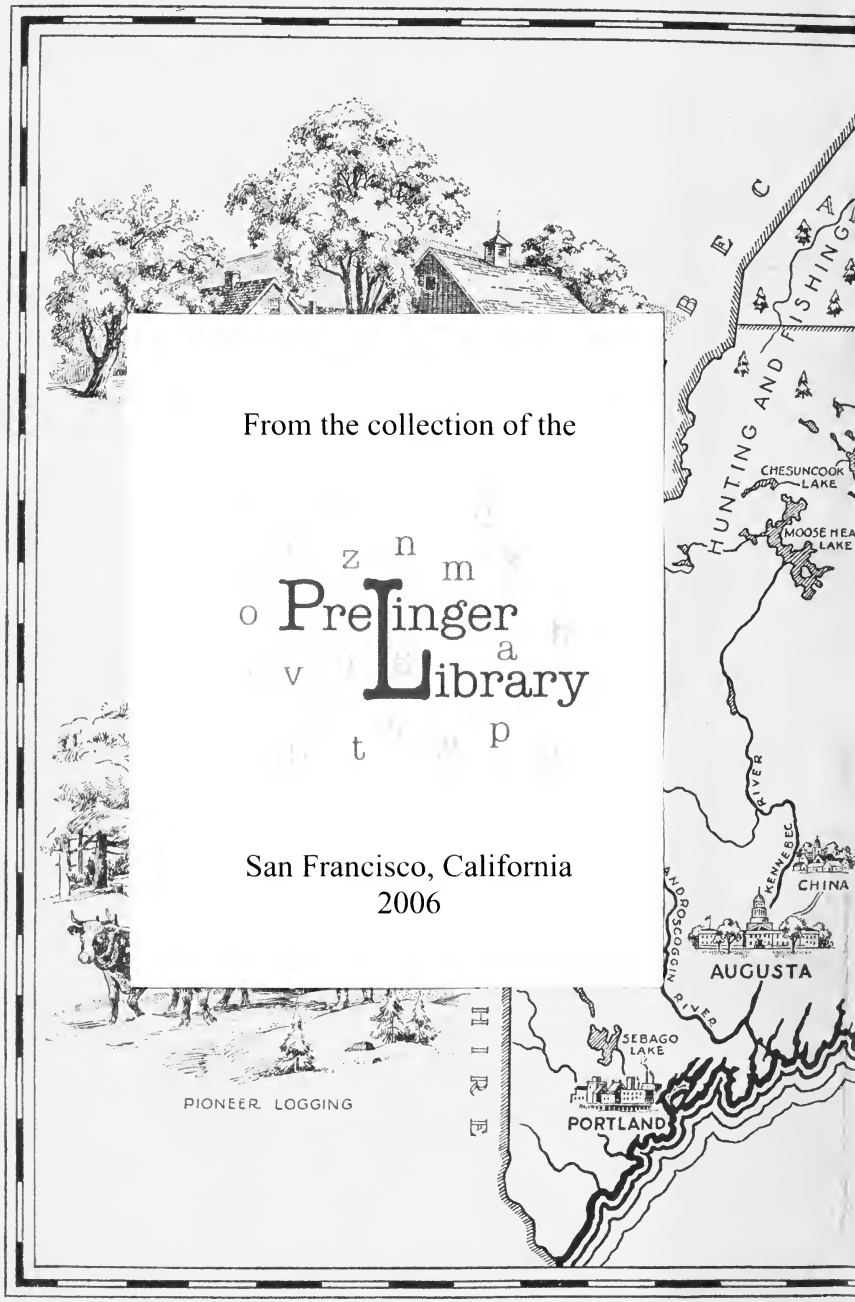
