Chapter 2

LABOR IN CALIFORNIA: THE SETTING

California is the nation's leading agricultural state. It accounts for 10 percent of the country's gross cash receipts from farming, produces 40 percent of the country's vegetable, fruit, and nut crops, and employs over a quarter of a million farm workers each year. The state is responsible for 90 to 100 percent of the total U.S. production of fifteen crops, including 92 percent of the grapes.

Virtually every farm crop produced in the United States is grown in California.[1] The mild climate and extended growing season make it possible to produce this wide variety of crops, and in some cases to harvest two, and even three, plantings a year; but these possibilities would not have become realities without a cheap and steady supply of water. This the federal government provided beginning in the 1930s with the construction of concrete dams and ditches that take water from the Colorado River and trap runoff in the Sierras, funneling it to the rich central valleys of California's agricultural heartland. About 75 percent of California cropland

---

1 Lamar B. Jones, "Labor and Management in California Agriculture, 1864–1964," *Labor History* (Winter 1970): 23–40; U.S. Department of Agriculture, *Fact Book of U.S. Agriculture* (Washington, D.C.: Government Printing Office, 1970), 68–70.

is irrigated.[2] The productivity of California agriculture is indeed due to the remarkable climate of the state and the government-subsidized water projects that make so much of its land fertile, but this is only part of the picture. In contrast to states in the Northeast and Midwest, California was settled in vast mission estates and has a long history of large-scale land holding. These large holdings formed a base for the early and extensive development of industrial agriculture.[3]

Prior to 1848, government land policies under successive Spanish and Mexican regimes had created an aristocratic class of large landowners in what is now California. When Mexico broke up the early mission properties in 1833, it granted over 26 million acres to a mere 800 families. After 1848, when the Treaty of Guadalupe Hidalgo ceded California to the United States, Anglos replaced Latinos, often by fraudulent means, and upset the pastoral and aristocratic lifeways of the great landed estates of California's colonial period.[4] As a result, the American era did more than modify land use, it revolutionized it. Aggressive American entrepreneurs turned millions of rich acres that Spanish and Mexican owners had been content to use for pasture to commercial ends.[5] Bonanza wheat farming became a major industry. This method of farming was referred to as "mining for wheat" because it reflected the quick-profit mentality that so marked the behavior of miners during the California gold rush. "In one point of view, it is a manufacturing business in which clods are fed to the mill and grain appears in carloads. Such farming holds the same relation to society as does a manufacturing corporation."[6]

---

2 Robert C. Fellmeth, *Politics of Land* (New York: Grossman Publishers, 1973), 115–80; Paul S. Taylor, "Central Valley Project: Water and Land," *The Western Political Quarterly* 2, no. 2 (June 1949): 228–53.

3 Paul S. Taylor and Tom Vasey, "Contemporary Background of California Farm Labor," *Rural Sociology* 1, no. 4 (December 1936): 401–19.

4 U.S. Public Lands and Surveys Committee, "Mexican Land Grants in California," Hearings before a Subcommittee of the Committee on Public Lands and Surveys, U.S. Senate, 71st Congress, 1st session, April 2–6, December 5, 1929, February 6, and May 27, 1930, Gerald P. Nye, Chairman.

5 Paul S. Taylor and Tom Vasey, "Historical Background of California Farm Labor," *Rural Sociology* 1, no. 1 (September 1936): 281–95.

6 Quoted in Cletus E. Daniel, *Bitter Harvest: A History of California Farmworkers 1870–1941* (Ithaca and London: Cornell University Press, 1981), 21.

Even a brief discussion of the acquisition and use of land in California would be incomplete without reference to the Pacific Railroad Act of 1862. That Act, and a follow-up measure passed in 1864, gave the railroad a 400-foot right-of-way through the public domain; twenty sections, one square mile each, of federal land for each mile of the first twenty miles of line built; and construction loans at a rate of $16,000 to $48,000 a mile, on which no principal or interest had to be paid for thirty years. Through a variety of political and financial maneuverings, some legal, if unethical, and others illegal, the "Big Four" of the Central Pacific (later the Southern Pacific) Railroad, Leland Stanford, Collis Huntington, Mark Hopkins, and Charles Crocker, milked the state and the federal government for land and money. By 1882 the Central Pacific had acquired more than 10 percent of the state's entire acreage — a well-placed 10 percent that the "Four" used to support monopolistic practices.

