saved a fair amount of space, but they also worked at a much faster rate because they moved more than once a day, whereas in hand riddling you only turn the bottles once a day.

Hicke: Hand riddling takes so long simply because it takes so long for however many people you have to go through and turn the bottles?

Wright: No, because you could always use more people. It's just that it appears that the motion used in hand riddling is such that if you attempted to turn the bottle more than once a day, the sediment after it's moved doesn't settle enough to permit a second or a third turn. Now, that's probably partially correct. It's probably also correct that nobody's really thought about having two shifts--like, "We'll have one riddler come in in the morning from seven to three, then we'll have another one from three to eleven, and we'll have another one from eleven to seven."

I suspect that in theory that would work. The reason that, in practice, it doesn't--and this is a very strange but real phenomenon--is that it's a very personalized thing, so it's almost impossible to take a block of wine and switch riddlers on it. Riddler B coming in from three to eleven will not do the right job on Riddler A's wine, and that's the only way it could work. It's just very strange, but every person has their own technique. We find that if somebody is going to go on vacation--we allocate blocks to each riddler, and that's their block. They can work any time of the day or night, really, that they feel like. They don't punch a time clock; they just have 36,000 bottles or whatever it is--it's usually somewhere between 36,000 and 45,000 bottles. That's a day's work.

Hicke: And they're responsible for those?

Wright: That's right. If they're going to go on vacation, they go when that block is finished.

Hicke: That's really interesting.

Okay, we were back at Korbel.

Wright: Korbel had developed a system, and then the Spanish took that and modified it a bit and did some other things. All of those systems, which work mechanically very well, pretty much relied on special fining agents to flocculate the yeast. We were very, very cautious about that, because we felt and continue to feel that those fining agents that are based a lot on bentonite do tend to strip flavor a bit; so we continued to riddle in the classical manner for eight years or so. Then there was a machine that was invented in France, called the gyropalette, that had actually been in use for a fair amount of time in some Champagne houses; Piper Heidsieck by the late seventies or early eighties was 100 percent on those machines.

We started experimenting with those, and we found that we could take our regular wine that didn't have any particular fining agent in it for the purposes of improving riddling. We do use some isinglass and tannin to make the wine brilliant; that's sort of the classical fining agent. We did our trials, and we found that the gyropalette actually did work without having to adjust anything in fining. We bought about twenty of them, and when we started looking at them, the then vice president of production here at Chandon, Gino Zepponi, who was really a very brilliant engineer as well as a great production

person and a great person, came up with this idea: "Each one of these machines has two motors. As long as we have to have two motors and the hook-up to the computers and so on, we might as well expand from one bin to a bigger concept."

So he went down the road here and talked to a fellow named John Kahlua, who builds various types of things. He used to have a big machine shop right here in Napa; he now is up in Lake County. John was very good at reducing these things to practice, so he came up with the design for what Gino called the Very Large Machine; we didn't have another name for it. It actually does about four thousand bottles at a time rather than four hundred.

Hicke: It turns four thousand bottles?

Wright: Yes. But it still only uses two motors, so it's more efficient than the gyropalette.

Hicke: How many times a day are they turned?

Wright: Three times, generally. I must say my French colleagues were a bit horrified when they came. Not horrified with the idea of machines, because they're using them in Champagne, but there's a certain amount of skepticism about, "Can these Americans really do some of these things?" When they came over and saw this huge machine, they were absolutely sure it wasn't going to work. Actually, in some ways it really works better than the small machines.

Hicke: It's the classic story of American ingenuity.

Wright: Well, it is. Although really the design of that machine, because of its size, is not very practical in Champagne, because most champagne houses do their riddling in the caves, and the ceilings aren't very high.

Hicke: Was there some question about the size--the number of cases you were going to be producing?

Wright: Going back to the riddling, I think I mentioned earlier that they thought that producing more than about 20,000 cases with the classical method would be very, very risky. It proved out that it really wasn't that risky at all.

Hicke: You probably told me last time how many you are producing this year.

Wright: About 400,000 cases, or 5,000,000 bottles. The Champagne people always talk in terms of bottles; it's a bit grander, you know.

Fred's Friends

Hicke: Tell me about Fred's Friends.

Wright: Our first couple of years when we started, we were making wine at Trefethen. Our *deuxième taille*, the last cut on our press, we'd never use for sparkling wine. Yet when you get to that last cut, as a still wine you have the appearance in the mouth of a little bit more body because there's more tannin in the wine, and the acids are a little less so it's a bit softer. We thought, "Gee, this is really pretty nice wine just to drink as it is." I forget now why, but we decided we wouldn't just put it on the bulk market, which is what we do today. I think it was partly because we were making sparkling wine, but it was going to take three years or so before it was ready to drink, so we thought, "Let's have a wine that we could enjoy ourselves." So we bottled some of that--a thousand cases or so.

Came time to sell it--and we were just going to sell it to friends of the company and employees. Michaela Rodeno, who was then our v.p. of marketing and communications, came up with the idea of Fred's Friends. I guess it was shortly after Fred Chandon had been here on a visit. He's a very charming person. He took us all out to lunch, the whole group; we had about twenty people working then. As I recall at that time, he had promised--which he later delivered on--that after we had sold a million bottles, everybody would get a trip to France. Everybody was quite intrigued with that; I'm talking mostly about people on the bottling lines, et cetera. So Michaela just came up with the idea of calling it Fred's Friends.

Hicke: Did you then just market it here in the winery?

Wright: Yes, pretty much. We only market it at the winery.

Hicke: You don't do it anymore?

Wright: Oh, yes, we still have Fred's Friends. Oh, sure. It's got a pretty interesting label.

Hicke: I thought I saw it there, but then you said you were sending a lot out in bulk.

Wright: First of all, we think--we very definitely think--we should stick to our knitting, which is to concentrate on sparkling wine.

##

Hicke: You were saying you had doubts about making still wine?

Wright: We'd never felt that we should attempt to be in the still wine business in any meaningful way, because we feel it just diverts our attention from what our real business is. Making a little bit of Chardonnay, like Fred's Friends, doesn't really divert us very much because it's really part of the champagne or sparkling winemaking process. It's generally the *deuxième taille*, so we don't oak the wine or anything like that. We never have enough to sell very much of, so we have never been tempted to commercialize the product. I suspect if we had, people--in a way unfortunately--will only take humor in wine a certain way. There's a boundary there, and I suspect it's the type of wine, too; tongue-in-cheek can go so far, but it can't go too far.

I think if you're only going to sell a modest amount of wine--Randall Grahm has been very successful down in Santa Cruz. He's got some wonderful names for some of his wines. I think partly the wine itself, and with Randall's personality and a few other things, I don't think he has a problem selling those wines. But if he made them in greater quantities, I suspect he would have a bit of a problem.

Hicke: You don't feel people will walk into Maxim's and ask for a Fred's Friends with their dinner?

Wright: Probably not. [laughter]

More on Marketing

Hicke: Since we're talking about marketing, let's develop that a little bit. When you started selling your wine, what were

your decisions about advertising and the best way to target your market?

Wright: I came from a background that originally was technical--in chemistry--but I really worked most of my life in market development and marketing types of things. I've never made a big deal about it; I've never tried to paint a portrait of myself as some sort of marketing expert. But I think partly because of that background I developed a certain healthy, I would hope, disrespect for attempting to differentiate a product purely through marketing hype. It depends on the kinds of products, but certainly with a product like Chandon, where the category itself has a very strong image--a little too strong in a way. It's associated, by and large, with celebration and special occasions and this sort of thing, so I don't think you have to develop some sort of mystique about "champagne," because it has it already. In fact, it probably has a little too much; we'd like to see its use more general and have worked on that.

I really felt that 90 percent of our "marketing effort" should be devoted to the product. What marketing is all about is creating customers, and in this particular area I think the product is absolutely the most important thing. So in a sense we have invested in the product by really being very selective about our vineyards, where we bought our vineyards, where we got our grapes from, not attempting to chisel on price. We've never attempted to buy grapes cheaply or buy cheap grapes.

We've never compromised with aging profiles, or not to any significant extent. I would say that in the very beginning our aging of Chandon was not ideal, and it was less than I would have liked it to have been. It wasn't so much, interestingly enough, because we wanted to age less to make more money; it was that the demands of the marketplace were such that we almost couldn't say no: "If they have to have it, they have to have it." We went as low as fourteen months at one point early in our game on aging. The wine's okay, but it's not really what it should be, so we've always worked on pushing that up--you know, other sorts of things, where if it isn't in the bottle it isn't there. That's number one for me in terms of marketing.

Number two--and for this we really borrowed a lot from our parent company. Moët in Europe spends virtually nothing on advertising. Their whole focus is public relations, and part of that is--rightly or wrongly, but I tend to think it's

perhaps more right than wrong, or correct--if you have a rather prestigious product and you over-advertise that product, you tend to lose its sense of prestige. This is particularly true of Dom Pérignon, for example. You will never see a Dom Pérignon ad, and yet if you do advertising research on consumers, they will mention that they've seen Dom Pérignon.

Hicke: It's a familiar name, yes.

Wright: Quite frankly, I was not at all a believer that advertising would ever do very much for us. We have from time to time put money in advertising, much more than I thought we should, and I don't think it has ever had any benefit. Public relations, getting some recognition in the media is important, but really more important than that is the public relations that takes place right here at the winery. We get now 150,000 people a year, and if they like the product and they like the experience, they'll be good consumers, and they'll tell their friends about it. I just don't think there's any substitute for that, so that's really where we put most of our thoughts and our effort.

Hicke: Who came up with the idea of the stars and the line drawings?

Wright: Well, a lot of that was from our original package-design lady, and she still does our package design. Her name is Susan Pate. She immediately saw the star in Chandon and really focused on that, as I guess any good designer would. It's interesting to me that, not because they were all bad, but just historically we've probably had four or five different ad agencies of one sort or another. I think what frustrates me about--all of them had some good, creative people in their agencies, but they'd always look for something other than the product itself to kind of get a hook. That always mystified me, that they've got to play with something else rather than the thing in itself. I can understand part of that, but I've never really felt that any ad agency that we've ever had has really understood what we're really trying to do and how to communicate that.

It's probably not possible to do that. Secondly, the nature of the fine wine business is that--my guess is that the consumer population we have for Chandon is at most maybe a million people a year--if that--that consume our product, out of a population of 240 million. So it's not very effective to use a mass communications form of marketing to a market that's

not a mass market. It just simply isn't. But we haven't found the right way yet. [laughs] We've done all right, but I'd like to find more efficient ways.

Hicke: Well, you developed the direct marketing through the Chandon Club.

Wright: Yes, that's the thing that we really are working on now. It's quite possible that the club, in which there are now about ninety thousand members, might be accounting for 50 percent of our total sales.

Hicke: Is that right?

Wright: It's kind of hard to trap, but our research shows that a Chandon household--not the individual necessarily--claims to consume two cases of Chandon a year. Generally when people are interviewed about their consumption of beverage alcohol products they underestimate, so I don't know in this case. If that were the case, then that would be 180,000 cases a year, or about half of our sales.

Hicke: That's very impressive.

Wright: Yes, it is. I tend to think maybe it's not quite that much, but it appears that Chandon is a product that, when people really enjoy the category and then the brand, their annual consumption is pretty substantial. It doesn't take that much to go through a case of champagne. [laughs] Not as an individual, but if you have a party or something.

So that's very important, and of course classic, direct selling is pretty difficult if not impossible because of the laws. Also, I'm not sure that even if we had that opportunity we wish to compete with our conventional distribution channels and try to sell directly to people. But to communicate with consumers and to do things for them, and to have these Chandon Club events and come out with a quarterly newsletter, et cetera, all keeps Chandon in their minds and reminds them from time to time that we're there.

Hicke: You have a special bottling for the Chandon Club?

Wright: We do, yes. We have a Chandon Club Cuvée.

Hicke: How many cases?

Wright: Oh, a couple of thousand.

Hicke: That adds to the feeling of being part of what's going on, I think.

Wright: I think so.

Hicke: Let's go back to the growth starting in the late seventies. Did you try to sell in California and throughout the United States? Then eventually I know you went to Australia, Japan, Canada, and other countries.

Wright: The introduction of the product in late '76, Christmas of '76, was purely in California. Even today California accounts for close to 50 percent of our total market. Shortly thereafter, in '77, we launched, if you will, the brand in places like New York, Florida, Chicago--the major markets.

Hicke: How did you do that?

Wright: Stu Harrison, who is now the marketing guy for Opus [One] at Mondavi, had come from Almaden [Vineyards]. Stu and I decided originally in California that we would sell direct. By that I mean we wouldn't go through a wholesaler; we'd have a person in southern California and a person in northern California, and we'd call on retailers and restaurateurs, more or less with the feeling--which was correct--that certainly in the beginning we didn't need to sell the product to every little restaurant and corner store. We still don't, for that matter.

Stu hired two people, one for the south and one for the north, and they got right on board and starting doing some very nice things. Then Stu spent the rest of his time interviewing wholesalers in the rest of the country, starting obviously with bigger markets, and making some decisions about who those wholesalers should be. However, at that stage my colleagues from France convinced me that the then agent-importer for Moët and for Hennessy, Schieffelin & Company, should be brought in.