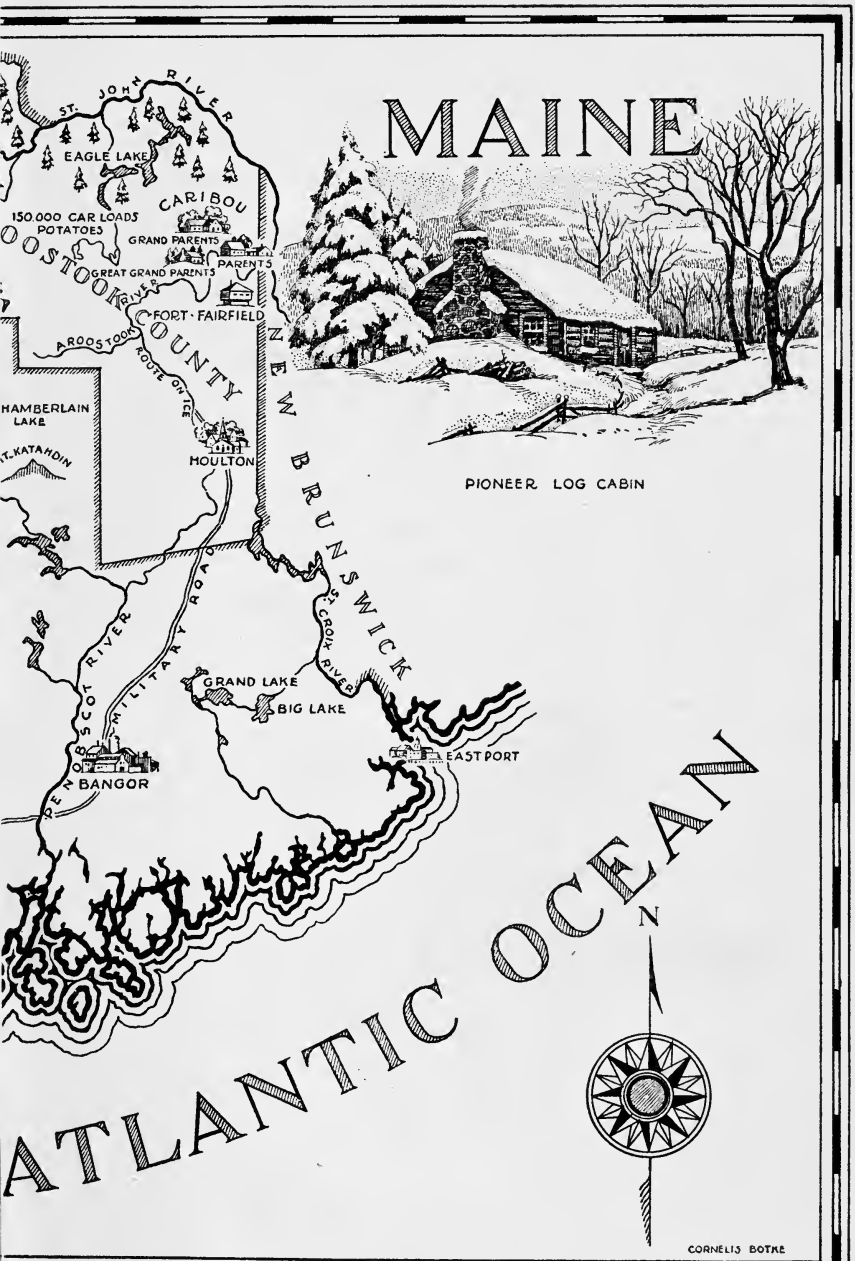
Fifty Years a Rancher