"We don't ride the railroad," customers said, "the railroad rides us." Today the Southern Pacific is still the biggest single private landholder in California with 2 percent of the entire acreage of the state.[7]

With Americanization, the oligopolistic pattern of land ownership established under colonial rule continued. Even the Homestead Act could not undo the legacy of California's colonial past. In the nineteenth century, the State of California disposed of more than 8 million acres through land policies intended to support small family farms, but the land went to anyone ready, willing, and able to acquire a piece of it. Successful strategies included fraud and force as well as settlement and work. As a consequence, big commercial farmers and businesses as well as individual homesteaders acquired land. Yet there was enough open space as late as 1914 to permit additional homestead entries for nearly 5 million acres with 21 million more acres of vacant public land still available. Indeed, small units of ownership and production are statistically significant in California. There were some 120,000 of them in 1965; but the network of family farms that arose in California with the help of the Homestead Act and other government policies influenced the character of rural California

---

7 Fellmeth, *Politics of Land*, 3–25; Carey McWilliams, *Factories in the Field* (Hamden: Archon Books, 1969), 15–17.

far less than the agricultural giants whose presence had been established earlier.[8]

In 1965, along with the 120,000 small owners, there was the DiGiorgio Fruit Company with 11,000 acres of cropland in Arvin, California, and 5,000 in Delano. Also in the Arvin–Delano area, growers Jack Pandol, Martin Zaninovich and family, and Joseph Giumarra owned 2,200, 8,000, and 12,400 acres, respectively. The Irvine Ranch in Southern California claimed 97,000 acres. In the Tehachapi mountain range, El Tejon Ranch had expanded from its original 97,000 acres, acquired in a Mexican land grant, to 300,000 acres. The Kern County Land Company owned more than 1,900,000 acres in four Western states, easily dominating the California county for which it was named. The Newhall–Saugus Land and Farming Company cultivated thousands of acres near Los Angeles. In the central part of the state, the Spreckels Sugar Company, the successor of another Mexican land grant, claimed much of the Salinas Valley. The Boswell Company, engaged in cotton growing and cattle raising, owned or controlled 100,000 acres of land. The Salyer Farms, based in Corcoran in the lower San Joaquin Valley, farmed 30,000 acres, some its own land and some under lease.[9]

The Salyer Farms leasing arrangement was one of three typical patterns of agricultural use among large land holders in California. In the latter part of the nineteenth and early twentieth centuries, large and small holdings were developed into factory farms, mobile operations, and consolidated holdings. Factory farms

> own the land . . . usually in one or a few large tracts; the land frequently had heavy expenditures for improvements, including permanent plantings, labor housing, packing sheds, and processing plants; there is generally an effort to integrate the industry by

[8] Paul W. Gates, "The Homestead Law in an Incongruous Land System," *American Historical Review* 41 (July 1936): 652–81.

[9] Agribusiness Accountability Project, *The Directory of Major U.S. Corporations Involved in Agribusiness* (San Francisco: Agribusiness Accountability Publishers, 1976); Peter Barnes and Larry Casalino, *Who Owns the Land?* (Berkeley: Center for Rural Studies, 1972); Fellmeth, *Politics of Land*, 3–251; and Carey McWilliams, *Factories in the Field*, 11–47.

getting control of box-making plants, processing plants, and distribution systems, and the units are usually incorporated.[10]

Mobile operations are business enterprises in which farmers specialize in one or two heavily soil-depleting crops and lease rather than own the acreage they plant. The leases run only for that period of time during which the land can produce the mobile farmer's special crop. Then the land is turned back over to its owner and the mobile farmer moves on. Mobile operations generally have some land that is owned outright and used for packing sheds, labor housing, and so forth. This style of industrial farming developed in the Salinas and Imperial Valleys of California in the early 1920s. It was associated with the lettuce, melon, and carrot crops, but has since spread to other crops and into other regions in rural California. Consolidated holdings are those which result from the joining of smaller tracts of land. Many approach the size of factory farms. That is, the more land a farmer owns, the greater the pressure placed on him to invest in a processing plant to keep costs down. Once the farmer has invested in a processing plant, he has added reason to buy more land and plant more crops to assure a steady flow of high-quality produce through his plant.[11]

We are able to list some of the largest farms and consolidated holdings in California together with the acreage they control, but the full picture of just who owns what land in California is not entirely clear. Statewide figures are not available — not even from those state and federal agencies which regulate land ownership, use, and development. In 1971, a study group was able to compile a statewide list of landowners from scattered local sources, however. According to the study, there were 11,815,000 acres of cropland in California. Twenty-nine farming businesses owned 21 percent of this land; 75 owned 27 percent; and 220 owned 35 percent of it.[12] A second estimate drawn from the 1964 U.S. Census of Agriculture indicated that 7 percent of the farms in California owned 79 percent of the agricultural land and

[10] Walter Goldschmidt, *As You Sow* (Glencoe: The Free Press, 1947), 6.

[11] Ibid., 10–131; Walter Goldschmidt, "Small Business and the Community," in *Corporation Farming, Hearings before the Subcommittee on Monopoly*, U.S. Senate Select Committee on Small Business, 1968.