I was somewhat skeptical about it, depending on the terms, because in those days the mark-ups, the margins, that the classic importer-primary distributor folks had was based really on their role as an importer, so it was based on their being the marketing company, really, for Johnny Walker or for Haig and Haig. A lot of it started from the Scotch whiskey business as the base of these types of companies like

Schieffelin, Twenty-One Brands, Somerset, Frederick Wildman, et cetera.

Hicke: Was this before or after they were acquired by Moët?

Wright: This was before. I just felt we simply couldn't afford that kind of what I thought was an unproductive waste of money on the kind of margins they took. I did finally; I negotiated with Schieffelin, and they were willing for certain markets--I thought because they were a New York-based company, and New York is a very complex market--it's a very difficult market; there are very peculiar things to the New York market that make it rather difficult. I felt because of their position in New York--and in some ways Florida is, funnily enough, kind of an appendage of New York.

Hicke: Well, they probably have a lot of the same population.

Wright: Yes. We wound up taking New York, New Jersey, Connecticut, and Florida and putting that into Schieffelin's hands but as a sales agent rather than a marketing company, so they adjusted their commission rate to accommodate that. I think they were very understanding about that. Of course, about 80 percent of their profits at that time came from Moët & Hennessy [laughs]. I'm not aware that Moët ever strong-armed them into anything, but I think they realized that there was a reason to be cooperative.

Hicke: The difference between being a sales agent and being a marketing agent means they didn't do much promotion?

Wright: Right, that the marketing budget--p.r. or whatever advertising we did, merchandising and all that--Domaine Chandon funded rather than just give them x number of dollars and let them do whatever they wanted. It's kind of a fine line.

Hicke: Whatever they did was directly by your request or under your supervision?

Wright: Yes, or they would say, "We need"--I don't know what it was in those days, maybe some special merchandising in New York, and they would give us what they felt they needed. We'd say, "Okay, we'll fund it." But in my opinion the real advantage of seeking their help was the quality of their sales force and their presence in the market, so that worked.

Meanwhile, Stu was pretty busy on the road and performing, really, a very important role of selecting the right distributor in a given market, which isn't easy. It was a bit controversial, because Schieffelin--and I can understand their position--would have liked us to have gone with the same distributor in every market. We felt that would be a mistake, because a lot of their distributors looked upon Chandon in those days as a kind of, "Well, yes, we'll do it as a service, as a sort of a junior Moët brand." We really felt we needed to have our own strategy, our own image, our own identity, and we needed wholesalers to really build the brand for us and not just look upon it as a fait accompli and an appendage of Moët. So we did not in every market have the same distributor, and I think that was healthy at that point.

Hicke: Was Canada the first outside the United States? I know you took a trip to Japan in '84.

Wright: Yes, we started a little bit of exporting to Canada fairly early on. I'm trying to think of when the Vancouver Wine Festival really started; it was probably in the late seventies. It's still in existence, and every year there is a big tasting. It raises money for the theater in Vancouver and has been very successful; I think probably it's a major source of their funding.

We went up to that and immediately had three or four potential agents after us, really for the province of British Columbia. I think we were probably into British Columbia before 1980, and Alberta came pretty much along with British Columbia. For the eastern part of Canada, we finally went with the Moët agent, and eastern Canada has never been very vigorous for a lot of different reasons. Quebec's got its own little game it plays, and then Ontario has it's game, so western Canada is much more open to California wines in general.

Hicke: You stay out of those games?

Wright: Yes.

Hicke: Was Japan in '84 the next big expansion?

Wright: In terms of exports, yes. I felt then, and I'm rapidly changing my mind in some respects, that we can't look to overseas markets to solve any problems that we might have. We've got to do the right thing in the U.S; the U.S. is

basically our market. I felt that there are a lot of people in the California wine industry who have unrealistic expectations about the potential for export of California wines. If I were a Robert Mondavi or a winery like that--let's say at the upper end, being on the Hotel Ritz wine list in Paris or the Plaza Athenée, or in London, Hong Kong, et cetera--I'm sure it's a very useful marketing tool for developing more business in the United States. Because what you're really looking for is particularly the New Yorker--or let's say people from the East Coast; I won't pick on New Yorkers specifically--who have a certain prejudice towards European wines. If they're out there in Paris or London or Hong Kong seeing a California wine being on a prestigious European hotel list, that says something about the wine.

Hicke: Good point.

Wright: It's very useful for that sort of thing, but because Moët is sort of everywhere, even though we're not Moët, it doesn't make a lot of sense for us to try to pursue something like that. It's just not the same sort of thing. Being present, at the upper end of the California wine industry, in some European markets, particularly in prestigious restaurants and hotels, has some marketing utility, but it isn't going to move a lot of cases.

The low-priced end of the business is for the most part a business--I'm not saying our quality isn't competitive; it probably is, and it's probably better in some ways at a certain price, just thinking in world terms. But there's so much out there. There's Bulgarian wine, Romanian wine, bulk French and Italian, et cetera. It's not that evident that there's any substantial business or that there hasn't been historically. Also I personally think--I guess self interest comes in--that in certain markets, like Japan, we're making a mistake supporting wide-scale promotion of low-priced California wines, because Japan is so image driven that it's a very bad long-term strategy. If we really want a position in Japan in the future, we should be focusing on our best wines.

However, despite what I've said, I think that assuming the present levels of the dollar versus other currencies stay where they are or that the dollar doesn't all of a sudden become very much higher in value, as it was in '85 and that era, we are very competitive in high-quality wines. There are some markets, even in Europe--the U.K., Switzerland, Scandinavia, and Germany maybe; I'd say the markets are

countries that don't produce wines--where I think there is some opportunity. Not just to develop--the problem is that people get an order for a truckload, and they think this is great. Then it gets over into the market, and it never moves, so that isn't very productive. But I think California wines do have a better potential in export today than they did five years ago. From Chandon's point of view, we should be looking at it and doing more about it.

Hicke: Your original trip to Japan, as I read about it, was to promote Blanc de Noirs with sushi.

Wright: Well, I don't know about that. Maybe that was my hope, but it doesn't work actually. Blanc de Noirs does go beautifully with sushi, but the people who most appreciate that are not Japanese. [laughs] The Japanese are still pretty traditional in what they think goes with what. Frankly, they're horrified--certainly the older Japanese--with the idea that anybody would think of having anything with sushi other than sake or beer. But it'll change.

Domaine Chandon in Australia

Hicke: Tell me about Domaine Chandon in Australia.

Wright: Going quite a way back, I'd say late seventies and early eighties, Alain Chevalier, who was then chairman of my parent company, said something to me about, "You know, John, this is now doing very well. I've always thought maybe the next country should be Australia someday. Since you're closer to Australia, and you speak their language--" [laughs] so to speak, but better than he did--

##

Wright: Alain Chevalier was saying that I should put in the back of my mind that we ought to do something about Australia sometime, and that was it. Then in '82 Pan American was doing kind of a fun thing, where winemakers would get a first-class ticket on Pan Am. All we had to do was pour our wine and discuss it with the people on the plane. So I had this opportunity to go to Australia on one of those things; I thought, why not?

I went over in '82 and was really very intrigued by what I saw and by the wines I tasted. I realized that at that stage the Aussies were drinking a lot of bubbles.

Hicke: Oh, were they?

Wright: Oh, very much more than the Americans in terms of per capita and also in terms of sparkling wine compared to still wine. I think sparkling wine in Australia was something like 12 percent of total wine sold, whereas here it's something like 6 percent. There was no what I would consider to be quality Australian sparkling wine, even though there were some very high-quality still wines. There was no logical reason why really good Australian [sparkling] wines could not be made out of Pinot noir, Chardonnay, et cetera.

When I got back I did a little modest lobbying but didn't really get too serious until '84, at which time the technical people of Moët started asking me a bit more about Australian wines. I could see that they were interested, which was a very good sign, because they play a pretty important role in terms of what top management listens to. So I organized a trip where the head technical director of Moët and I and a couple of other people took a trip through Australia.

Hicke: Was that Richard Geoffroy?

Wright: No, his name was Philippe Coulon; he's Richard's boss. Philippe got very intrigued. That was in the fall of '84, and we had managed by the Australian spring of '85, meaning February or March, to work a couple of deals out with some people that I knew, so that we actually had wine made for us as early as '84, some of which we've used in our original blends. It was the same sort of situation--I think in retrospect we should have gotten into Australia in about '82 or '81. Even though we were pretty much the first, I think we would have gotten a bit more of a leg up. We certainly weren't too late in any way. It's just that there would have been a real opportunity if we had started in '81 or '82 to have developed a really strong brand recognition by now, and now we're just starting to do it.

Hicke: Why do they drink more sparkling wine, do you think?

Wright: They have less inhibitions. [laughter] Aussies like to have a good time, and they drink more of everything. They were

never settled by Puritans, which I think does make a difference.

Hicke: Do they consider sparkling wine a little bit more commonly?

Wright: Yes, they're very irreverent, which is very nice. A bottle of Moët (Mo-ay, as they call it), which is the leading Champagne now in Australia, they'll drink quite happily at the drop of a hat. It's not that big a deal. What has happened is that the prices of Champagne have really gone up in Australia, and that's put a certain damper on it, which is helping the Australian products, too. They've got a lot of sparkling wine they call champers, and they'll use the word whether it's champagne or cheap stuff; they're really irreverent.

Hicke: Champers?

Wright: Yes, they've got wonderful nicknames for all sorts of things. If you went to the Melbourne Cup Race, which is one of the big holidays in the state of Victoria--the state of Victoria declares a holiday on this horse race, which is the first Tuesday of every November, and the rest of Australia watches it on the telly. If you come from the United States and go to Flemington race course and see the number of bottles of sparkling wine or champagne lying around the race course at the end of the day, you would guess that the Australian champagne consumption was ten times more than it is. [laughter]

Hicke: Basis for a good marketing decision?

Wright: Right.

Managing a Winery

Hicke: I'd like to get some information about your management style, if we can talk about that a little bit. For instance, I know you have worked as a waiter in your restaurant.

Wright: Yes, just to kind of find out what goes on. I've never considered myself a very good manager. Sometimes I think the word "management" to a lot of people means administration, going through a lot of details, supervising, and all that. I always believed that most people, if given the opportunity,

are really motivated to do a good job. I don't think you have to sit around looking over their shoulders, coerce them, or otherwise motivate them. If the environment's right, I think most people are motivated. Oh, there are occasionally going to be a few bad actors here and there.

So I'm a very hands-off kind of person. I think the best side of me is more in the big picture and partially creative part of things. It's certainly not in detail or administration; I'm a terrible administrator, as you can see as an example this morning, when I thought you were going to be here later. [laughter] All I had to do was look at my calendar, but I didn't look at my calendar. Fortunately I have people working with me who handle administration extremely well.

Hicke: I think finding good people is certainly an important part of management.

Wright: I think so, too--or leadership or whatever. I feel that my role is more a leadership role than it is a manager's role. It's a matter of semantics. I think it's very important. In picking people, for me talent and what I call chemistry are far more important than what they've done in the past. I've never expected somebody to have 150 million years of experience before we hire them. Experience you get on the job anyway.

As a company starts, I think it's very appropriate to be very loose about not constricting people and not having too many rules and too much structure, but being tight about making sure you're going in the right direction and understanding what you really want to do. I think as the company has matured there's probably a need for a bit more structure, but I guess I think there's less need for structure here. People ask, "Do you have an organization chart?" No, I don't have an organization chart. Now, I can draw you one in about two minutes that is pretty accurate. It's probably useful to give to somebody on the outside so that they know who's who, but it has no meaning within the company. You know, if somebody has to look at a chart to show who they report to and this and that--I don't think it's very useful. The same thing with job descriptions; I'd rather have a person come to me and have her or him tell me what they think their job is, not run over and try to put things in words that generally don't mean anything anyway.

I guess in that sense I'm a pretty loose, unstructured kind of person, which bothers some people.

Hicke: It's apparently very successful.

Wright: Yes, but there are people I know who from time to time get a little frustrated, and I can understand why. Certainly some rules are necessary, and it's not that we don't have rules. There could be a few more.

Hicke: I think it's really interesting, considering you started out hiring the people down the road to work in your vineyards.

Wright: Yes, it is. I think partly it's just because of the origins of the company. When it's that kind of a beginning there tends to be more of a family-like atmosphere, which certainly has its advantages. I think it can be overdone. I think a company can take advantage of that and ask people as part of the family to do things that are unreasonable. I don't suppress the family thing, but I don't like to visibly play it up too much.

The Debut of Panache

Hicke: Getting back to the wines, let me ask you about Panache. How did that come about?