CHARLES C. TEAGUE




MAINE
ST. JOHN RIVER
EAGLE LAKE
CARIBOU
150,000 CAR LOADS POTATOES
GRAND PARENTS
PARENTS
GREAT GRAND PARENTS
OOSTOOK RIVER
FORT FAIRFIELD
COUNTY
AROOSTOOK
ROUTE ON ICE
HAMBERLAIN LAKE
T. KATAHDIN
HOULTON
NEW BRUNSWICK
ST. CROIX RIVER
MILITARY ROAD
PENOBSCOT RIVER
GRAND LAKE
BIG LAKE
EASTPORT
BANGOR
ATLANTIC OCEAN
N
PIONEER LOG CABIN
CORNELIS BOTKE

I AM *indebted to our dear friends Cornelis and Jessie Arms Botke, nationally known artists, for the cover maps of this book. Their home and studio is near the Limoneira Ranch in Ventura County, California, which is the scene of many of the incidents of this book. Mr. Botke is especially famous for his etchings, several of which hang in the Library of Congress, while Mrs. Botke's paintings of birds and flowers are equally famous.*

When I first conceived the idea of using maps of Maine and California on the covers of this book, I approached Mr. Botke with the suggestion that he do them for me. At that time Mr. and Mrs. Botke were deep in the preparation of a collection of their etchings and paintings for exhibition in Los Angeles. In addition, Mr. Botke had been invited to present a one-man show at the Smithsonian Art Gallery in Washington. The stress of their own work was aggravated by the fact that the bridge across the barranca which connects their home and studio had been weakened by high waters and was in need of repairs before the winter rains set in. The job of reinforcing the bridge fell to Mr. Botke who regretfully told me that, much as he would like to do the maps, he did not see how he could work them in with the rest of his pressing duties.

I offered a counter-proposal. If Mr. Botke would do the maps for the book cover, I would have some of the men from the Limoneira Ranch repair the bridge. Much to my delight, he accepted my offer. He did the maps; we repaired the bridge; and everyone was happy.

C. C. T.

Second Edition

THE first edition of "Fifty Years a Rancher" was printed by Mr. Teague at his own expense and given to members of his family, friends and business acquaintances. In the course of this initial distribution, the book went to all sections of the country and to people in many walks of life.

Many have written expressing the opinion that the book has high historical, inspirational and educational value with respect to cooperative marketing in particular and California agriculture in general. With the changes in membership through property sale and inheritance, this book becomes especially valuable because it serves as an historical document of the growth and development of the citrus and walnut industries.

Because of its very apparent value, the Directors of the California Fruit Growers Exchange have approved this second edition of "Fifty Years a Rancher" for distribution to all member growers.

California Fruit Growers Exchange

December 1, 1944

CHARLES COLLINS TEAGUE

FIFTY YEARS A RANCHER

The Recollections of half a Century Devoted to the Citrus and Walnut Industries of California and to Furthering the Cooperative Movement in Agriculture.

CHARLES COLLINS TEAGUE

Preface

IN HIS book Mr. Teague gives credit to Dr. Robert G. Cleland as having inspired him to undertake it. Dr. Cleland, knowing of my long association with Mr. Teague, requested that I write an introduction, which I was happy to do.

This book is the story of the life of my friend and associate, Charles C. Teague. It covers an important era in the development of the citrus and walnut industries of California; the spread of the idea of cooperative marketing among the farmers of California and the United States and the development of two outstanding organizations of that character in the nation.

In the early nineties Charlie Teague and I lived in what was then the little town of Santa Paula in the Santa Clara Valley. In 1910 I became counsel for the California Walnut Growers Association and three years later assumed the same position for the California Fruit Growers Exchange. I have thus been in intimate business and personal association with the author of this book for upwards of half a century. The times have not been easy. Especially since the beginning of World War I, the country has faced uncertainty, a succession of complex problems, unprecedented social and economic changes, and countless other difficulties.

These trying years and the experiences we have faced together over the decades have given me an opportunity

to know Charlie Teague as he is, to test his mettle, to evaluate his character. I have found that he possesses intellectual and personal honesty to a rare degree. In all my life I have never known him to be guilty of a small or a mean or unethical act. He has his own ideas (on some of which incidentally he and I do not see eye to eye), strong and vigorous, and strong and vigorously expressed. These he arrives at after much thought and careful seeking for the facts. Faced by a problem, his first characteristic question is, "Well, boys, what are the facts? Let's find out all we can about the problem." When Charlie reaches a conclusion, he reaches it, he expresses it, he contends for it, he fights for it, and if necessity requires, he can engage in a bit of heavy slugging in the scrap.

With honesty as the foundation of his character, Charlie Teague's next outstanding quality is singleness of purpose. He is the sort of man John Greenleaf Whittier referred to in *Snowbound* when he said, "A prompt, decisive man, no breath our father wasted: 'Boys, a path!' " When there was a job to be done, Charlie always said, "Let's get at it." That was true whether he was a day laborer, a superintendent, an executive, a bank director, a public official, a leader in civic or community enterprises.