[12] C. V. Moore and J. H. Snyder, *A Statistical Profile of California Corporate Farms*, University of California Agricultural Economics Information Series 70-3 (Berkeley: University of California, December 1970).

employed 75 percent of the state's farm workers.[13] A look at local ownership patterns only emphasizes the picture of concentrated ownership. The top twenty landowners in each rural county were found to own from 25 to 50 percent of the private land. The top twenty owners and the government together owned from 50 to 90 percent of the land.[14]

Large-scale commercial wheat farming was widespread in California in the 1860s, but by 1870 a system of crop specialization had begun to prevail and since then crop specialization has intensified. Farming operations engaged in intensive, specialized cropping depended on a large force of seasonal workers. Historically, successive waves of impoverished immigrants supplied the manpower needed.[15] By the 1860s, the Indians who were used as near-slaves in Spanish California had all but disappeared. In agricultural regions, they had been largely replaced, after the Gold Rush, by Chinese labor, originally brought in to work on the Southern Pacific Railroad. But the Chinese were resented, especially by jobless whites for whom the Gold Rush had not panned out, and also by small farmers, who claimed they could not compete with what they termed a "cheap" labor force. (Recent scholarship has determined that what was thought to be "cheap" labor was not necessarily cheap when compared to prevailing wage standards.) Chinese immigration was virtually halted by the Chinese Exclusion Act of 1882, and after that the big farmers turned to the importation of Japanese. The Japanese, too, were soon bitterly resented because they undercut all other labor. Moreover, they were more effective farmers than the Americans; they bought and cultivated poor land that nobody else had bothered with; their labor gangs were self-dissolving migrant groups that transformed themselves into small-holders by bargaining to lease a portion of the land on which they worked as pickers. This situation was dealt with by the Alien Land Law of 1913, which prevented further acquisition of farm land by aliens.[16] The next waves of farm laborers in California contained

---

13 U.S. Department of Commerce, Bureau of the Census, *Area Measurement Reports, Areas of California: 1960*, Series GE-20, No. 6 (March 1965).

14 Fellmeth, *Politics of Land*, 12–13.

15 Paul S. Taylor, "California Farm Labor: A Review," *Agricultural History* 42 (January 1968): 49–53; Taylor and Vasey, "Contemporary Background," 401–19.

16 Ping Chiu, *Chinese Labor in California, 1850–1880: An Economic Study* (Madison: University of Wisconsin Press, 1963); McWilliams, *Factories in the Field*, 103–33; Moses Rischin, "Immigration, Migration, and Minorities in California," *Pacific*

Hindus, Arabs, Armenians, and Europeans. The European and Armenian immigrants, less oppressed than other groups by the racial discrimination that had advanced the economy of California from the start, gained a strong foothold, and the parents of many of the Valley farmers of today were among those immigrants. Mexican peasants had always crossed the border more or less at will, and after the Mexican Revolution of 1910, starving refugees presented the growers with a new source of cheap labor. Filipinos were brought in during the 1920s and for a time the cheap Mexican labor was undercut by even cheaper Filipino labor. Most of the Mexicans were deported after 1929, when the "Okies" swarmed into California from the dust bowl. The Depression produced a heavy labor surplus among the native-born, and an effort was made to keep the border closed. Mexicans had been predominant in the farm labor force from 1914 to 1934, and in those years they had tended to be more tractable than other groups. For the most part, it was Filipinos and Anglos who staged the famous farm strikes of the 1930s. After the Philippine Islands Independence Act of 1934, the importation of Filipinos came to an end, and their numbers have been dwindling ever since. During the war years, many farm workers drifted into the booming war economy of factories and shipyards and the minorities that remained were not numerous enough to harvest the enormous quantities of produce that the war demanded. The farm labor emergency was met by a series of agreements with the Mexican government known collectively as the bracero program.[17]

In the agricultural economic market, the beginnings of class formation can be seen as farm laborers came together with others who experienced similar work conditions. Material conditions of existence separated the owners from the employees, throwing agricultural workers together in rural labor camps and drawing rural landowners and directors of agricultural corporations together in their round of business activities. These

---

Historical Review 41, no. 1 (February 1972): 71–90; Chester H. Rowell, "Chinese and Japanese Immigrants — A Comparison," *Annals of the American Academy of Political and Social Science* 34 (September 1909): 4–6.

17 Henry Anderson, "The Bracero system and the National Honor," Statement prepared for a Hearing of the U.S. Senate Committee on Agriculture and Forestry, on S. 1945 and H.R. 2010 (June 1961); Ernesto Galarza, *Merchants of Labor* (Santa Barbara: McNally and Loftin, 1964); N. Ray Gilmore and Gladys W. Gilmore, "The Bracero in California," *Pacific Historical Review* 32, no. 3 (August 1963): 265–82.

conditions shaped how people lived and in whose company. The precise nature of stratification within each community involved in the farm workers' struggle cannot be determined, but there is a community study that gives specific information on the stratification of groups within a California community where large-scale land holding and industrial agriculture formed the backbone of the economy.