Wright: It's not very important; it's just a little wine. There's an aperitif that they make in Champagne called Ratafia, which is essentially grape juice and brandy. There's one very similar that is perhaps more appealing to most people made in the Cognac district, called pineau de charentes, which funnily enough has a rather big market in eastern Canada. There again, it is essentially grape juice and brandy--in that case Cognac. With our *deuxième taille*, our second cut of Pinot noir juice, we really didn't have much of a market for it, so we thought we'd use that as a base for making an aperitif type of wine like Ratafia. Having made that, fooling around with names, eventually Michaela Rodeno's husband, Greg Rodeno, came up with--he was thinking of Pinot, sort of, and then Panache. Panache, of course, is a panoply of whatever, so that's how the name got invented for the product. It's a little fun thing we do on the side, but it's not a big part of our production.

Hicke: You seem to have a lot of fun.

Wright: Well, I try to.

Buying the Shadow Creek Winery

Hicke: Let me ask you about Shadow Creek, which I believe you just bought in '88.

Wright: Shadow Creek as a brand I believe was pretty much started by a man named George Vare. George has now just become the president of a very good wine distributor in California on the Central Coast. George had been in the wine business and was interested in sparkling wine and kind of bootlegged this product. It's been made in a few different places. In our comparative tastings, Shadow Creek always showed up very well in a style we liked, somewhat different from Chandon but nevertheless a style that we liked.

I forget the whole story, but George finally sold Shadow Creek because he wanted to do other things, and it wound up at Corbett Canyon, down in the San Luis Obispo area. I'd always had a high regard for the former winemaker at Korbel, Jim Hunsinger, who is now with Sutter Home. He is one of the better, experienced, and more talented sparkling winemakers in California. I always kept in touch with Jim, so I knew he had gone to Corbett Canyon to make Shadow Creek.

Corbett Canyon got sold to The Wine Group, or the people who make Franzia and Tribuno. Art Ciocca is the head of it. Art called me one day and said he'd been looking at overall strategic direction. He didn't feel that Shadow Creek really fit into Corbett Canyon and into what they were doing, and would we be interested in buying the inventory that was there and the brand? At that stage--this was in '88--we were concerned about eventually running out of grapes from Napa and Carneros for Chandon and did not want to use grapes from other parts of California for Chandon because we feel it would change the character and style of the wine. So we felt Shadow Creek could be a brand where we could use our expertise and background and utilize some of the grape resources that we knew existed in the Central Coast, down around San Luis

Obispo, and up in Mendocino, which are very good grapes but something we wouldn't want to risk putting into Chandon.

That was our underlying reason for purchasing the line. Now things have changed a little bit, but there's still a very real role for Shadow Creek. I think the potential shortage for grapes is less of a concern right now because the market is soft, at least for the moment. On the other hand, because of where the grapes come from and also the fact that our fixed costs are already here, we can take Shadow Creek and put it into a niche which is lower than Chandon's and have some success with that particular price niche--very high quality, but at a somewhat more generous price.

Hicke: Is the wine made here?

Wright: Yes, it's made here.

Hicke: Was there a winery that you bought with it?

Wright: No. In fact, that was one of the advantages; we didn't want to buy a winery. It was being made at Corbett Canyon, and one of his reasons for selling it was that he had to make some production decisions himself about space. To continue to make Shadow Creek was going to be a problem. That was ideal for us, because we don't really need another winery. But we could take something like Shadow Creek--not that the grapes are a great deal cheaper, but they are a bit cheaper. Also, shortly after we bought Shadow Creek we bought some vineyard acreage up in Mendocino for a very attractive price, so our cost for growing grapes up there is very attractive. It's Pinot noir and Chardonnay, excellent quality.

Our cost base at Shadow Creek, depending on how you play those games, is less, which permits us to come out with a different price level for Shadow Creek without damaging the image of Chandon or the image of Shadow Creek.

Hicke: That was kind of an unusual way to buy a wine label, to have them call up and offer to sell it to you.

Wright: [laughs] Well, yes, I guess so. I think probably Art trusted me, and I trust him. He wasn't trying to pull a fast one on me.

Hicke: Had you thought about expanding in that direction at all?

Wright: No, not specifically, but I certainly was thinking about grape resources.

Hicke: So it came at a good time.

Wright: Yes.

Viticulture Experiments

Hicke: I want to ask you about the testing of Pinot noir grapes in the Carneros area. Are you involved in some of the tests that [University of California] Davis is doing down there, or are you testing in your own vineyards on clones?

Wright: We do a lot of trials all over, but particularly at Carneros on clones, but also on trellis. Some of the stuff that Davis and other people are working on we are participating in and doing some of our own things. And not just with Pinot noir. I think where some of the real breakthroughs are going to come from in the future are more in viticulture than in enology. As we learn more about grapes and the relationship between quality and practices in the vineyard, there are some really interesting things happening.

There's been a very dramatic change in what was once the accepted planting spacing, et cetera, for grapes in California. I think the initial attitude of, say, Davis in those days--and others; it wasn't just Davis--was to look at spacing more on the basis of what is the maximum spacing you can have and still get a decent yield. I'd say in those times nobody was doing any work on trying to relate any of that to quality. Quality was established more or less by climate and grape variety; that was pretty much the standard thinking, which is not incorrect but not totally correct. It's more complicated than that.

In recent years, probably starting more from New Zealand--because they had severe problems with overly vigorous vines and therefore sort of herbal, vegetative characteristics, they started doing a lot of trials of reducing vigor in the vineyard by closer spacing, different types of training, and all that. Shortly thereafter in California it became more and more evident that this idea of just letting these vines grow with maximum leaf cover isn't

particularly good either for quality or for consistent yield. So a lot has been going on; canopy management is probably the best word.

We do find on our trials with vineyards that we've planted more recently that managing canopies better does produce both better yields and also better quality. A lot is going to happen, I think, in that area.

Hicke: I have read and heard that Pinot Noir is a difficult varietal to make, but I don't know if it's because there are so many clones of the grape or--

Wright: I think as a red wine it's very difficult.

Hicke: That's what I meant. I didn't know if it applied to the champagne.

Wright: On the contrary, as a base wine for sparkling wine, it's a very easy, very forgiving grape, actually, much more so than Chardonnay. I think it's partly because people have in their minds, rightly or wrongly--I think it's wrongly--that if you've got a red wine that's made from Pinot noir, it ought to taste exactly like a burgundy. Nothing tastes exactly like that, you know. The flavors of Pinot noir are so subtle. Cabernet has a very strong flavor, a lot of Zinfandel has a pretty strong flavor, Merlot, Sangiovese, et cetera. Pinot noir has a very elusive, almost vinous character, and it doesn't have a strong flavor. Therefore, I think it's much more specific--both clones and soil and climate.

Many, many lovers of wine would probably say the best bottle of wine they ever had in their life, if they had one, was a really great burgundy. You know, if it's a really great burgundy, it's a very memorable wine. A lot of us, I'm sure, have a challenge of attempting to duplicate that, and it's very, very difficult but very challenging to work with that. I think Carneros is an area for red Pinot noir that gives a very delightful character, but I'm not sure it's a substitute for burgundy, and I'm not sure that's what people should be trying to do.

Hicke: In any case, that's not applicable to sparkling winemaking.

Wright: No, not at all.

Hicke: That's basically what I wanted to know.

Classic Methods/Classic Varieties Society

Hicke: Before I forget, I want to ask you about the CMCV [Classic Methods/Classic Varieties] Society. How was it organized, and what are you doing?

Wright: I believe that wine consumers buy wine in part by brand, but not to the same extent that they would buy soap suds or other things. One of the beauties of wine is that it does have so many ramifications of color, flavor, taste, smells, and all this, that even though you might love Clos du Val's Cabernet, you're not going to drink that every time you have a bottle of wine. In fact, you're not even going to drink Cabernet Sauvignon every time you have a bottle of wine. Sparkling wines and champagnes are more brand oriented. People tend to be less risk taking when it comes to champagne and sparkling wine, so there's a bit more brand loyalty there. Chandon's been very successful because of that, but I think we've gotten to the point where we have to recognize the other part of people's wine selection motivation, and that's what I call categories.

##

Wright: For example, Sonoma-Cutrer [Vineyards], which is virtually exclusively into Chardonnay--I think that's all they make; they may make different types or areas of Chardonnay--has been a very successful brand, in a sense, and pretty well recognized. It gets very good distribution in restaurants and is pretty well recognized by that type of consumer who is going to buy that priced wine. Let's assume they've been overwhelmingly successful. The probability is that if they produced a Riesling from Monterey it would be a crashing failure, because that isn't a category that's doing anything in the market. So categories are at least as important if not more important than brands, and one has to recognize that.

I felt that as successful as Chandon has been, with all these new people coming into the market we could take an attitude of, "Let's battle it out,"--and we will do that; it's competitive, very competitive--but the best thing to do is to try and make the market grow. I think the best way of making the market grow is to try to get our story as a category

across to the trade, the press, and the consumers. Because we haven't gotten the story across as a category that we--meaning the producers of sparkling wine--are using the classic varieties. Over the years, I think the press, the trade, and the consumers that count have come to recognize California Cabernet and California Chardonnay wines as world-class wines, and they haven't really recognized the sparkling wines. Partly it's because there's been this image of Champagne, and then there's everything else.

Well, when you get to everything else, there are in fact some categories that have a distinctiveness that Champagne has, and we're one of them, I think. Those sparkling wines made in the coastal areas of California by wineries that are using Pinot noir and Chardonnay, aging the right length of time, and processing the grapes properly--particularly pressing them properly--are making world-class sparkling wines. I'd say there's no other place in the world except Champagne that is consistently making sparkling wines of the quality that we are making. But unfortunately, I don't think the press, the media, or the trade, much less the consumer, really recognize that. That's the reason for founding the CMCV society.

Hicke: Did you come up with the original idea?

Wright: Yes.

Hicke: Then you contacted other wineries?

Wright: Yes.

Hicke: I know that you are president now.

Wright: Well, that doesn't mean anything. [laughs] I figured that in order to really do this, we needed a competent staff.

As the CMCV society was getting under way and we were out looking for an executive director, I had a couple of prospects out there. Bob Finnigan just happened to call me on the phone and said that for a number of reasons he was looking to get away from the journalism point of view and more involved in the business parts of the wine business. His background, even though he's known as a wine journalist--he went to Harvard business school, and he was in the business consulting field for quite a while, so he's got a business outlook.

I said, "Well, that's kind of interesting," and I explained what we were doing. He said, "Let me think about that," and then he came back with a great deal of enthusiasm; he really felt that was something he wanted to do, so we got that under way.

Hicke: What are the methods you're going to use?

Wright: A lot of them are going to be press releases and that kind of stuff. We have done already tastings, but much more controlled, not just out there pouring wine all over the place. We've developed some concepts about flavor profiles. In the fall of last year we invited the press--key retailers, and restauranteurs in New York, Chicago, Los Angeles, and San Francisco--and we sat down and tasted. First of all, we explained some of the chemistry of champagne, CMCV wines, and then we selected *cavas* from Spain. The reason for that is that *cava*, which is Spanish *méthode champenoise* sparkling wine, does have kind of a set of rules. They do use particular grapes, and therefore one would expect them to have a particular style. Style is a bad word, because we like to use style when we're talking about differences among, let's say, ourselves or among styles of Moët versus Pommery and Paul Roget, et cetera. So I think it's more "flavor profile" instead.

I think one of the advantages of French Champagne to a consumer is that--unless you are unlucky enough to get a bad bottle, which can always happen--particularly if you are outside of France and are not dealing with Champagnes that are made by co-ops and small producers but are dealing with the great brands of Champagne, there is going to be an underlying flavor profile no matter what the brand is.

Hicke: A consistent--?

Wright: A consistent flavor profile that is very identified with Champagne, and it's probably more true than for any other world-class wine, because they get their grapes all from the same place, and they're all blends. There are stylistic differences, there's no doubt about it, but there is an underlying flavor profile.

Our winemakers from the various members started tasting Champagne, CMCV wines, and *cavas* with the aroma flavor wheel type of thing. We simplified that into fewer characteristics

that we can plot on a graph, and we do come out with very distinctive different profiles as shown graphically. It so happens that the CMCV profile is probably closer to the Champagne profile than the *cava* profile, but we're not trying to make quality judgments by any of these; we're just saying this is what they're like. The beauty of all three of them, actually, is that as a consumer, if you buy a *cava* or a CMCV wine or a Champagne, chances are you are going to get a profile--a flavor profile, I call it--that's fairly predictable. Whereas for a lot of things with bubbles in the world, you don't know what the hell they're going to taste like.

We spent last fall getting that point across to people in various markets with, I would say, a considerable degree of success in terms of their recognition that, "Gee, these things really do exist." There are some misconceptions, like some people think Champagne is dryer, and it isn't. In fact, CMCV wines are a bit dryer. That's not to say it's either good or bad; that's just to say that our wines balance better that way.

We're carrying that forward, so we're doing that. We think wine judges need a lot of guidance when it comes to sparkling wine, because they've not been brought up on sparkling wine and are looking for the wrong things very often when they're judging sparkling wines. We hope to have a seminar in San Francisco--we're organizing that now--purely for wine judges who are going to judge at the San Francisco Wine Fair. That's a very prestigious group with good palates. We're not complaining about their palates, but we do think they could use some background on what constitutes quality characteristics in sparkling wine and why it is different. So we're going to do some really fun things like taste a sparkling wine where we've debubbled it, against when it has bubbles, to show what happens with bubbles.