A third outstanding characteristic is his unselfishness. What Charles C. Teague has learned through intense application, trial, success, or failure, he has generously and unhesitatingly made available to others. A small-souled man would keep this knowledge to himself and seek to profit from it; but whenever Charlie learns something that promises to benefit his own groves or business, he makes the

information public property as a contribution to the common good. During his long and active career, he has held numerous appointive public offices, and taken the lead in many community and other public enterprises, without thought of compensation or other profit for himself. His ability and character have received recognition at the hands of Presidents, Governors, educational institutions, his associates in agriculture, and his friends and neighbors. He is thus a man with honor in his own community, as well as in his state and throughout the nation as a whole. A few of his honors and offices he mentions in his autobiography, but the list is far too long to be included in full either in this introduction or in the body of the book.

For nearly half a century Charles C. Teague has sought to promote cooperation in agriculture, especially in the two great branches in which he is chiefly interested—the citrus and walnut industries. To that task he has devoted himself tirelessly, unselfishly, and effectively. This consuming ambition has been inspired in some measure, naturally, by self-interest, but to a far greater degree it springs from his desire to have the farmers of the country enjoy the profits to which they are entitled. For that reason, apart from the intrinsic merits of the book, my friend's autobiography will be read with deep interest and appreciation by agriculturists all over the United States, by those who believe in the cooperative movement as an instrument of private enterprise, by his fellow orchardists of California and Arizona, by his neighbors and his innumerable friends.

In 1924 the University of California conferred the honorary degree of Doctor of Laws upon Charles C. Teague.

At that time the president of the university presented him with a diploma upon which there is inscribed the following: "Pioneer in the great citrus and walnut industries of California; supporter and prosecutor of agricultural research; untiring advocate of improved agricultural methods; worthy representative of the state's largest industry."

To that well-merited tribute I should like to add the words in which Stanley, the intrepid discoverer of Livingstone, described one of his lieutenants: "He was a man who relished a task for its bigness and greeted hard labor with a fierce joy."

GEORGE E. FARRAND

Foreword

THIS is a chronicle of my recollections of 50 years of active business life. It is a sort of "hodgepodge" of history, personal experiences and philosophies. It covers 50 years of phenomenal development of the great citrus and walnut industries of California and the evolution and development of the California Fruit Growers Exchange and the California Walnut Growers Association, which market from 75 to 90 per cent of the various varieties of citrus fruit and walnuts produced in California. These organizations are recognized throughout the world as models of success in the cooperative marketing of agricultural products.

This story has been dictated to my secretary at odd moments when I had time from my other work, in which I am still busily engaged. It is prepared primarily for the benefit of my family, my dear wife, who has been my devoted companion and helpmate for 46 years, our daughter and two sons, their families, including our eight grandchildren.

There has been no attempt at literary style or composition, of which I would not be capable, nor does it represent the exact sequence or chronological order of the development of the industries I describe. The story is told much as I would relate it to the members of my family if they were gathered around me at our fireside.

Twenty-five hundred copies of this book have been pub-

lished. I am sending them to my relatives, friends and associates in my various activities. My business acquaintances probably will not be interested in my ancestry and boyhood recollections, but I hope they may be interested in my recollections of the experiences we have shared together.

If anything in this record helps others in the problems of life, I shall be happy.

C.C.T.

December, 1943

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FIFTY YEARS A RANCHER

MRS. SAMUEL W. COLLINS

Grandmother Collins

CHAPTER I Ancestry and Boyhood in Maine

I WAS born in Caribou, Aroostook County, Maine, in 1873. My forebears were pioneer New England stock. The hardships, limitations, and forthright independence of the frontier environment in which they lived were so well set forth by my mother, then eighty-five years old, in a paper read before the New England Society of Los Angeles in 1934, that I think I can do no better than to quote from it.

"Ancestry has long been a hobby of mine and when I was given this subject to talk about I thought I might tell you a little of the pioneer life of some of the people of northern Maine and their hardships and experiences of that early time.

"In 1839-40 there was trouble between the British and the Maine lumbermen, for the British sought the tall timber to make masts for the King's Navy and did not hesitate to go over the line into Maine and mark, with the King's arrow, any tall and stately pine they might find. And afterwards came the woodsmen who cut them down without paying any attention to the Maine woodsmen who were there for the same purpose.