In 1940–41 Walter Goldschmidt studied and compared two communities in the fertile southern San Joaquin Valley near Wasco.[18] Goldschmidt chose Dinuba because farming operations in the community were modest in scale, closer to the model of a network of family farms. Arvin, on the other hand, was a community where factory farms were the norm. In Goldschmidt's words:

> The small-farm community is made up of middle-class persons with a high degree of stability in income and tenure, and a strong economic and social interest in their community. Differences in wealth among them are not great, and people associate freely in those organizations which serve the community. Where farms are large, on the other hand, the population consists of relatively few wealthy persons and large numbers whose only tie to the community is an uncertain and relatively low-income job. Differences in wealth are great among the residents of this town, and social contacts between them are rare.[19]

Goldschmidt found a simple two-level class system in Arvin, the large-farm community, during his field work there in 1940–41. The upper class included whites long resident in the community, in many cases for several generations, who had helped create the community's institutions, and now controlled them and maintained the community's values and social ties as well. This dominant group Goldschmidt called the "social nucleus." Outside the nucleus, or below the dominant stratum, the lower class consisted of more recent arrivals to the community, who were excluded from the inner sphere of social activity and control. Goldschmidt called them "outsiders." Within each of the two principal groups Goldschmidt found further differentiation. The upper class embraced an elite, a middle

---

18 Goldschmidt, *As You Sow.*

19 Ibid., 285.

group, and a marginal group, distinguished mainly by their occupation, income, prestige, and lateral links of consanguinity and friendship. The lower class, consisting principally of farm workers, was divided racially into three groups, Mexican Americans, Negroes, and whites. Among both Mexican Americans and Negroes, Goldschmidt found evidences of special institutions, such as the church and extended family. The whites appeared to possess little homogeneity, except in their constant aspiration to gain admission to, or at least acceptance from, the dominant nuclear community.[20]

The farming community's class structure seemed particularly bleak and polarized. Great was the social distance between the two groups, the one possessing the credentials of land ownership, or professional servicing of owners; the lower group lacking these credentials of social worth and status. In Arvin, Goldschmidt found that farm laborers in general were unwilling to identify themselves as members of a laboring class. This was due in large part to the composition of the farm labor pool at the time of Goldschmidt's study. Goldschmidt noted that union activity was foreign to the farm workers' background and temperament. White workers in particular strove for status as individuals. The group constituting the "social nucleus" had virtually complete authority to confer status on outsiders at the same time that outsiders had "no mechanisms for establishing and maintaining group identity."[21] Potential conflicts rarely flared into the open, since the informal controls over behavior exerted by the upper class were well established and recognized. Poor whites were striving for social acceptance while Blacks and Mexicans were socially ostracized. Goldschmidt claimed that the only recognizable bases for group identity among farm workers in Arvin were church activity and union activity, and in Wasco in 1940–41, these institutions failed to unify farm workers.[22] Community studies have not been done for every farming community

[20] By 1948, the whites appear to have been assimilated into the rural California communities to which they came during the drought-plagued Depression years: "As for the once tumultuous Okies, they have been pretty well assimilated into small stucco cottages on tiny farms or into jobs in farming-area cities, indistinguishable except for the drawling 'you-alls' that Californians hardly notice anymore." "Valley Workers Striking," *The New Republic*, June 21, 1948, 6.

[21] Goldschmidt, *As You Sow*, 70.

[22] Ibid., 71.

in California, but the evidence we do have indicates that in communities dominated by large farms, the class structure is highly polarized, with farm workers excluded and at the bottom.

Goldschmidt was able to specify the relationship between class stratification and a number of influences on life chances. Goldschmidt found that the small-farm community supported 62 separate business establishments compared to 35 in the large-farm community — a ratio of nearly two to one. People in the small-farm community had a better average standard of living than those living in the community of large farms. Less than one-third of the breadwinners in the small-farm community were agricultural wage laborers, while almost two-thirds were wage laborers in the large-farm community. Physical facilities for community living — sidewalks, paved streets, sewage and garbage disposal, and other public services — were more prevalent and of superior quality in the small-farm community. The small-farm community had three times the number of parks and five times the number of schools as the large-farm community had. The small-farm community had more than twice the number of organizations for civic improvement and social recreation as its large-farm counterpart. The small-farm community supported two newspapers, each with many times the news space carried in the single paper of the industrial farm community. Facilities for making decisions on community welfare through local popular elections were available to people in the small-farm community; in the large-farm community such decisions were in the hands of county officials. Goldschmidt did a follow-up study in 1968 and found that the distinctions between the two communities held.[23]

The pattern of group affiliation within California's agriculture communities, the stratification of groups there, the consolidation of stratification networks, and the links between community groups and institutional positions outside the local communities provide an explanation of the dominant position of farm employers, particularly in large-farm communities. United by common interests, farm employers formed strong groups, created organizations, and established institutional connections. Initially, farmers organized along occupational and regional lines, with the California State Agricultural Society and its network of district associations