We can do that better as the CMCV, I think, than we can individually, because if we bring wine writers and judges into Chandon--and of course they come here all the time--I think they always have an underlying feeling that we've got our own axe to grind. Not that they don't treat us seriously, but I think there's an underlying thinking, "What point are they trying to get across?" Whereas as a group I think we're more believable.

The beauty of this particular group is that there is very little disagreement about what constitutes quality and what you do to make a quality sparkling wine. If you put together a group of Cabernet producers, I think there would be a lot of difference of opinion. [laughs] So in that sense it's fairly easy to do.

Hicke: Do you plan to identify with the CMCV?

Wright: Yes. We've got a logo, and we're going to put it on our foil. It's going to take some time. You know, Champagne people have been at it for a couple hundred years, so we've got to have some patience here. But I think it's got to be done.

Difference in Perspective of Large and Small Wineries

Hicke: Let me ask you about the Wine Institute and the split between the small and large wineries. Were you involved in that?

Wright: No, only in a peripheral way. I think it's really tragic. It's a really serious thing that's occurring, and it seems to be getting worse, too--this apparent split between small and large. Then there's the whole question of what is small and what is large. Some of these people who present themselves as family winemakers are not small wineries at all. I think the Wine Institute in the past has attempted to do things for which it is not terribly skilled in terms of its background, particularly in some of the public relations areas, et cetera. On the other hand, I don't think there's a substitute for the Wine Institute as a spokesperson for California wines in general and certainly in terms of governmental regulations, trade relations, and all this. There's just no substitute for the skills that John De Luca has and the staff and what they've done over the years.

I think they might not all be small winemakers, but they're small-minded people. By nit-picking away at certain things, all they're succeeding in doing is creating a disarray at a time when we just don't need that. The first thing that came in when I was on the Wine Commission, was the small winemakers said, "We're paying more for dues than the big people are." Sure, they're paying more because their grapes cost more. We do, too, actually. But what they pay as a percentage of the value of their product is very much less

than what Gallo is paying or The Wine Group and so forth. But that didn't satisfy them, no, no, no, so all sorts of concessions were made to them.

It isn't as if all the small winemakers are united; it's just a few in there--and most of them aren't small winemakers--who just have some beef. Basically what they're trying to get is some sort of a preferential advantage, and they're playing this up. Apparently, as of today they're in Sacramento trying to get the sparkling wine tax in California raised from thirty cents to forty cents, but with small sparkling wine producers being exempt from this. To what end? Very definitely it's to keep their taxes down, because they don't make sparkling wine.

Hicke: They see that the tax is going to be raised somewhere, so--

Wright: Right. Traditionally we have paid thirty cents a gallon in California versus one cent a gallon for table wine.

Hicke: Yes, why is that? Why is sparkling wine taxed so much more?

Wright: Because at one time it was considered a luxury product and had a luxury tax on it.

That isn't really very helpful on their part, and they're playing this role, "We're small, old, humble, country, family winemakers." As somebody said to me on Friday at a symposium in San Francisco, "You mean limited partners are part of the family?" In most cases, it's just that they're not structured as a corporation, but they certainly don't act like and aren't run just by a little, old family by any means. Plus, there are some family-owned companies in this business that are very, very large--Gallo, Sutter Home, Robert Mondavi; by no means is the wine business dominated by corporations.

It isn't a matter of corporate versus family owned. I don't really know what it is, other than the fact that there are a few people out there, some of whom genuinely feel they are small, and therefore their interests aren't being properly represented. If that's true, they don't have much of a beef, when you really look at who pays what dues and who gets what sorts of services. I think another part is very politically oriented types of people who are just trying to get something for nothing, and that really annoys me.

Hicke: So there isn't any great dividing line, but maybe some special interests that feel they are unhappy?

Wright: Yes. It's almost a case-by-case basis. Barry Sterling of Iron Horse, for example, saw me on Friday. He said, "Gee, do you know any of the political people in Napa?" I said, "Sort of. I know Mike Thompson." He said, "Would you please get to him? This is really ridiculous, what's going on. I, of course, qualify under this because I only make so many gallons a year, but this is absolutely crazy. It's tearing the industry apart." And there are a lot of small wineries like Barry's that are in total agreement with that, but there are a few people, and they're not all small--

Hicke: Didn't Hiram Walker [Distillers] leave the Wine Institute?

Wright: I think so. Yes, they did. So they'll get something for nothing. They'll get all the benefits, and they won't pay their dues. I don't really know what the outcome of that is.

Hicke: There's probably no good answer, either.

Wright: Clearly the best was when we had the Wine Commission, because that was mandatory, so everybody did it. That was unfortunately killed by this same group of people.

Gazing Into the Crystal Ball

Hicke: Let me just ask as a wrap-up question how you see the future for sparkling wine and for Domaine Chandon.

Wright: Looking at my crystal ball, the particular climate out there right now is not dismal, but it's not great. Unquestionably there is, to the entire wine business, a challenge and a threat from anti-alcohol forces. I happen to believe that it's not really a conspiracy. I'm sure there are some real dyed-in-the-wool Prohibitionists out there, but I don't think that's a big deal. I think the biggest challenge and threat we have is people feeling, believing, that the consumption of wine says something bad about you: if you're seen drinking a glass of wine at lunch, there must be something wrong with you; it's not appropriate, proper corporate behavior. I see that as the most serious threat.

Along with that I think there is a very legitimate concern about health, longevity, and lifestyles. The thing about wine is that it, as a beverage in the beverage alcohol spectrum, is probably more benign or less likely to be abused, for different reasons, than either beer or spirits. Beer tends to be abused because it's a young people's kind of thing, and they tend to be abusers of everything because they're young and figure they're going to live forever. I remember that the Black Jewish mayor of Charleston, South Carolina--quite a fascinating guy--said we could solve the crime problem in this country by eliminating everybody from the ages of twenty to twenty-eight. [laughter] Once they get to be thirty-five, they're not criminals anymore. And spirits are something else again.

That's the good news. The bad news is that wine consumers are much better educated, by and large, and are at the upper end of the socio-economic spectrum for the most part. They're the ones who do recognize that lifestyle and how you live your life are going to affect both the quality of your life and the longevity of your life. They are more likely to be swayed by media and things like this than somebody in a lower socio-economic level who tends to not tune in on some of this. So even though we're, say, the beverage that's least abused, our consumers are more likely to be swayed by the fashion of the time, so to speak. Now, that has a way of coming back, too. I do think that over the longer term people who drink our products will recognize that abstinence of the product doesn't insure--in fact, it might even be less healthy to abstain altogether than it is to enjoy the product.

That's certainly a challenge. I think the actual numbers that have affected us, specifically in the sparkling wine business, have been more the significant intake of champagne and sparkling wine, specifically at New Year's. I think that's more a "driving under the influence" influence on people. If they stay home, they figure, "Why pay for a bottle of champagne?" I think we could counteract that negative influence over time by more and more recognition that "champagne" is a wine that doesn't require a big-deal celebration; it's got its own flavor profile. It's a really nice wine to have with food, particularly lighter cuisine. It's always going to be a little bit of a big deal, which is good.

I think the present downturn, which there definitely is at all levels of the sparkling wine business, is not necessarily a permanent, ever-declining type of problem. Right now the economy isn't helping, and the attitude--I don't think it's going to last forever, because I don't think it's inherent in the human psyche, but there's just a big guilt trip on a lot of people. You're not supposed to have any fun anymore; you're not supposed to be seen having any fun. Really! That isn't a hundred percent, but it's pretty pervasive in a lot of places.

Actually, I think the future is pretty bright, but I don't know when it's going to get here. [laughter] It's more a matter of timing. It's difficult for us and for all of the people who make wine with any sort of aging profile, because we've got to look three years, four years down the road. Right now the present situation would say we ought to pull back on grapes, pull back on production, and get our inventory down. And we're doing a bit of that. My only concern is that by the time that happens, things will turn around, and then we won't have enough. [laughs]

Hicke: You really do need a crystal ball.

Wright: Seeing the whole thing is impossible, so it's pretty useless to spend a lot of time trying to figure out what the future is going to be like. Peter Drucker, who I think as a writer is still one of the great philosophers of management, always said, "You can't predict the future. All you can do is make decisions today so that you'll have a future." You've really got to look at that and not spend too much time trying to forecast things that are not predictable.

Hicke: Maybe that's a good note to end on, and I'll let you go back to making your decisions.

Wright: Whatever they may be.

Hicke: Thank you very much for a fascinating and informative interview on Domaine Chandon and the sparkling wine industry.

John Wright being interviewed for oral history, 1991

Photograph by Carole Hicke

INTERVIEW WITH EDMOND MAUDIÈRE

I BACKGROUND

[Date of Interview: September 11, 1991]##

Hicke: Can you tell me when and where you were born?

Maudière: I was born in a small town in the Champagne region of France called Aÿ. It's a very short name. I was born in that small village after ten generations on my mother's side, and the next village, which is called Mareuil sur Äy, was the home of my father's family for eleven generations before me.

Hicke: That's wonderful!

Maudière: There is an exception. One of my great grandfathers brought a fiancée from Vienna, and this is the only foreign intrusion in the family.

Hicke: And you grew up right around there?

Maudière: I grew up in Aÿ until I was nine years old. Then I went to Épernay, which is less than a mile from Aÿ. I went to secondary school there, and then my family moved to Rheims, where I studied at the university. Then at Dijon and Beaune I studied viticulture and enology, and microbiology in Paris.

Hicke: Then where did you go?

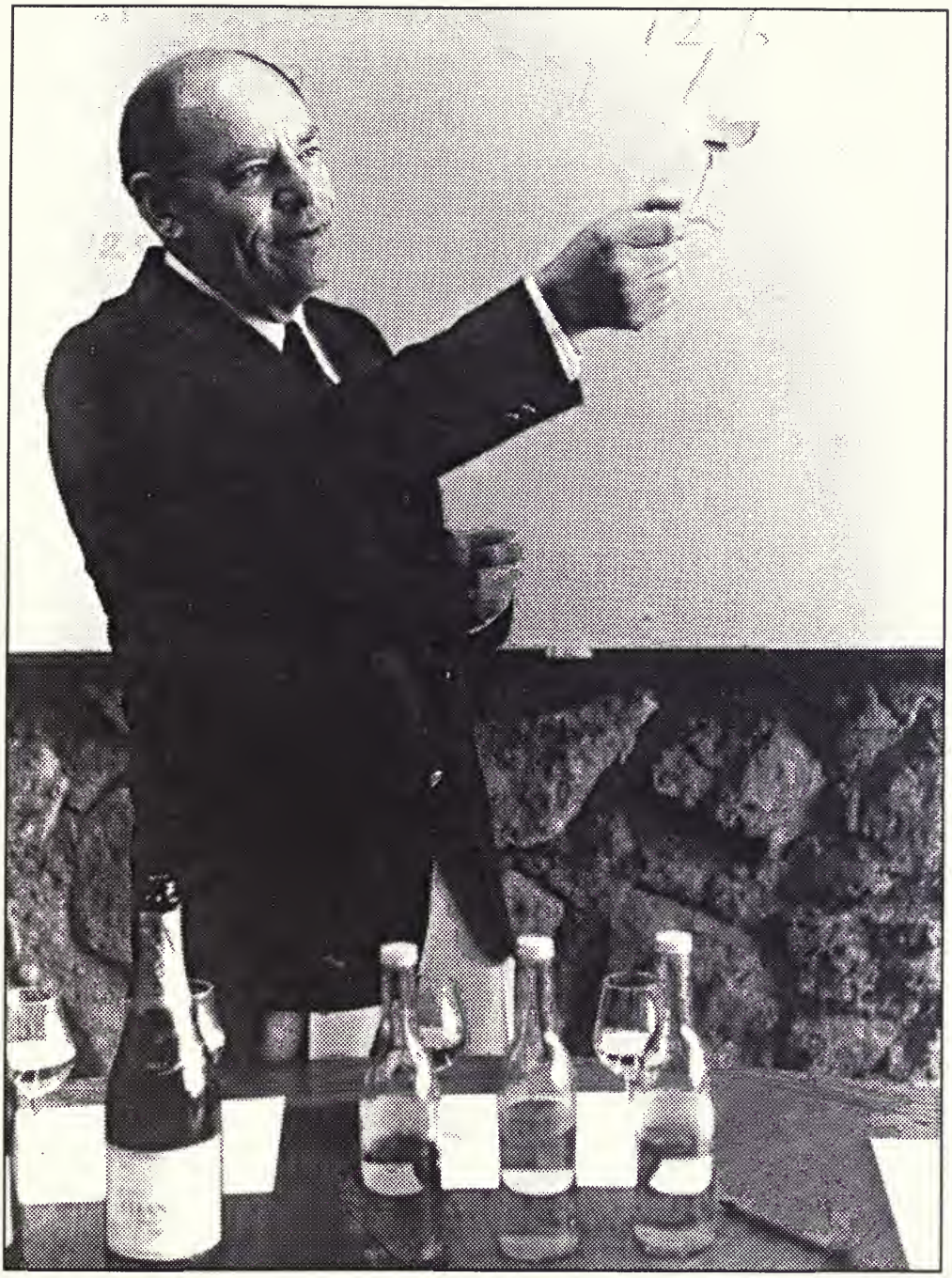
Maudière: My first job was in Épernay at a Champagne house whose name was Mercier. Mercier merged with Moët & Chandon, and I became one of the Champagne makers of Moët & Chandon.