"Many encounters had taken place and finally an open outbreak caused Congress to place, conditionally, millions of dollars and a large army at the disposal of the President and the Maine legislature authorized a loan of ten millions, raised troops and established garrisons along the border. A military road was built as far as Houlton. Along this way for miles during the winter of 1839 might be seen sleds drawn by powerful horses and loaded with soldiers, munitions of war and provisions.

"Driving one of these teams that transported soldiers was my mother's father. . . . A man then about forty years of age. This border war was soon over . . . settled by arbitration . . . and the boundary line between Maine and New Brunswick permanently fixed.

"The fertile soil of this new country attracted my grandfather and he preempted some of the wild government land for a farm. The following spring he returned with his eldest son and they cleared a few acres of land and sowed wheat and corn and planted potatoes between the stumps. They had brought the seed with them. They built a log house. It was a good house of its kind, for grandfather was a wheelwright and knew how to use tools. It was built of hewn timber and had a combination living-room and kitchen and a large bedroom below and three bedrooms above. There was also a storage room that held a loom, a big spinning-wheel and a small flax wheel.

"After building this house and harvesting their first crop, grandfather and Uncle Jacob returned to China, Maine, for the rest of the family. These were grandmother and three girls . . . my mother being the eldest . . . and three boys.

"They took with them all their household goods, loaded on a sled drawn by two stout horses and driven behind was a yoke of oxen, a cow and several sheep. On the sled, of course, rode grandmother, the girls and the younger boys. Grandfather and the older boys walked and drove the animals.

"Imagine, if you can, what it meant to take such a journey in the dead of winter. They had no difficulty while the military road lasted, but that ended when they reached Houlton and the new home was fifty miles away and to reach it they must either travel through an unbroken forest or go on the ice on the river which was solid and strong enough to support all their belongings—so they took that way and finally reached their home in the wilderness.

"An old letter says that when they arrived, cold, tired and hungry, but happy, grandmother cried for joy. They found the huge fireplace filled with logs and plenty of kindling, so a fire was soon roaring up the chimney and a pot filled with food cooking over the blaze.

"With ten persons to feed, the flour they brought with them was soon exhausted, and, though a gristmill had been built three miles away, the snow was too deep to take wheat on horseback to the mill to be ground. So my resourceful grandmother ground wheat and corn in her coffee mill.

"And here let me say a word for this pioneer grandmother. She was made of the stuff that has made New England women famous.

"She carded and spun the wool, then wove the yarn into cloth, from which she made clothes for her husband and the girls. Flax was also raised, which she spun and wove

into linen for tablecloths, sheets, towels, thread, etc. I remember the old loom in the attic. Also the big spinning-wheel and the flax wheel. These things served their time, then made way for new inventions and new ways.

"Grandmother was a Universalist, a Republican, a Prohibitionist and an Abolitionist, while grandfather was a Democrat and a Baptist. Sometimes when religion or politics were discussed things grew rather warm. The boys always sided with their mother. These boys were not allowed to use tobacco and once when I was a small girl on a visit to grandmother's I witnessed a by-play that made lots of fun for the assembled youngsters. One of the boys had been lame from childhood and on that account claimed indulgences not allowed the other boys. Grandmother was busy getting supper—a kettle in which a stew was cooking hung on the crane. A cookstove had been added to the equipment and grandmother divided her time between cookstove and fireplace. Martin sat before the fire, and, keeping a wary eye on grandmother, calmly took a new clay pipe from his pocket and proceeded to cut some tobacco and fill it. He then took a coal from the fire and lighted it and began to puff. Grandmother apparently had not noticed this brave performance, but finally she went behind him and grabbing the pipe threw it up the wide chimney, saying, 'Martin, when you want to smoke you leave this house!' That ended it for Martin. Not one of the boys ever used tobacco, which speaks well for grandmother's discipline.

"An old family Bible belonging to great-grandfather was much cherished in the family. It had many illustrations,

among them one of the inferno and one of the Devil—hoofs, horns, tail and pitchfork—I never could see what he wanted of the pitchfork. This picture had a great fascination for my youngest uncle and he was in danger of wearing out the precious old Book looking at it. Grandmother said one day, 'Wallace, you seem very fond of the Devil. Here take him. I cut him out of my Bible long ago,' and suiting the action to the word, took her scissors and cut out the picture of his Satanic majesty, handing it to her son, who never forgot the lesson so dramatically portrayed.