[23] Walter Goldschmidt, "Small Business and the Community."

providing a platform for wider communication and cooperation. Of concern were general political and economic interests. Very soon, however, farmers' associations were created to promote the common business interests of farmers engaged in growing and marketing a given crop.[24] In the 1860s the wool growers and the wine makers each formed an association to keep themselves informed of prices, sales, and freight rates. After a decade and a half of partial and imperfect cooperation, the large-scale orchardists of the citrus growing regions of Southern California established an effective growers' association, the Southern California Fruit Exchange. In 1905, the Exchange expanded to include citrus producers throughout the state. The name of the association was then changed to the California Fruit Growers Exchange. At a convention of the Exchange in 1910, J. W. Jeffrey, the state commissioner of horticulture, advised his audience that the producers of each crop should

> have a league or a protective committee of some kind authorized and supported for the purpose of handling every proposition that has a general bearing upon the prosperity of the business, and to whom all could look in times of danger, or in the promotion of any measure of benefit to the whole industry. I earnestly recommend that this convention take up this matter of trades representatives, and urge every industry to make provision for the handling of its difficulties through some plan that will bring its every element into harmonious and effective action in the promotion of all its trade interests, and in protection from its perils.[25]

Farmers were indeed cooperating with each other and continued to do so. Early in the twentieth century, the central California beet growers formed an association, as did the California tomato growers, the California asparagus growers, the California Diamond Walnut growers, the California cotton producers, and many more. By 1920 growers' associations were

---

24 Daniel, *Bitter Harvest*, 40–70; H. E. Erdman, "The Development and Significance of California Cooperatives, 1900–1915," *Agricultural History* 32 (July 1958): 179–84; Galarza, *Farm Workers*, 47–55; and *Senate Reports*, No. 1150, "Employers' Associations and Collective Bargaining in California," 77th Congress, 2nd session, pt. 4, 407–672.

25 From the Thirty-sixth Fruit Growers' Convention *Proceedings* (Watsonville: December 7–10, 1909), quoted in Daniel, *Bitter Harvest*, 42–43.

active in every branch of commercial agriculture in California and had established ties to the California Farm Bureau, yet another organization of farmers, which connected 500 local affiliates with the national farmers' lobby, the powerful American Farm Bureau Federation.[26]

Of all the farm employers' associations, however, three, the California Farm Bureau, the Agricultural Labor Bureau of the San Joaquin Valley, and the Associated Farmers of California, were particularly active in relation to the labor issue. The California Farm Bureau, formed in 1919 under the direction of representatives of the United States Department of Agriculture, has been a lobbyist in Washington for foreign labor contract programs and has consistently opposed legislation that would protect immigrant farm workers.[27] The Agricultural Labor Bureau of the San Joaquin Valley was formed in 1926 and continues to be supported by agriculturally-allied interests including chambers of commerce, oil companies, public utilities, and banking and investment interests, for the purpose of procuring and distributing seasonal labor, domestic and foreign, and establishing "prevailing wages" for its over 800 grower members in six counties. The ALB is larger but otherwise similar to over seventy-five grower associations operating in California.[28] They are the entities through which agricultural businesses have normally procured foreign contract labor. They have also been the enforcers of wage ceilings, called "prevailing wages," established before the harvest season by the associations. The Associated Farmers of California was founded in 1934 by the California Farm Bureau, Southern Pacific Railroad, Bank of America, the Canners League of California, the five largest banks in San Francisco, and the Standard Oil Company of California. Its purpose was to suppress migrant strikes and attempts at unionization among farm workers.[29] The impact of these organizations on government was enhanced by their coordinated efforts through the national structure of the American Farm Bureau Federation, sometimes

---

26 Clarke A. Chambers, *California Farm Organizations: A Historical Study of the Grange, the Farm Bureau, and the Associated Farmers, 1929–1941* (Berkeley: University of California Press, 1952), 1–8.

27 Richard B. Craig, *The Bracero Program: Interest Groups and Foreign Policy* (Austin: University of Texas Press, 1971).

28 *Senate Reports*, No. 1150, pt. 4, 417–18, 500–22.