Hicke: What were you doing for Moët & Chandon?

Maudière: I've been the enologist, taking care of the winemaking at Moët & Chandon. I was lucky to come to California when our president had the idea of creating a second winery out of Épernay. The first one had been created in Argentina something like fifteen or twenty years before [the one in] California. That was the first experience we had in a foreign country, and then we created Domaine Chandon here in '73. Since then we have been growing.

Hicke: What did you think of the idea when you first heard about it?

Maudière: I thought it was a very good idea. When we went to Argentina it was for different reasons. We went there because in Argentina, Champagne had 1,200 percent tax, so nobody was able to buy a bottle of Champagne in Argentina. Here in California we came for a different purpose. Champagne is a very small district (83,00 acres), and the *appellation contrôlée* [highest rank in categories of French wine] does not give to the Champagne houses or to the growers [the right to acquire] more than a few hectares every year, so we can't expand. So we decided to expand outside of Champagne. I think there are customers everywhere in the world for sparkling wine and Champagne, and we wanted to export our knowledge in Champagne making. That's why I was sent here to create, generate, Domaine Chandon.



Edmond Maudiére
ca. 1990

II DOMAINE CHANDON

First Responsibilities

Hicke: What was your specific responsibility when you came?

Maudière: My responsibility was, first of all, finding the right grapes. I have to say that I never tried to imitate what we were making in Champagne; I wanted to make the best sparkling wine here. I wasn't sure that the best grapes were the same ones that we used in our country.

Hicke: Would that be a difference of *terroir*?

Maudière: Everything is different. First, the position--south, on the parallel [latitude] that goes to southern Madrid in Spain, so it's much warmer; it seemed to be much warmer, but in fact it is not. I will explain to you why. There is more light here, and the soil is not the same. We have here microclimates, but they are different from the ones in Champagne. The rainfall here is not the same; it's the same amount, but it doesn't fall for seven or eight months like it does in Champagne. Here it falls between November and March, so it's concentrated in a few months. And the humidity is not the same. We have greater humidity at night than in Champagne, but during the day it's very dry. So it's not the same balance.

The outside temperature is mostly the same; if you add the nighttime temperatures and the daytime temperatures, the average is the same. It's funny, but it's not distributed the same way. In Champagne, for example, we have temperatures just now--I called yesterday--of around ninety degrees during the day. Normally it doesn't cool off at night; it stays around eighty-

five. But here, when we have the same daytime temperature, we have much cooler nights than in Champagne.

Hicke: The fog?

Maudière: The fog, the humidity--which helps; it allows the vines to live in great shape. When you see the color of the leaves, you know. We don't even need irrigation; people here in Yountville have beautiful vineyards, and many of them are not irrigated. Vines are the strongest plants in the world, so they find moisture deep in the ground if they need it. In Algeria, I have seen vine roots thirty meters long--that's roughly a hundred feet long--for finding some moisture, even a drop. The tendency here has been to irrigate to get bigger crops, but we could avoid it.

Hicke: We may have to in the future [referring to present five-year dought in California].

Maudière: Yes. We don't need those big crops; we need good crops. With any fruit, like pears or apples or any others, you have the [given] potential for a crop. The quality of the fruit divides the basic potential. So if you have a big crop, the fruits are less fruity, have less sugar, less of any element. If you have less fruit, they are better. The vines are the same as any fruit tree; so when you irrigate to produce bigger crops, they are not as good as they would be if they were smaller.

Grape Varieties

Hicke: How did you decide what grapes to plant?

Maudière: I tested lots of still wines on the market, and I found that Chardonnay was very good and Pinot Noir was also very good. There was some Pinot blanc [grown] here in the valley, just a few acres. We had Pinot blanc Champagne fifty or sixty years ago, and it disappeared because it is a vine very sensitive to frost, and it doesn't live well in very cold climates. I was very happy to rediscover the Pinot blanc.

In the beginning in my experiments I used Pinot noir, Chardonnay, and Pinot blanc. It gave us the real base for the future of Domaine Chandon.

Hicke: Where did you find the Pinot blanc?

Maudière: In the valley. There was a small vineyard called Lyncrest, above St. Helena on the west side. There were two or three acres, maximum four acres, of Pinot blanc, and that's where we got our wood. When we grafted the first vines, we grafted Pinot blanc from Lyncrest. We grafted something like two hundred acres of Pinot blanc, because we were able to [easily] find Chardonnay and Pinot noir, and I wanted to have the Pinot blanc.

Hicke: Is that similar to the Ugni blanc or the Folle blanche?

Maudière: No. It's not the same family, but it's close to the Chardonnay. But it has a different taste.

Hicke: What does it add?

Maudière: It has what I call a middle body. It's a very protein-rich wine, and we need all the forms of colloids in a sparkling wine. First of all, the yeast in the second fermentation need proteins. It's the support of the bubbles, too. It gives what we call superficial tension to the wine. It keeps the beautiful crown of foam. If you destroy the proteins by wrong vinification, you don't have bubbles and you do not have that crown of white foam on the glass.

Hicke: It sounds like a matter of chemistry or microbiology.

Maudière: Yes, it's microbiology. More than any other wine where you have second fermentation, you have to be very precise and use natural yeast that has been selected and grown and acclimated to the wine, to the pressure and to the temperature.

Yeast

Hicke: What kind of yeast do you use?

Maudière: We use *Oviformis bayanus* for different reasons. *Bayanus* is a yeast which supports high pressure, cool temperatures, and is very clean. I mean, the yeast doesn't have to give any taste. People are confused; most of the time they think that yeast brings a taste or an aroma to the wine. That's wrong.

Hicke: They think of it as being like yeast in bread?

Maudière: Yes, but that's wrong. If yeast brings any taste or strong aroma, it's the wrong yeast. You have to taste wine and nothing else. That's what *bayanus* brings--clean fermentation, and it's a big yeast. It's twice as big as our regular *Oviformis*. When you have to have a second fermentation in the bottle, it's heavy, and for riddling the bottle, it slides faster than any other one.

Hicke: Another advantage.

Building the Winery

Hicke: [walking out the door of the new offices and heading for the winery] Did you have anything to do with the building of the winery?

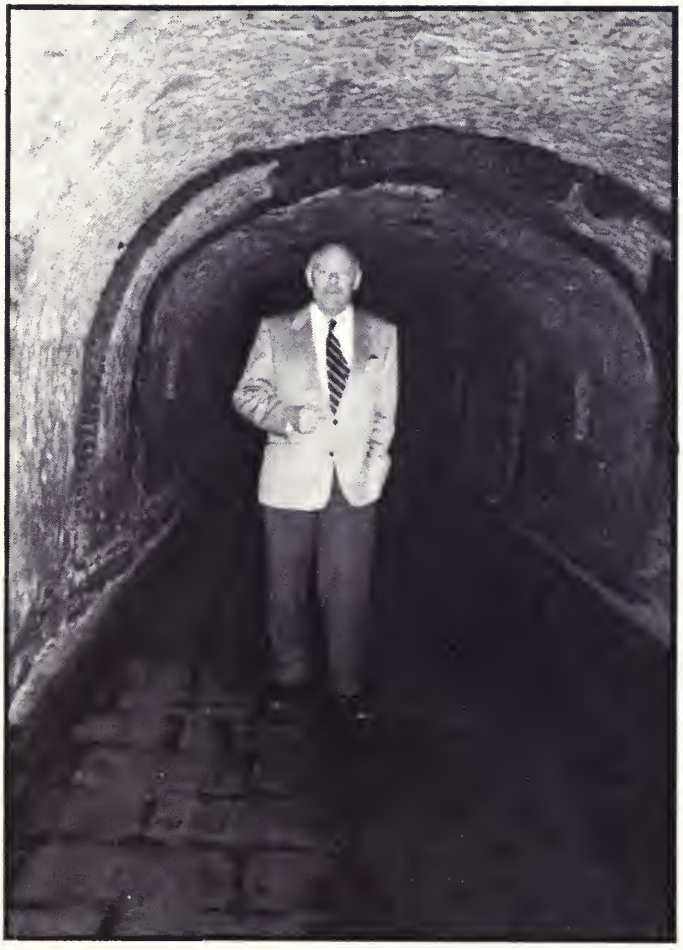
Maudière: Yes. My mother's father was an architect, and my mother wanted me to be an architect. For three years I went to the [Ecole des] Beaux Arts and studied architecture, but only for a few hours a day during my secondary school, from five to eight p.m. every day. I like architecture, and I like to design and make drawings. The architects who were in charge of conceiving the building [used] a couple of my ideas, such as the idea of a Y shape.

Hicke: Why was that?

Maudière: Because you can expand any branch of the Y. One branch can be the tank room, a cellar; another can be the riddling area, the platform, and above you have the disgorging lines; and the warehouse. As you get bigger and bigger, just expand any branch. In the middle of the three branches, you put the offices and lab. But the environmentalists didn't like the idea. They wanted us to be lower than the hill which is behind the building, so the Y became a round shape. Two branches were bent, making a long curve, and the office was one branch of the Y. That's essentially the shape of the building.

One thing was very surprising for me: we got all the stones from the ground here. One man, a hippie, with a horse extracted all the stones you see in the walls.

Hicke: From your own land here?



Edmond Maudiére in the fifty-four kilometers of tunnels that store Champagne under the town of Epernay, Champagne, France. 1992.

Maudière: Yes, from our own land. The thing that surprised me was the fact that we built the walls flat on the ground. You put a layer of sand on the ground, build the stone wall flat on the sand, then iron bars, and then you put on concrete. After four weeks, when it's solid, you take a crane and lift the walls. Suddenly, in one day, all the walls were up. Starting from the flat land, suddenly the appearance of a building in one day. Due to the risk of earthquakes, we couldn't have those beautiful stone walls [put up vertically before the concrete was poured] in case of an earthquake happening during the four weeks before the concrete was solid. So we thought of the idea of pouring the concrete on the back of the stones [while they were lying on the ground].

Hicke: You probably don't have to worry about earthquakes in Champagne.

Maudière: No, not at all.[1].

Hicke: Are there other wineries that you have seen that were designed in this Y shape?

Maudière: No.

Hicke: This was your own idea?

Maudière: It was my idea. The arches are made in the shape of our cellars in Épernay. They are the same five meters by five meters--about fifteen feet by fifteen feet--as the cellars of Épernay.

Hicke: They are so beautiful, as well as having a historical reference.

Maudière: I'm especially happy with the wood.

Hicke: What kind of wood is this?

Maudière: I think it's pine.

When we founded Domaine Chandon, there was no local history, so we decided to bring a few artifacts from Champagne to connect Domaine Chandon and Moët & Chandon. We brought this

---

[1]The tunnels under Épernay are enormous. Moët & Chandon alone owns some 54 kilometers of cellars storing 114 million bottles of Champagne. Fortunately, there are no earthquakes.

old press, which is more than 250 years old. [Points to old press in courtyard.]

Hicke: It's really beautiful. What kind of wood is that?

Maudière: It's oak. It's the ancestor of the presses we use today. When I found it, the vintner behind it was still pressing the grapes on it. That was approximately twenty-five years ago. He didn't want to sell it. He said, "No, I'm using it." So I found a used, modern press, and he was so happy. He said, "Oh, good, a modern press," so I got it just by exchanging it for a used press.

Hicke: It adds so much interest and beauty to the courtyard.

Maudière: There are other artifacts that make a kind of museum that I brought from our museum in Épernay.

Hicke: That's nice, because it establishes the ties between Champagne and Napa.

Maudière: That's right.

In the Winery

Hicke: [inside the winery] My first question is why the tanks are horizontal.

Maudière: It's an interesting one. We've done experiments on horizontal and vertical tanks. In blind tastings we always pick the horizontal tanks. There is a scientific explanation for that. We always use the same diameter, roughly a ten-foot diameter. You can have a tank of fifty thousand liters or a hundred thousand liters or a hundred fifty thousand liters, and you always have the same diameter, which means they always come out at the same temperature. When you have a vertical tank, the calories are added [toward the top], and with the same capacity--for example, a hundred thousand liter tank would be forty feet high, so you need more refrigeration for the same capacity in a vertical tank than in a horizontal tank.

Hicke: Because it gets warmer the higher it is?

Maudière: Yes. Which means that the fermentation is not as consistent as in a horizontal tank.

Hicke: So these help maintain the consistency?

Maudière: The consistency, the regularity of fermentation. How can I explain it? Fermentation starts at the bottom, where most of the yeast we inoculate settles for a short while. Then the fermentation rises vertically, and convection--[indicates with his hands that fermentation rises and circles outward and downward].

Hicke: They spread out at the top and go around?

Maudière: Automatically, constantly. They don't stop blending, so it's very consistent.