"Banks were unknown at that time and my father's bank was an unlocked trunk in his bedroom. His market for lumber was St. John, New Brunswick, and when he returned from there with the proceeds of a year's business he brought it in gold which he deposited in that trunk. Although there were many workmen around the house, the contents of that trunk were never molested but once. The teacher of the public school asked my mother where my little brother got the gold he had in his pocket and when mother asked him about it he said he took it to hear it jingle. There were no candy stores, so he just jingled it.

"One of my earliest recollections is of riding on horseback to my grandmother's, three miles away, seated in front of my mother, with my brother perched behind. There were no wagon roads and only a path through the woods.

"My father's and mother's marriage was the first in the town of Caribou and so early there was no record of it, but from an old diary of my mother's I learned many things of that early time. One was that when she returned from the Centennial Exposition she came home on the first

train that came into Caribou. At an earlier date, when I was attending school in Bangor, I had to travel by stage for over a hundred miles as there was no railroad nearer at that time.

"One incident of Civil War time which probably never got into print may perhaps be of interest.

"It was in 1864 and I was attending school in Bangor at the time. Abraham Lincoln had been renominated and a Lincoln and Johnson flag raising was going on. I was among the crowd in the square witnessing the demonstration and when the flag was thrown to the breeze an ominous strip of black crepe was pinned to its folds. A shock of horror ran through the crowd and the flag was quickly lowered and the crepe removed. After Lincoln's assassination this ghastly joke seemed prophetic."

The grandmother referred to in the foregoing quotations was my great-Grandmother Hardison. I here quote a few extracts from the "Line-a-Day" diary written in 1916 by her daughter, Grandmother Collins, when she was eighty-nine years of age:

"February 25th—Have been reading Gen. F. von Bernhardt on *The Next War*. He believes in Germany's method of preparedness and government. What if Germany, with all her preparations, should be beaten? He argues that if it were not for war nations would degenerate. What about Christ's teachings that the sword will be beaten into ploughshares?

"March 14th—Waiting, not for the end of time, but for some embroidery floss and for instructions how to work a letter 'O' on a pair of pillow slips. Pretty old to commence

taking embroidery lessons! 'Learn to labor and to wait.' Waiting is the harder part.

"March 19th—It is Lent. How shall I keep Lent? In a wheel chair, hard of hearing, and in my ninetieth year! Have read this morning the different methods of keeping Lent. To me it is not denying the physical wants but enjoying the spiritual.

"June 4th—A vase of narcissus is on my table—a symbol of purity. I would like to be a Burbank and hybridize these wild rose bushes back of my window into something beautiful. The crab-apple tree is beautiful in its blossoms, but the fruit is worthless. The hazel bush I would have bearing better nuts; the wild cherry I would graft into delicious cherries. But here I am in a wheel chair, old and infirm. I enjoy nature and would like to improve it by grafting the best into an inferior. I wish there were more Burbanks!

"October 6th—I had two apples brought to me the other day, from a tree back of the house, that interested me. They were the 'Duchess of Oldenburgh,' large and of fine flavor. This tree, with others, was first set out by S.W.C. (Samuel Wilson Collins) and me, and never bore any apples. When Collins Street was made, all the others were taken up. It is just lately that this tree has borne any fruit. S.W.C. used to say that I always looked for apple trees, while he preferred to look for a tall pine that would make a mast for a ship. The pine trees are all gone. This apple tree will yet give a good account of itself.

"December 18th—The quilt that I pieced together and the friends quilted for me at a 'Quilting Bee' goes into the chest of my great-granddaughter, Alice McKevett Teague. Her father, Charles Collins Teague, held the number that drew it. Alice's grandmother, Mrs. Alice McKevett, of Los Angeles,

has given her the chest and my quilt was the first article to go in it. Wish I had done the work better.

"December 31st—Good-bye to the old year. May 1917 be a more peaceful one! This little book has many blots and mistakes, but I have enjoyed writing every day. It keeps me posted and I do not forget as I would if I did not write.

"At Christmas time, if I had the lamp of Aladdin, I would make every one happy. I don't believe I would send any one to hell, as Billy Sunday does. How can ministers shout 'Amen!' to this preaching of hell and damnation!