29 Ibid., pt. 4, 573–672.

the National Grange, and more recently the National Farm Labor Users Committee (NFLUC). The last group was formed as a result of the United States secretary of labor's establishment in 1947 of a Special Farm Labor Committee — composed of one farm labor employer delegate from each state — to advise him on foreign contract labor procurement. NFLUC represents some 300 groups in thirty-eight states, and works closely with the American Farm Bureau Federation and the National Grange on matters of national policy.[30] In the early 1960s, the Council of California Growers was created to become the chief public spokesman for California agricultural businesses. Its weekly confidential newsletters to growers stimulated communication among them regarding farm labor issues, and its "educational" outreach attempted to create a public opinion sympathetic to the needs of agricultural businesses in California.[31]

The expansion of farms into corporate enterprises provided a base for coordination too. In 1959, for example, the Sunkist growers operated 132 packing sheds employing over 12,000 workers to process its members' crops. It arranged loans, maintained storage facilities and processing plants, and spent $1 million on advertising to assure a wide market for Sunkist products.[32] For groups not affiliated with a corporate giant like Sunkist, this fuller range of coordination, reaching out to financial institutions, food processors, and advertising agencies, came through grower–shipper associations. In 1959 there were 59 grower–shipper associations in California coordinating the interests of growers of a particular commodity with other related functions.[33]

Members of different groups are tied together through their positions in institutional networks. This establishes a means of linking, if not necessarily unifying, distinct groups. It can also extend the group into institutional relations at a distance from the familiar personal networks of members' day-to-day lives.

---

30 Chambers, *California Farm Organizations.*

31 Samuel R. Berger. *Dollar Harvest: The Story of the Farm Bureau* (Lexington: D. C. Heath and Co., 1971), 1–221.

32 Josephine K. Jacobs, "Sunkist Advertising" (Ph.D. diss., University of California, Los Angeles, 1966).

33 Daniel, *Bitter Harvest*, 42–43.

Relations with financial institutions were particularly important for farmers. Factory farms, mobile operations, and consolidated holdings typically require large investments of capital on a short-term basis since the farmer's normal practice is to finance his seasonal operations by borrowing. It is quite common for a grower who has had an excellent year to go out and spend instead of put money away "for a rainy day." Farmers tend to gamble, to take risks, and to be overextended. The typical pattern is for the farmer to borrow a large sum of money from a bank at the beginning of the crop cycle, use it to get his crops into the ground and oversee their growth and harvest, then repay his loan with sales revenues from the harvest. Between loan and harvest, the farmer's financial situation fluctuates under the influence of market forces and the whims of Nature.

With regard to borrowing, large corporate farms and small family farms operate in different capital markets. As a rule, local banks service the small farmer, while corporate farms gain access to sources of capital outside the local community. Agricultural conglomerates manage to issue securities and bonds and secure loans in national financial markets.[34] Indeed, the major California banks, the Bank of America in particular, are committed to the big commercial farms. The Bank of America finances 50 percent of California agriculture.[35] In a speech before the association of California Canners and Growers in 1968, Rudolph A. Peterson, president of the Bank of America, asked, "Why is a banker talking about agricultural policy?" then went on to answer his own question:

> Because Bank of America has a deep stake in agriculture. We are the world's largest agricultural lender with lines of credit for agricultural production running at about a billion dollars a year. Our total agricultural commitment is probably around $3 billion. We've been in agriculture a long time and we intend to stay in agriculture for a lot longer. In a very real sense, then, agriculture is our business.[36]

Agribusiness leaders serve as directors of major corporations and financial institutions and vice versa. In the 1960s, Robert DiGiorgio, president of

---

34 *Senate Reports*, No. 1150, pt. 4, 262–96.

35 Fellmeth, *Politics of Land*, 81.

36 A. V. Krebs, Jr., "Agribusiness in California," *Commonweal*, October 9, 1970, 45–46.

DiGiorgio Corporation, was on the board of Pacific Vegetable Oil Corporation, Union Oil Company of California, New York Fruit Auction Corporation, Philadelphia Fruit Exchange Inc., Pacific Telephone and Telegraph, Bank America Corporation, and the Bank of America. President Peterson of the Bank of America was also on the boards of Dillingham Corporation, a construction and development firm, Kaiser Industries, Consolidated Food Corporation, the California State Chamber of Commerce, and the DiGiorgio Corporation. Peter Cook of Pacific Telephone and Telegraph was on the boards of several large insurance companies, Wells Fargo Bank, Western Pacific Railroad, and the Kern County Land Company. With Wells Fargo Bank there was Ernest C. Arbuckle, also a member of the executive committee of Safeway stores. Safeway's board consisted of men, including J. G. Boswell, who controlled approximately one million acres of California's richest agricultural land. And there was Edward Carter, chairman of the Board of Regents of the University of California, who was a trustee of the Irvine Foundation, on the boards of Southern California Edison Company, Pacific Telephone and Telegraph, and United California Bank, and president of Broadway–Hale department stores.[37]

The many grower associations extended their influence to establish relations with public agencies as well as financial and other private institutions. All of the various forms of cooperation and coordination eventually aimed at two things, control of prices and markets and leverage with government. Of particular concern to California farmers were cheap water and cheap labor. Government was most helpful in providing both. The "water problem" in California, the need for irrigation, was originally handled by private companies. Local irrigation systems were organized, expanded, and consolidated with less than 2 percent of their cost publicly financed.[38] In the early 1900s, the most prominent private water companies were Fresno Consolidated Canals, the Sacramento Valley Irrigation Company, and the Kern County Land Company's canal system; but the private companies were not meeting the demand for water. The farmers' desire for a regular supply of cheap water culminated in the California Water Plan of 1931. The plan called for a network of reservoirs, canals, and pumping stations to