Hicke: That doesn't happen if the tank is vertical?

Maudière: If the tank is vertical, the convection takes place only in the upper part. I have been inspired by the breweries. They always use horizontal tanks, and they have a very precise fermentation.

Hicke: You can actually taste the difference?

Maudière: Oh, yes.

Hicke: I never thought about the breweries using horizontal tanks.

Maudière: That's why vertical tanks are used for quick fermentation.

Hicke: Is this the only place where horizontal tanks are used?

Maudière: No, I used horizontal tanks at Mercier. That's where I did all the research on horizontal tanks. I don't know about any other places.

Hicke: How about the winery in Australia?

Maudière: No, because it's very small. We have a few vertical tanks, but it's a small winery compared to here. In Australia there are only about fourteen and a half million people, so the market is very small. There are just two big cities, and that's Australia.

Hicke: [walking through the winery] It always smells so good in here.

Maudière: The fermentation started a few days ago, and it smells wonderful. I've been through fermentation in Argentina, Brazil, and Australia, but [here] this is the right time of the year. When you are south of the equator and harvest in February or March, it's like being in another world. It's not the same. Here it's close to fall, and the smell is wonderful, especially this year.

Hicke: Why this year?

Maudière: It's probably due to the long ripening.

##

Hicke: You were just talking about the cleanness and the delicacy.

Maudière: Yes, the cleanness and the delicacy of the aroma during fermentation. I don't say it's like Champagne, but it's the kind of weather we normally have in Champagne--long ripening, much longer than here. [This year] it's not the same, but it's close.

We're right in the middle of the Pinot noir and the Chardonnay [grapes]. We received today Chardonnay [looking at chalk board].

Hicke: You buy grapes?

Maudière: Yes, we buy grapes. I was talking to [John] Trefethen, and he was the first one to sell grapes to us for several years. Our vine grapes were just planted, and they didn't produce grapes for four years. So we bought grapes starting in '73--good ones--and the first one to sell us grapes was Trefethen. We still have contracts with him.

There is a reason for having growers. I always compare making sparkling wine or champagne with painting. You can paint with the four basic colors, you can blend them and mix them to make the colors you have in your mind. Making champagne is the same. You can have four vineyards--because we use four varieties--or three vineyards, and blend them, but it is very difficult. You can blend them, but still you don't get precisely what you are expecting. If you have ten vineyards it makes things easier, and if you have twenty it's even easier. The wine is very complex, and the complexity is an addition to the taste.

When you have, like we do, four main vineyards--Yountville, Carneros, Mt. Veeder, and Dos Rios--we could produce the bottles that we produce, but it would take eight or ten weeks of blending. But having additional growers who are not located in the same region--same spot, same entity, same soil--gives us all the complexity we need, so when we blend it's easier.

Hicke: Do you know the characteristics of each different grape so that you know what you want?

Maudière: Yes.

Hicke: You say, "I need some more from Trefethen," or, "I need some more from Mt. Veeder"?

Maudière: Yes. Here [looking at chart] we have a list of the shipments from other vineyards today [showing grapes] for Domaine Chandon. [reads list] Carneros, planted in '89; Carneros, planted in 1983; and Mt. Veeder, which was planted in '84. But we don't call it '84; the number you see on the list is the number of the piece [of land]. At Carneros we have several big pieces, and they are listed by the dates when they were planted--'89, '83. At Mt. Veeder it's older vineyard. So that's what we have today [in grape shipments].

Hicke: I see. It's all up there on the chart.

Maudière: When we started we had no winery. It was something like experiments in a garage--John Wright's garage on Mt. Veeder [referring to new businesses such as in electronics that started "in someone's garage"]. John Wright had a piece of vineyard himself. There was free land surrounding the place where he had his vineyard, so the first piece of land we bought was on Mt. Veeder. I started my experimentations in a garage. There were a few bottles and several blends. It was an office, a cellar, the lab.

Then when we had the contracts with Trefethen we had a beautiful old winery which hadn't been used since Prohibition. We had an agreement. They didn't rent the winery to us; they said, "Use it; put some concrete on the ground, bring in the electricity and water, and you can use it for several years." We used it until '76, and it gave us the opportunity to work on the architecture of this winery--buying tanks, preparing everything perfectly. It was very nice.

A very funny thing: there was no cellar. Where to put the bottles? We ended up with 200,000 bottles on the second floor. Some people from my company came and I said, "Shall we go to the cellar?" Where could I mean? They said, "Where is your cellar?" I said, "On the first floor."

Hicke: Upstairs!

Maudière: Yes, that's what we call the first floor [in Europe].

Hicke: I bet they were really shocked.

Maudière: Oh, yes. We had air conditioning, the temperature was perfect--ten degrees Celsius night and day.

These [offering a grape to taste] are the Pinot noirs. Sweet and good.

Hicke: They're wonderful.

Maudière: I'm going to talk again about Trefethen. In Champagne we pick grapes by hand, like those [Pinot noir grapes] have been picked by hand. At Trefethen they had the first harvester machine, so we experimented with machine picking. I was not very satisfied by the juice, which was pink colored. In Champagne, when we have a hot year we pick very early in the morning, between five a.m. and ten a.m., and then we stop. When the grapes are cold, the cells of the skin don't open, so the color stays in the skin and the juice is not colored. So I said we should try picking the grapes at night, and so we [here] were the first to pick by machine at night. Since then we have been picking at night.

Hicke: And now everybody is doing it.

Maudière: And now everybody does it.

Hicke: That's quite an important innovation.

Maudière: That was the first time that machine harvesting was done at night.. We wait for the right temperature, and then we start the machines.

Hicke: Do you have to have lights?

Maudière: Yes, and we have a machine driver, an assistant, a tractor driver--there are four people working with the machine, and

that's it. Again, that's due to the help of Trefethen. They have been very important in our development.

Hicke: I wanted to ask you about the Very Large Machine [VLM], too, and the riddling. I know that Moët & Chandon didn't think that large amounts of riddling could be handled here.

Maudière: In Champagne people used small machines--small compared to very large ones. We tried the same machines, and I wasn't satisfied at all, because the smaller machines work very slowly. They have an electric motor which, when it stops, takes time, because it's a heavy load of five hundred bottles. At the end of an axle, that's a heavy load. I said it was too slow. You know, when you riddle a bottle, the hand is giving a great thrust, a quarter of a turn, and stops the bottle. I compare it to a glass of water with powdered sugar. When you turn the glass slowly, the sugar follows the glass; if you turn it fast, the sugar stays in the same position. In riddling it's the same thing. If you turn it fast--that's why the riddler goes very fast. They turn, and they stop the bottle. The sediment stays in the same position, but the bottle [itself] turns around the sediment. That's what makes the sediment slide in the glass. [see explanation on page 138a]

Hicke: So you don't mix up the sediment?

Maudière: No, you don't mix up the sediment. With the small machines, the movement was too slow, just like turning the glass of water with sugar [slowly] makes the sugar turn with the glass. So I have been adding--compensating for this inconvenience--bentonite, but the bentonite has an effect on foam--on the ring [at the top of the glass of sparkling wine after it's poured]. So I said, "No, we should find a way to do exactly what the hand does."

The vice president of production here was a former aeronautic engineer, and I asked him if there was a way. He said there was a way to send an electric current in the other direction, and we stopped the [turn], but we broke the machines. We broke several French machines; the axle was broken, and it was five hundred dollars every time. I said, "Now what do we do? We should have a perfect gyroscope."

He worked several months, and he came back one morning and said, "I have an idea. If you want to have a perfect gyroscope, you have to put more than five hundred bottles [in a machine]. What do you think of several bins?" I said, "Ooh, that's big," because it would be a minimum of eight bins, and that's four

thousand bottles. He agreed it was big. It gave birth to the VLMs, which are perfect, which have precisely the same effect as the hand. What we have done is send an electric current, not only to stop but to go the other way. It can be fifty times a second. It's even more efficient than by hand.

Hicke: Weren't you afraid to try that many bottles the first time?

Maudière: No, because it was so well balanced. You can handle it with your hands--four thousand bottles.

Hicke: Really. And you didn't lose any?

Maudière: No, we didn't lose any, and we didn't have to use bentonite in the bottle. I don't like to use any addition in a wine; I want to keep the wine pure, 100 percent wine. You have to concentrate a little more during the harvest, taking care of the grapes, knowing what they are going to do, how they can ferment, what kind of wine they will make; and using different temperatures--settling longer or at different temperatures. [If you do these things] you can handle the wine without using additions of chemicals, [which is important] especially now, as people are very aware of elements of the wine. They have to be very pure. You have to concentrate on the handling of the grapes every year for fifteen days or three weeks during the harvest, but it pays.

Hicke: Are these machines in use anywhere else?

Maudière: Yes, I think so, because there is no patent.

Hicke: That's too bad.

Maudière: Well, I think if it can help others--.

Hicke: That's very generous.

Maudière: I think we have to share our knowledge. We have no secrets. Even competitors have free access to everything. It's the best way. You don't progress if you are alone; you have to exchange and to listen to what the others say. You can have trouble, [and if you are] using the same machines, they can tell you all their troubles; we talk and exchange, and we progress, all of us.

When I came here to the valley, I visited all of the wineries and the few sparkling wine wineries, and I consulted

[made suggestions for] them. They said, "Why are you consulting [for] us? And you don't even ask for money." I said, "Because if you produce bad sparkling wine, it will be a bad Napa Valley sparkling wine. Nobody will say it's a specific winery name, but all of us will suffer." They said, "Oh, that's a different approach." They had never heard that before. I have become very good friends with my colleagues in other wineries because I was giving them advice on the way they were making wine or handling their bottles or riddling them.

Hicke: I think you've brought not only sparkling wine but a very helpful philosophy to the valley.

Maudière: Yes.

Winemaking

Hicke: I know you were responsible for all of the equipment as well as the architecture here at Domaine Chandon. What other equipment did you bring in?

Maudière: There was no special equipment. Most of it was equipment that we have been using in Champagne for years. What I brought here was a different conception of winemaking, first of all. We are not in Champagne, where we are protected by the *appellation contrôlée*. Here there is no appellation. We are free to do anything. In Champagne you are surrounded by so many laws on everything--on planting, the type of rootstock, the number of vines per acre, the crop per hectare, the pressing. Here we are free.

I said, "This is a very good thing." It's what I would like to have in Champagne. It's the possibility of changing every year, because years are never the same. Grapes are juicier or drier, or they have thicker skins or more color. So instead of judging by the weight and extracting 66.66 percent--you put one metric ton on the press and extract 66.66 liters--with no chance whatever [to vary that] from year to year. But here, if [the grapes] are juicier--we have what we call the "free run." You press very carefully, with very light pressure, and extract the "free run." You can extract in Champagne 50 percent in the first extraction. Here, depending on the year, we extract 40 percent, 45 percent, 52 percent. We are able to control everything with precision. For example, what I have

done here--I wanted to do it in Champagne, but I had no right to do it, so here I have done it with great success.

We have sold what we call the *taille*, the press wine. We press roughly 50 percent--or 45, 48 percent. We extract then 2 percent, which is called the first press, or the *première taille* in French. We don't extract the rest of the wine on sparkling wine presses; we extract the rest of the juice on a continuous press, and we sell the juice in bulk. So we have no waste of the same juice, which is less good than "free run," which is being used in a blend. No waste. You see the tank trucks every day here.

Hicke: They're taking the bulk?

Maudière: Yes, taking the bulk juice at the end of the pressing. I'm so happy to be here, with this way of doing it.

Hicke: In Champagne do you make a different style or kind of wine for export than you do for local consumption?

Maudière: No, not at Moët. Some do, but we don't. It is the same cuvée, so you can find the same *brut imperial* vintage in the French market, in the German market, in the Swiss market, in the English market, in the American market, or in the Japanese market.

Hicke: How do you differentiate the French Moët & Chandon Champagne from the Domaine Chandon sparkling wine for marketing?

Maudière: First of all, they don't taste the same. Also, I was aware from the very beginning--I told you I did not want to make a copy of Moët. There is a possibility of making a copy, but an imitation is always an imitation. So all the qualities of Napa made a different product. I insisted that all the blends that I've made up to now have a different characteristic--with Napa really showing in the cuvée.

Hicke: So you really set out to make a Napa Valley wine.

Maudière: Yes, two different products. I have friends in San Francisco who have both cuvées, and they don't use the Moët at the same time--for the same purposes--as Domaine Chandon. So we are not competitors. First of all, there is a price difference, which is very important. We sell Domaine Chandon for about thirteen dollars a bottle, and Moët is sold for thirty dollars.

If I had made an imitation, the imitation could have been better than the Moët, so we would have sold Domaine Chandon and no Moët. The other way around, it could have been, "Oh, that's a poor imitation of Moët." People recognize that Domaine Chandon is very good and Moët is good, but for different occasions. They are two different wines. Another thing: I made a Blanc de Noirs, which is not made in Champagne.

Hicke: Oh, really?

Maudière: Well, some do. After coming to Napa, they discovered the Blanc de Noirs. [laughs] It was 100 percent Pinot noir when I made it for the first time and had some of what we called blush. It was the first use of the word "blush" for wine. Now it's highly in use.