"Eternity! Who can fathom it? If there is eternal life, it is the gift of God. I cannot merit eternal happiness or deserve eternal punishment. Our lives here on earth are but a moment compared to eternity.

"The lessons in life, from the beginning of the spinning of tow on a hand wheel to the work of embroidering an art bedspread, cover a long period, and is a longer page than I can write, for the twilight fades into darkness. I have had almost ninety years, and am still learning."

My Grandfather Teague was a farmer and had a general merchandise store in the town of Caribou. He represented his home district in the Maine Legislature for five terms and at one time, running on the Republican ticket, he defeated my Grandfather Collins who ran on the Democratic ticket.

At the time of my birth my father was a merchant in the village of Caribou. Later he became sheriff and customs-

house officer at Fort Fairfield, Maine, a town on the boundary line between New Brunswick and Maine. But as long as we lived in Maine, Caribou remained our home.

In 1919 my aunt, Florence Collins Porter, and my mother wrote a book on ancestry, called *Our Folks and Your Folks*. From it I quote the following passage on my father:

"Milton Dana Teague, the oldest child of Judah Dana and Evaline (Morse) Teague, was born in Turner, Maine, April 25, 1848, and accompanied his father to Caribou, Aroostook County, when a lad of about twelve, the oldest of five children at that time. He gave promise of unusual business ability at an early age, for when he was fifteen his father sent him, accompanied by his sister Mary, who was four years younger, back to Turner to buy some merchandise, the two travelling by private carriage over the long distance of two hundred and fifty miles, part of which lay through an unbroken wilderness of a hundred miles in Aroostook County. It was work of this kind that developed a sense of initiative and responsibility in children in those early days."

Experiences of childhood remain the longest in our memories. Our old home and the conditions under which we lived are as vivid in my memory today as though they were scenes and incidents of yesterday. The house was typically New England, of precisely the same type that can be seen there even today, and was considered a comfortable home for that period.

The house was connected with the barn by a long woodshed, an architectural plan made necessary by Maine's rigorous climate. It was thus unnecessary for us to go out of

doors to feed the stock during severe winter storms when it was not uncommon to have from four to six feet of snow, and a temperature of from thirty to forty degrees below zero. There was no running water in the house. There was a pump in the woodshed and one in the kitchen sink. We had progressed beyond the candle days of my grandmother and used coal oil lamps. Wood stoves had replaced the large fireplaces which served both for heating and cooking, and homes were heated by these wood stoves, supplemented by heat from the cookstove in the kitchen.

Under these conditions of course there were no bathrooms or bathtubs. Our family was required to take a bath on Saturday night even in wintertime, whether we needed it or not. It was quite a ceremony—all of the available utensils were filled with water and placed on the cookstove to heat. A large washtub was placed near the stove and each took his turn; the children first, mother assisting to insure that a good job was done—particularly on the ears and neck.

There were no modern sanitation provisions. Such things as sewer systems, septic tanks and the treatment of drinking water by chlorination were unknown and would have been considered unnecessary and foolish. The water from the baths was thrown out of doors and the drainage from the sink was usually disposed of in the same way or run into cesspools.

At that time science had contributed almost nothing to our knowledge of hygiene and sanitation. The means of safeguarding health that are now commonplace were wholly unknown. There were no such things as antitoxins

or effective methods of controlling epidemics, and infections and contagious diseases took an appalling toll. Epidemics of scarlet fever and diphtheria constituted the greatest scourges.

My two grandmothers had good homes and were known as good housekeepers. Both had large families; my paternal grandfather, twice married, had 13 children. I have an uncle who is 10 years younger than I. My maternal grandparents had 14 children. But out of the total of 27 children in the two families, only 12 grew to maturity. This heavy mortality was due largely to diphtheria and scarlet fever. This was only 60 or 70 years ago. Contrast the conditions then with the sanitary standards of the present day!—bathrooms, showers, hot and cold water, public health laws and health inspection systems. Now a man just isn't well kept unless he shaves and takes a bath or shower at least once a day. Then, if he shaved once or twice a week he was doing pretty well, and of course a great many men wore beards.