37 Agribusiness Accountability Project, *The Directory*.

38 Carey McWilliams, *California: The Great Exception* (New York: Current Books–A. A. Wyn, 1949).

supply water to the Imperial and Coachella Valleys and eventually to the great Central Valley of California. It took thirty years to complete and was financed at taxpayers' expense.[39] Access to the water was made more available to large-scale enterprises than to small farms, not by the terms of the plan, but through California's water rights law. The law justifies

> giving water away substantially below cost, at the expense of taxpayers and utility consumers, in terms of a "regional development" theory that a water subsidy will return many times its value by stimulating the local economy. California's law of water "rights" and its philosophy that "water should be gratuity-free" underlie all forms of subsidy. Individuals establish their "right" to the state's water simply by taking it, first come, first served, and once they have a "right" to use a certain volume of water they can neither sell nor transfer it. Water obtained in this fashion tends to be wasted, since the holder of the free right does not necessarily put the water to as valuable a use as would someone who had paid for it. The water-rights system leads landowners to grab water resources and use them wastefully long in advance of need, in order to claim future rights, and benefits wealthy large landholders at the expense of their poorer neighbors since the rich can afford to grab water resources they do not need and sit on them, or use them to no benefit for a long time. Big landholders who can use the most "free" water get proportionally bigger subsidies — not only from the use of water directly but from the increased value of their land due to the water.[40]

Grape growers in particular are dependent upon government-financed irrigation. With the establishment of the grape growing business in the San Joaquin Valley demand for water increased dramatically. The growers drilled wells and began pumping water out of the ground. The water table steadily dropped until the cost of drilling wells and pumping water became prohibitively expensive. For all intents and purposes, the Federal Bureau of Reclamation's Friant–Kern Canal of the Central Valleys Project saved the grape industry. By the late 1960s it cost the government $700

---

39 Taylor, "Central Valley Project," 239.

40 Fellmeth, *Politics of Land*, 54–55.

an acre to supply water to farms in the valley, while growers paid $123 an acre for it.[41] The negative balance was made up by taxpayers and those who used electricity powered by the Project. The Project was supposed to benefit the small family farmer, to allow him to stay in business as the cost of water rose. That is why a 160-acre limit was written into the legislation authorizing the Project. No owner was to receive subsidized water from the Project for more than 160 acres of land. This requirement has been very loosely enforced, however. In 1969, for example, the DiGiorgio Corporation was farming 4,600 acres with federally subsidized water, the Shenley Corporation, 3,500 acres.[42]

Government has also intervened on the farmers' behalf to "rationalize" the supply of labor. The 1933 Wagner–Peyser Act created an employment service to organize and direct farm placement. The California Legislature had to approve the Act. The legislation did not include regulations governing wages, housing, or transportation of agricultural workers — regulations that would have protected agricultural laborers — and it was paid for by unemployment insurance funds, which agricultural employers do not contribute to. For these reasons, the Wagner–Peyser Act was acceptable to California farmers and was easily approved by the California Legislature. Except for an interval of three years, the Farm Placement Service remained in the Labor Department, but its permanent field offices in forty-five California counties quickly came under the influence of local farm advisory committees established by growers. These advisory committees arose to provide "information" to the farm placement bureaus, which relayed the "information," amounting to growers' wishes, to the State Board of Agriculture, then to the governor and state legislature.[43] Individual growers had direct access to politicians in the state, but the organized influence of the various growers' groups and associations made them all the more powerful.

"Rational" government-aided control of the water and the labor supply was not enough for the California farmer. Growers wanted government to intervene in the free market on their behalf; and intervene it did. The

---

41 U.S. Department of Agriculture, *Fact Book of U.S. Agriculture* (Washington, D.C.: Government Printing Office, 1970).

42 Ibid.

43 U.S. Department of Labor, *Background Information on Farm Labor* (Washington, D.C.: Government Printing Office, 1965).

most outstanding example of government action on behalf of organized growers and handlers of agricultural goods is the Agricultural Adjustment Act (AAA), fundamentally unchanged since it was passed in 1933 in response to "special" circumstances: hardships created by the Depression.[44] Through marketing orders and commodity programs, the AAA manages farm income for the farmer. Marketing orders can be obtained from state and federal agencies to regulate the quality of goods marketed, as well as the quantity and the packaging of food. They can also be obtained to collect marketing information, to initiate federal inspections, to provide funds for advertising and research, and to prohibit "unfair practices." To get a marketing order, a group of growers must petition the secretary of agriculture and present its case:

