

Pioneer who built huge wine empire

■ UNITED STATES

Associated Press in Berkeley

Ernest Gallo, who traded US\$5,900 and a wine recipe from a public library into what was the world's largest wine-making empire, died on Tuesday at his home in Modesto, California. He was 97.

"He passed away peacefully this afternoon surrounded by his family," said Susan Hensley, a spokeswoman for E.&J. Gallo Winery.

Gallo, who would have been 98 on March 18, was born near Modesto, a then-sleepy San Joaquin Valley town about 130km east of San Francisco.

He and his late brother, Julio, grew up working in the vineyard owned by their immigrant father, who migrated to the United States from Italy's famed winemaking region of Piedmont.

They founded the E.&J. Gallo Winery in 1933, at the end of prohibition, when they were still mourning the murder-suicide deaths of their parents.

Using the US\$5,900 they borrowed and a recipe from Modesto Public Library, Ernest and Julio rented a ramshackle building, and everybody in the family pitched in to make ordinary wine for 50 US cents a gallon (3.79 litres) – half the usual price. The Gallos made US\$30,000 in the first year.

"They started with virtually zero

knowledge. They started with an idea and a drive that created the family empire that still exists and dominates today," said Peter Mondavi, co-proprietor of Charles Krug Winery and a member of another influential wine-making family.

Gallo grew to become the world's largest wine company by volume, a title since taken by Constellation Brands. But Gallo is second, selling about 75 million cases under more than 40 labels.

"My brother Julio and I worked to improve the quality of wines from California and to put fine wine on American dinner tables at a price people could afford," Gallo told *The Modesto Bee* on his 90th birthday.

Ernest Gallo was a man with old-world manners, but in business he was shrewd and secretive, shunning publicity. The reason for the secretiveness, many of his former associates said, was the way his parents had died.

Official records say their father, Joseph, shot dead mother, Susie, in June 1933, then killed himself. That was two months before the founding of the Gallo winery.

Ernest Gallo was one of the wealthiest men in the US, listed on *Forbes* magazine's list of the 400 richest Americans with a family worth of US\$1.3 billion.

The company employs more than 4,600 people and markets wines in more than 90 countries.



Ernest Gallo

FBI PROBES WINE FORGERY CLAIMS

US federal authorities are investigating whether inferior bottles of wine were passed off as rare vintages worth more than US\$100,000 a bottle, including some portrayed as belonging to American founding father Thomas Jefferson's collection.

The investigation by the FBI and federal prosecutors into counterfeit wine has been confirmed by an industry source.

The probe apparently was sparked in part by legal action by billionaire wine collector William Koch, who claimed he was sold counterfeit wines by dealers and an auction house.

The federal investigation into the sales of counterfeit wines was first reported by *The Wall Street Journal*, which said subpoenas to testify before a grand jury were sent out to rare wine collectors and some of the world's leading auction houses – including Christie's and Zachys in New York. AP