There was what we call an oeil de perdrix [eye of the partridge--pink]. In Champagne, when the Pinot noir cuveé is slightly pink or amber, we call it an oeil. I don't know where that comes from. When I made the first Blanc de Noirs, we had a visit from the president of Moët, and I wanted him to taste the still wine--the cuvée--ready to be bottled. He said, "Oh, it's an oeil." I said I did it because I liked the color, and he said, "You're not going to sell one bottle in the American market. They don't like pink wine." I said, "This is not pink wine." John Wright was there, and I said, "Anyway, you are not here to give me your consent. You sent me to Napa to produce something-- " I'm very specific with him. So he said, "Okay, okay." [laughter] John Wright later said, "Oh, you were so strong." And since then, it has been a success, you know--Blanc de Noirs, especially with people coming from Champagne.

##

Maudière: I was saying that it has been a success. We started with it being 10 percent of our sales, then it became 20 percent, 30 and 35 percent. People from Champagne come here and buy cases of Blanc de Noirs. I was very proud of our innovation.

Hicke: Indeed, to get people from Champagne to come here and take it back.

The Very Large Machines: Riddling

Maudière: I want to go to the VLMs. [tape off while walking through the winery to the riddling machine area]

Hicke: How many of these VLMs do you have?

Maudière: Thirty-two. We could riddle eight million bottles a year.

Hicke: How many do you do?

Maudière: A little more than five million.

Hicke: That's a lot.

Maudière: It is a lot.

That [indicates] is the machine. [demonstrates that it can be moved easily by hand because of the delicate balance]. It's connected to the tension. A little less than four thousand bottles, because the bins are not precisely four thousand. Ah, the numbers are here [looking at posted numbers]. It's 3,840 bottles in each.

Hicke: It's all done by computer?

Maudière: Yes. [reads from computer printout] We are on program number twelve. It's the same cuvée. This one was step number seven; this one was step number eighteen. Step number eighteen has been loaded the same day. The angle, twelve, and the time. So we know that it was 8:32.6. Anyone can start at any time. Several times a day--normally two times, sometimes three times a day--it shakes, turns, shakes, and gives the angle.

Hicke: It's just programmed to do that automatically?

Maudière: Yes, automatically. Every week we do 160,280 bottles. I said thirty-two, but it's forty-two VLMs now.

Hicke: What kind of maintenance is required?

Maudière: Nothing. No maintenance. It's greased once a year. Two small engines, each the same size and same power as the small, five-hundred-bottle machine.

This is the motor, one of them.

Hicke: Oh, it's tiny. It looks about the size of a motorboat.

Maudière: Yes, and the other one is even smaller. It's in the back. [walks around to the back]. Here is the second motor in the back.

Hicke: It is even smaller. That's amazing.

Maudière: It works perfectly. [speaking to riddler] Do you have a bottle of *sur lattes*?

Riddler: You want a bottle before we put it in the machines?

Maudière: This one, just at the beginning. It has been riddled four or five times already.

Hicke: So each one of these [VLMs] has eight cases?

Maudière: Yes.

Hicke: Full of how many bottles?

Maudière: Normally it's less than five hundred.

Riddler: Four hundred and eighty bottles for each box.

Maudière: So multiplied by eight, it's 3,840.

This is the yeast. See that? Dead yeast. When you shake the bottle, that's what happens. [holding up bottle, demonstrates the effect of riddling on the yeast, which slides into the neck of the bottle] Due to the *bayanus*, it slides very well.

Hicke: It's going right down into the neck.

Maudière: I'm not doing it very well because I'm going too fast, but that's what happens. At the same time it swings, turns, and is balanced, so the sediment is sliding without leaving those yeasts that are left behind. It's perfectly clear.

Hicke: So the turn cleans one side of the bottle, and the shaking gets it sliding.

Maudière: Yes.

Hicke: Do the bottles make any difference--the color?

Maudière: The color doesn't make a difference at that stage. It makes a difference later on when the bottles are behind the window in the sun. You know, champagne or sparkling wine or white wines suffer from infra-red and u.v. [ultra-violet] rays. That's why we have green bottles, and most of them now have minerals in the glassmaking which filter u.v. and infra-red light rays.

What matters here is that if the bottle is not correctly made, you have a kind of orange skin inside. If you have an orange skin, the sediment doesn't slide as well. And we have an "ouch"! We have been fighting with the glass makers to make it really clean inside the bottles.

Hicke: So that's a problem?

Maudière: No more, but it could happen any day.

Hicke: So you have to inspect the bottles?

Maudière: We have to inspect the bottles before bottling.

Hicke: Each bottle?

Maudière: No, not each bottle; each shipment. A quality-control laboratory checks the bottles. If you bottle in a bad bottle, you discover it's a bad bottle three years later when the bottles are on the riddling racks or on the shelf.

Hicke: Do the bottles ever break in there?

Maudière: Less and less. [asks riddler] Do you discover broken bottles in the bins?

Riddler: Hardly ever. It used to be a problem, but now the quality of the glass has been a lot better. The quality-control lab keep on top of the glass quality all the time. They make sure they're getting good quality glass, and the minute they spot something inside of a bottle, they hold that batch of shipment.

Maudière: We return the whole shipment if one bottle is imperfect.

Riddler: Yes, because there is a danger of blowing the bottle when you open it or something, so it has to be a very, very good quality, as far as the glass itself is concerned. That includes the other parts, like the cap and the bidules, when they're in the

second fermentation. From here they go to the disgorging line and they get the cork, labels, and the little wire caps and everything that goes with it.

Another thing is, the bottle doesn't go through a lot of abuse, even though it's good quality glass and we trust it and handle it all the time. It's really good. In fact, I've seen cases where you get a bend where maybe the wood is warped like this [points out warped case]. We set it down, and maybe a bottle will slide out. It might fall from here [demonstrates] to here, and it won't blow up. It will just roll around. It shakes up the wine a little bit, but the bottle is good; it's good glass.

Maudière: And we have more than six bars--six atmospheres--[multiplies] at 10° Celsius (50° F.) it's more than 7.3 atmospheres at the temperature of the riddling room.

Hicke: Pressure?

Maudière: Pressure. That's 90 psi. Ninety at 10 Celsius, and a hundred at 60° F.

Hicke: Who makes the bottles?

Maudière: Owens-Illinois and a glass factory in Merced.

Riddler: There's one in Oakland; that's Owens-Illinois. They make most of it. Every now and then they can't keep up because of the demand, so they go to another source, which is Merced.

Maudière: We like to buy from two different glass factories. If anything happens to one factory--. I remember when we used to buy bottles from a Canadian glass factory, and one day they went on strike. We went two months without receiving one bottle, and we were stuck.

Riddler: It's good to have two different sources, as far as getting bottles.

Maudière: Okay, shall we go?

Riddler: See you later.

Hicke: That was great. Thanks a lot.

Can bottles ever be recycled?

Maudière: No. If you recycle the bottles, they get mixed with [bottles from] different glass factories. Sometimes they don't have the same diameter, sometimes they don't have the same height, and we have a problem at the level of the lines. And they don't have the same strength; if they have been used once, we get high breakage. We don't recycle.

Hicke: It's not worth it?

Maudière: No.

Hicke: [looking at the area of handriddled bottles] These are riddled by hand here?

Maudière: They are riddled by hand. I like to keep a few bottles riddled by hand due to the risk of earthquake. If we had an earthquake, and we only had the bottles on the big VLMs, we would be out of business. [The VLMs are balanced so delicately that an earthquake would cause great damage.]

Hicke: Is this the Reserve?

Maudière: No, it's the same cuvée, same blend. We keep three people riddling, so if anything happens they are able to continue riddling by hand.

Hicke: How many are riddled by hand?

Maudière: Oh, twenty or thirty thousand bottles. But instead of taking eight days on the VLMs, it takes three weeks on the riddling racks. It's riddled once a day here, and the VLMs can riddle two or three times a day, depending on the cuvée.

Hicke: Can you taste any difference if they're riddled by hand?

Maudière: No. Oh, this [referring to old riddling machine] is the one which used to break. The axle, which is here, used to break.

Hicke: So that's just for looks now--an artifact? [laughs]

Maudière: Yes. We don't take visitors to the VLMs.

Those [points to rack] are finished. We start with the bottles flat. Here, the bottles are flat [i.e., horizontal]. When the riddler riddles the bottles, he shakes them and lifts

them [so that they are tipped slightly more with the neck downward].

Hicke: So they're a little more tipped each time they're riddled?

Maudière: Yes. And they are balanced and then finished in that vertical, upside-down position.

Hicke: But the riddler has to know exactly how to do that.

Maudière: Yes, he takes a candle. Normally the best way for checking the progression of the sediment is to take a candle, one bottle, and he goes [makes banging sound]. This is what he does. With the shock, the sediment slides.

Hicke: Helps get the sediment down.

Maudière: Normally we riddle fifty thousand bottles a day.

Hicke: What?

Maudière: Yes. There are sixty bottles here, and you see the speed at which it goes. [demonstrates the riddling process]

Hicke: Oh, yes. How long at a time can you do that?

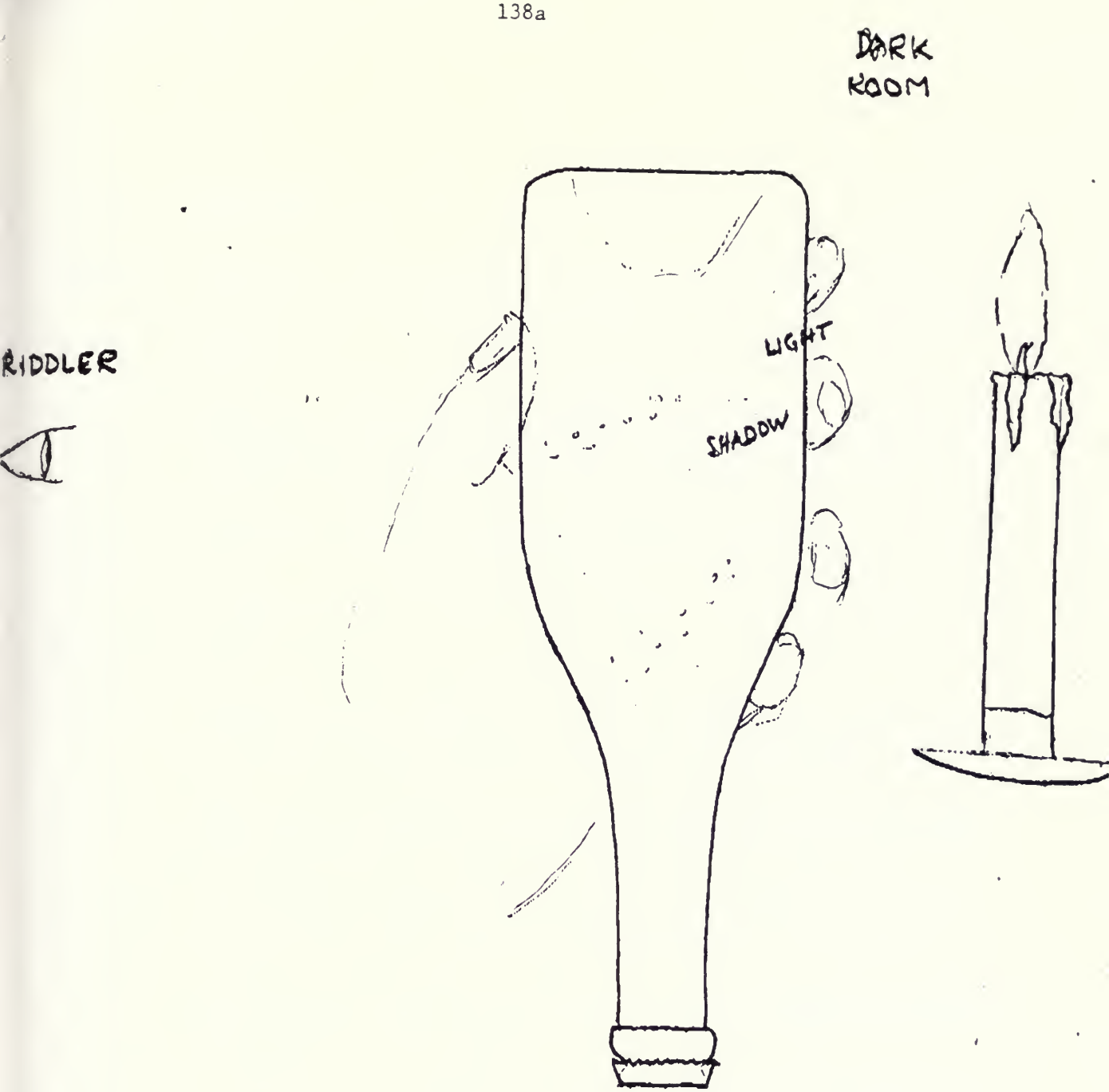
Maudière: You can do that eight hours a day. It's not tiring at all. [continues to riddle] That's it; sixty bottles have been done in thirty seconds.

Hicke: Well, I can see that it can be done.