> If growers and handlers of a crop in a given area think a marketing order might improve their income, they can get together, decide which provisions they want, and petition the Secretary of Agriculture for a hearing. In practice, usually only an established agricultural association will have the legal manpower and inside knowledge of the USDA or State Department of Agriculture to draft a marketing order. After hearing the proponents and opponents, the USDA or State Department of Agriculture will approve or disapprove the proposed order. Next, at least two-thirds of producers and at least half of the handlers, must vote approval. In practice, if a big growers' organization, like Sunkist for citrus or Sun Maid for raisins, wants the order, the order will be approved since the head of the organization votes for membership. An elected committee of growers will supervise the administration of the order, which will be financed by a per box or per ton charge on the crop. The USDA's Consumer and Marketing Service oversees the federal orders.[45]

In 1970 California had forty-five marketing orders covering approximately two-thirds of its $1.4 billion agricultural produce.[46] Commodity

---

44 Robert G. Sherrill, "Agribusiness: Reaping the Subsidies," *The Nation*, November 24, 1969, 561–66.

45 Fellmeth, *Politics of Land*, 65.

46 Ibid., 64.

programs consist of government support for farm prices. In 1967 the Boswell Company received $4,091,818 in cotton subsidies under the U.S. Agricultural Stabilization and Conservation Service Act. In 1968 it received $3,010,042 and in 1969, $4,370,657.[47] "According to the calculations of former Budget Director Charles Schultz, the annual cost of the farm subsidies exceed[ed] $10 billion [in 1969], or roughly the combined costs of all local, state, and federal welfare programs, including Medicaid."[48]

Research paid for by the taxpayers constitutes yet another form of government subsidy to California farmers. The use of public funds to support California's big commercial farmers is typical. Of $25 million spent on agricultural research in 1967, less than $1.5 million came from the farm businesses themselves.[49]

The dominant position of farm employers in rural California and their strategic access to state and national institutions had grave consequences for farm workers. In 1965, the year of the Delano Grape Strike, the average farm worker living and working in California earned $1.35 an hour for his labor in the fields. The average factory wage was more than twice that amount. Eighty-four percent of all farm workers in California earned less than $3,000 that year. Farm workers were exempt from the protections of the National Labor Relations Act, which guaranteed other workers the right to bargain collectively. They were excluded from the Federal Fair Labor Standards Act, which sets the basic minimum wage and maximum hours for industries engaged in interstate commerce. And, they were excluded from the Federal Unemployment Tax Act, which subsidizes 60 percent of the state unemployment insurance programs. At the state level, California farm workers were not covered by unemployment insurance, by a minimum wage, nor by a maximum hours provision. A farm worker's wife and children would have received a minimum hourly wage of $1.30 if they undertook farm work, but this rate did not apply to employers hiring fewer than five women and children, did not extend to 20 percent of the piece work performed for any one employer, and was not accompanied by maximum hour or overtime provisions. The State of California had extensive housing codes governing the operation and upkeep of labor camp

47 Sherrill, "Agribusiness," 561–62.

48 Fellmeth, *Politics of Land*, 68.

49 Krebs, "Agribusiness in California," 47.

housing. The State Labor Code required that shelter should be watertight, that each building should be provided with safe heating equipment to maintain a minimum temperature of 60 degrees, that each building should have sufficient windows to provide reasonable ventilation, and that all windows should be screened to keep out insects. A presidential Committee on Migratory Labor estimated that only a quarter to a third of the labor camps complied with these laws. Working conditions in the field were also regulated: employers were required to provide their workers with drinking water, toilets and hand washing facilities, and periodic rest periods. Yet, in 1965 fewer than 20 percent of the employers in the state complied with these requirements. The State Labor and Education Codes contained extensive regulations governing the employment, working conditions, and hours of minors, but inspectors from the Department of Labor found children working illegally on 60 percent of the farms they inspected. Farm workers bad the highest occupational disease rate in California, twice that of all other industries combined. Twenty-five percent more farm workers than workers in general were hospitalized for serious injuries suffered on the job. Thirty-six percent more babies born to farm worker as compared to other mothers died in infancy. In rural California, the percentage of family heads of households with only a grade school education is over three times greater than in urban areas of the state; 41.7 percent to 12.7 percent, respectively.[50] These statistics provide a measure of the farm employers' local dominance and support the contention that farm workers were defined and treated as outsiders in the communities in which they lived and worked.

Because the farm labor movement developed outside the mainstream of American labor history and has been characterized by special features of geographic and ethnic isolation, a grasp of the outlines of its historical course is essential. In the next chapter, the UFW will be set in the context of previous farm labor organizing in California.

⋆ ⋆ ⋆

---

50 California State Assembly Advisory Committee on Farm Labor Research, *The California Farm Labor Force: A Profile* (Sacramento: April 1969), 1–154.