Maudière: I've done this since I was little. I remember my father said, "If you want to have a vacation with us, you have to work every year." First year in the laboratory; second year with the barrels, which we still had then; and then in the riddling area with the riddlers. So I have done everything. My father said [at the end of the summer], "Okay, a good report, so you can come with us." [laughter]

Hicke: Where did you go on your vacations?

Maudière: We used to go to the Cote d'Azur.



Use of a Candle by the Riddler

Maudière: The riddler still uses a candle to check the turbidity of the Champagne in the bottle. He uses what is called the Tyndall Effect.

He takes a bottle upside down between a lighted candle and his eyes. He puts his left hand around the bottle approximately one-third of an inch between his fingers to let rays of light penetrate the wine under some angle. His fingers produce a dark background (shadow) on which the particles lighted by the candle's weak light appear. Under a stronger electric bulb light they don't appear. That is why the riddlers still use a candle light.

The examining has to be done in a dark room.

The Wines

Maudière: We should go to the Visitor Center and taste three bottles in front of us. Do you want to taste?

Hicke: Sure.

Maudière: [walking to Visitor Center; points to grapevines next to winery] These are planted here to show visitors the way we prune Champagne vines, the way we plant in Champagne--the rows, and the same height. Three varieties are here.

Hicke: Is there something different about the terracing?

Maudière: Oh, yes. In Champagne this is the way we plant and prune. This is Pinot noir.

Hicke: Can I try one?

Maudière: Oh, yes, please. This is Chardonnay--a little less acid. One Chardonnay is 12 grams of acidity per liter, the Pinot blanc is 10.5. That's close, but you can taste the difference.

Hicke: [sitting at a table in the Visitor Center] While we're waiting, let me ask you how the wines have changed over the years since you started here.

Maudière: First of all, there is a natural reason: the vines have aged, and the best wines come from older vineyards.

[to a staffperson] I'd like to have three glasses and the Blanc de Noirs, Brut, and a Reserve. I'd like you to leave the three bottles on the table.

Again, it's like a fruit tree; the best fruit comes from older trees. For the same reason there's less production, better concentration. When we bought the first grapes, most of the vineyards had been planted between '68 for the first ones to '70. We bought in '73, so they were not yet at their best.

I have a good example, which is Dom Pérignon. Dom Pérignon comes from an average of thirty-five-year-old vineyards, and some of them are more than fifty years old. Normally people replant their vineyards when they are twenty or twenty-five years old.

So it means you have a better concentration. You lose some crop, because instead of harvesting five tons per acre, you have three tons per acre; but what quality. That's why I think the first change has been due to the aging vines.

The second one has come from more complexity. When you produce a larger number of bottles, you need more grapes. So you buy from more vineyards in different spots, and it becomes more and more complex. That's the second reason why the wines have changed.

The third one is because after a few years we knew more and more. We never totally know, but we knew more and more about different vineyards and about the blends--how they age, what was the limit of using such and such instead of another. So the third reason is experience.

The fourth reason was the evolution of the taste of the customers.

Hicke: A little education going on?

Maudière: Twenty years ago Americans were not used to drinking sparkling wine as much as they do now, and they didn't have the same taste. They liked sweeter sparkling wines. I don't know if they liked it, but they used to buy tasteless sparkling wines. I don't know if it was the fashion or the production that imposed that kind of wines, but they were colorless, tasteless, sweet.

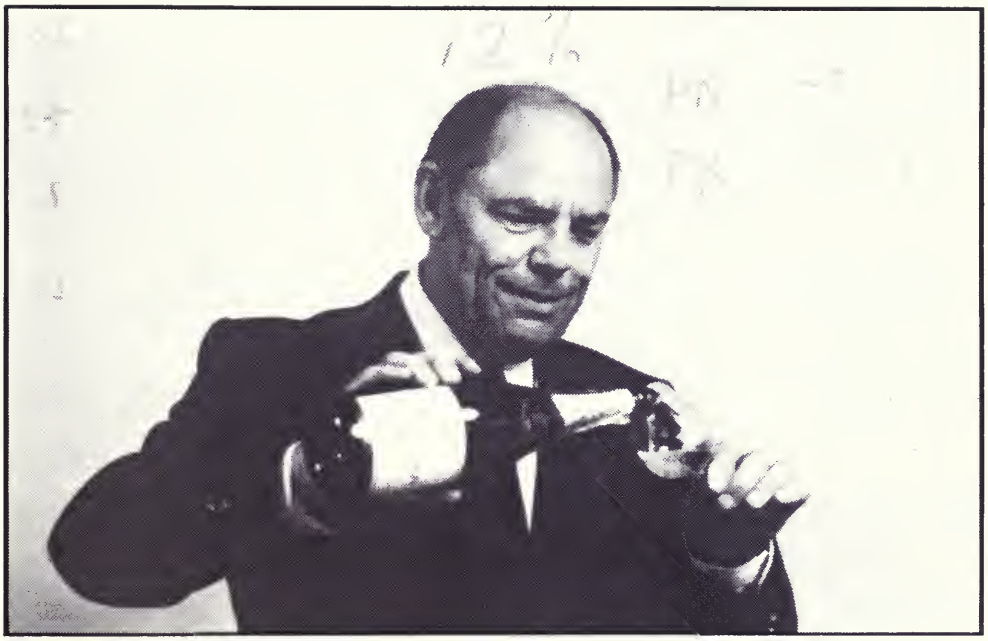
Hicke: That's why I never liked champagne, as we called it.

Maudière: Now they have discovered sparkling wine which has beautiful bubbles, tiny bubbles. At the time, most [sparkling wines] had big bubbles, what we called "toads' eyes" in Champagne. [laughter] It's a funny description, but that's what we said: "Oh, that's a toads' eye wine, with big, slow (blop, blop) bubbles."

Another improvement I brought here was making tiny, fast bubbles. They're beautiful.

Hicke: How do you make the tinier bubbles?

Maudière: I said I don't like to use chemicals in winemaking. So I did it just by saving all the proteins. In beer it's the same thing.



Edmond Maudière

Hicke: So it's the yeast, and not using bentonite, and all those things?

Maudière: We don't use bentonite, so the crown stays on the top. Look at that [referring to glass of sparkling wine poured at their table].

Hicke: It's really beautiful.

Maudière: What I brought, too, was the color. As I said, twenty years ago most of the sparkling wines were colorless, but it was not natural. This [glass before us] is the Blanc de Noirs, the one which is made of 100 percent black grapes. It used to be 100 percent Pinot noir, and this one is 95 percent Pinot noir and 5 percent Pinot Meunier.

Hicke: Oh, yes, it does have a little blush, although you can't see it because of the blue tablecloth. Did that first one that you made have more blush?

Maudière: Yes. That's why we called it Blanc de Noirs.

Hicke: Is that eye of partridge?

Maudière: Yes, that's what it's called in still wines and sparkling wines in France, but it's not really eye of partridge; eye of partridge is darker than that. We call it Blanc de Noirs because it can vary; there are some variations year after year. It can be slightly darker, but I think this is the lightest color we've ever had.

Hicke: Just a delicate tinge.

Maudière: That's what Champagne was thirty or forty years ago. The Champagne color was precisely that color, and now Champagne is more like this, because we use more and more Chardonnay.

Hicke: There's almost no blush in this one.

Maudière: The color is a bit greener; slightly light golden, even on the green side, because the Chardonnay has a green skin, and the flesh is more green than yellow.

Hicke: Which one is this one?

Maudière: This is the same cuvée, the same blend as the middle one, but it's kept five years in the cellar, so it gets darker with age.

Hicke: Oh, yes, it has much more color. But it's just a difference of shade, not of color.

Maudière: The pigments get darker and darker. If you keep a bottle of Champagne twenty years in your cellar, it becomes very dark gold. It's still clear, but it gets darker.

##

Maudière: What I do first with any wine, I smell it. I put my nose in the glass. In sparkling wine I like to find a delicate fruitiness. It doesn't have to be neutral; it has to be delicate--a very good delicacy but with fruit. For example, if you smell [these three glasses], they have different noses. This first one is more like today. [sniffs the air] Oh, tobacco; somebody is smoking.

Hicke: Shall we move?

Maudière: No, I can concentrate. Have you ever been in a vineyard at the time when it's flowering? It's so powerful, and it's so good. I find in this Pinot noir at the same time the vine flower and black current. The second is more floral. It's not vine flower, but floral--I don't know which flower--and maybe some honey. At the same time, it's a very delicate. I like the nose of this one.

This one has a funny smell, like coffee--coffee and vanilla.

Hicke: I catch that coffee, but I would not have been able to identify it myself.

Maudière: I try to find something to put a name on my feeling. It's not precisely coffee; it's a kind of coffee. When I taste the base wines--in Épernay I tasted forty or fifty wines every morning in all seasons. I tried to put an image on each wine so I could keep them in memory. There's no way for writing what you feel, so you have to think, "This one is for me more like (in Épernay) a black current bush."

Hicke: So you have a picture image?

Maudière: I have a picture, yes. You can't taste fast. I mean, your first impression is the good one; you never come again to taste the same one when you prepare a cuvée. It takes half an hour or


RESERVE
NET CONTENTS
750 mL
ALCOHOL 12%
BY VOLUME
CHANDON
Réserve
PRODUCED AND
BOTTLED BY
DOMAINE
CHANDON
YOUNTVILLE, CA
NAPA VALLEY
SPARKLING WINE
METHODE
CHAMPENOISE

forty-five minutes, and it's done. You can test in a different order two days later, and you still have the image, the picture, in your mind, and you recognize them like you recognize a human. Some of them are more neutral, and you have to test them several times; I mean, in a week you test them two or three times. It's just like humans; you can meet a human several times and you still don't remember him.

Hicke: Only these are much harder to remember.

Maudière: No; it's my job. It's not harder. When you are specialized in one thing, you can recognize it easily. You don't have to spend time; you can recognize the color--[greets a staff member]

The Blanc de Noirs is the best example of a fruity sparkling wine. That's why the people in Champagne love it. They say, "It's just like the wine we used to make twenty-five or thirty years ago," because of the climate, because of the crops, which are not too heavy, because of the Pinot noir, which is just like the old Pinot noir. So that's why they like it. It's fruity. It <u>is</u> Pinot noir; you can recognize it, even in a blind tasting.

The other one [referring to glasses before them] is more complex. It touches all the taste buds at the same time; it fills your mouth everywhere. It's not hollow. It has good acidity, a very good balance, a long finish--longer than the Pinot noir, which is slightly simpler.

The last one is the same blend--

Hicke: This is the Reserve?

Maudière: Yes. We have in those two blends approximately 65 percent Pinot noir, 20 percent Chardonnay, 12 percent Pinot blanc, and the rest is Pinot Meunier; that's the new addition.

Hicke: Is this the Brut?

Maudière: Yes. That's another reason for the evolution of the taste of Domaine Chandon: small and more complex along the years. This one [referring to glass] is the same blend without the Pinot Meunier.

Hicke: What does the Pinot Meunier do?

Maudière: Maybe you can smell it. It brings the hot bread, or brioche, nose. Sometimes people say, "Ah, it's yeasty." It's not yeasty; it's the Pinot Meunier which brings that. When you go early [in the morning?] to a *boulangerie* [bakery] in France, you smell hot bread, and that's what the Pinot Meunier brings. Hot brioche.

We have only had 5 percent available, but two years ago we had 7 percent, and last year 12 percent. So we are increasing the percentage of Pinot Meunier in the blends. There's a change without shocking the customers. You have to recognize our style and say, "Ah, it's always good." Because the customer says it's good if it's better. [laughter] In their subconscience they find the same pleasure of drinking the wine if it has been improved every year.

Hicke: But still a certain amount of consistency?

Maudière: Yes, you have to keep the same consistency. If you don't change what you do, in a very light way, people get used to the same product, and they get tired. That's my role, to change the product enough but not too much.

Hicke: So it's still recognizable as Domaine Chandon?

Maudière: Yes.

[tasting] It's rounder. You can feel the edge, but [at the same time] it's so smooth.

So this is what I'm doing.

Hicke: Thank you so much for this interview; you've given us a great deal of information about the wine industry, sparkling wine, and Domaine Chandon.

TAPE GUIDE--John H. Wright

INTERVIEW WITH EDMOND MAUDIÈRE

INDEX--John H. Wright and Edmond Maudière

Carole E. Hicke

B.A., University of Iowa; economics

M.A., San Francisco State University; U.S. history with emphasis on the American West; thesis: "James Rolph, Mayor of San Francisco."

Interviewer/editor/writer, 1978-present, for business and law firm histories, specializing in oral history techniques. Independently employed.

Interviewer-editor, Regional Oral History Office, University of California, Berkeley, 1985 to present, specializing in California legal, political, and business histories.

Author: Heller, Ehrman, White & McAuliffe: A Century of Service to Clients and Community, 1991.

Editor (1980-1985) newsletters of two professional historical associations: Western Association of Women Historians and Coordinating Committee for Women in the Historical Profession.

Visiting lecturer, San Francisco State University in U.S. history, history of California, history of Hawaii, legal oral history.