Fifty years ago the women died young. I have been interested in examining the headstones in the cemeteries in New England and have been amazed to see how young the women were whose names they recorded. The men of that day often married two or three times—not because they were divorced, as is the custom now, but because the women usually died from childbirth or from the great burden of caring for large families of children under the primitive conditions of those days.

In our modern civilization the women outlive the men—partly because of the advance of medical science in the field of obstetrics and the lightening of women's work by

the advances in household conveniences such as electric appliances.

My mother had a remarkable disposition. I do not ever recall having seen her very angry, but my older sister tells of an incident when she was at least quite provoked. Mother had sent my sister to the butcher shop to buy some tongue. The butcher, who was something of a joker and who knew mother well, told my sister to go home and tell my mother she had "tongue enough."

Mother's policy was to allow her children to develop their own personalities without too much domination or interference, so long as their activities were wholesome. Under this policy I was allowed considerable freedom of action—probably too much for a boy of seven or eight. We played on the logs in the mill pond near by. My first camping trip was when I was seven years old. A chum of about the same age and I, accompanied by a large dog, set up a small tent at the mouth of a brook about a mile from the village. The dog slept between us to keep us warm and allay our qualms of uneasiness. A heavy rainstorm arose in the night and blew down the tent. I remember how relieved we were when my father came up the river with a lantern and rescued us.

Among the many incidents of boyhood that remain fixed in my memory, I recall most vividly one serious misadventure. It happened in the winter. A hotel near our home got its water supply from a spring at the foot of a hill. The water was carried up the hill in a hogshead mounted on a wagon. The wagon had hard wood axles and wheels made from sections of logs. We used to delight in riding on this

conveyance; but on this particular occasion the wagon was coated with ice and I slipped and fell so that the wheels passed over my body. I was picked up for dead but in a short time I was running around the house as usual and was known for some time thereafter as the "India Rubber Boy." It was not until the development of the X-Ray, many years later, when I began to have trouble with my hip, that I found the bone had been fractured in my boyhood accident. In the last 15 years this old fracture has caused me considerable discomfort.

But I think I have talked enough of childhood recollections in Maine.

CHAPTER II Boyhood

Experiences in Kansas

IN 1881 a call came from Kansas. My father received letters from mother's brother, Charles Collins, and her uncle, Wallace Hardison, two Pennsylvania oil operators to whom I make frequent reference later on. They had bought a bank at Salina and a cattle ranch near by. The letters told of the wonders of that new country and invited my father to come out there and manage these businesses.

Father decided to accept the offer. He was then 34 years of age. We made the trip to Kansas in the winter of 1881. I don't know whether sleeping cars had been invented at that time or not, but at least we didn't ride in one. The railroad coaches in which we travelled had coal stoves at each end, upon which coffee could be boiled, and mother had provided provisions enough to last us throughout the trip. We took plenty of blankets along and were really quite comfortable. When I travel on the modern luxurious limited trains of today, with their private drawing rooms, compartments and bedrooms, I often recall that trip to Kansas. I think it was my first trip on a train. I particularly remember how fascinated I was by the red and green lights

of the railroad yards in the cities. In due course, after many changes of cars, we arrived at Salina, which was to be our home for the next 11 years.

I well remember the first electric lights and telephones. They seemed nothing short of marvelous, as indeed they were—and are!

I was educated principally in the town's public schools. For a short time I attended a private school and later entered the St. John's Military Academy at Salina. Because of family financial reverses I was obliged to leave school at the age of seventeen. Although I did not graduate, I received about the equivalent of a high school education of that day. I am sorry to say I was not a particularly good student.

After leaving school I worked for about a year as a clerk in a drygoods store. In my second job I was hired to close out a bankrupt stock of hardware in the neighboring town of Ellsworth, Kansas.

Shortly after we arrived in Kansas, my father and my Great-Uncle James Hardison bought a section of bottom land five miles from Salina. They divided it and Uncle Jim took the half section on which there was an old house surrounded by cottonwood trees. About this time I had my first real contact with the soil and began those experiences which developed in me a great love of nature. As I think of it now I am convinced that my experiences, from the time I was 12 to about 16 or 17, proved to be the determining influences in my life. I was not interested in my father's farm, but I was very greatly interested in Uncle Jim's farm. This was not because of the differences in the farms but because of Uncle Jim and Aunt Mary.

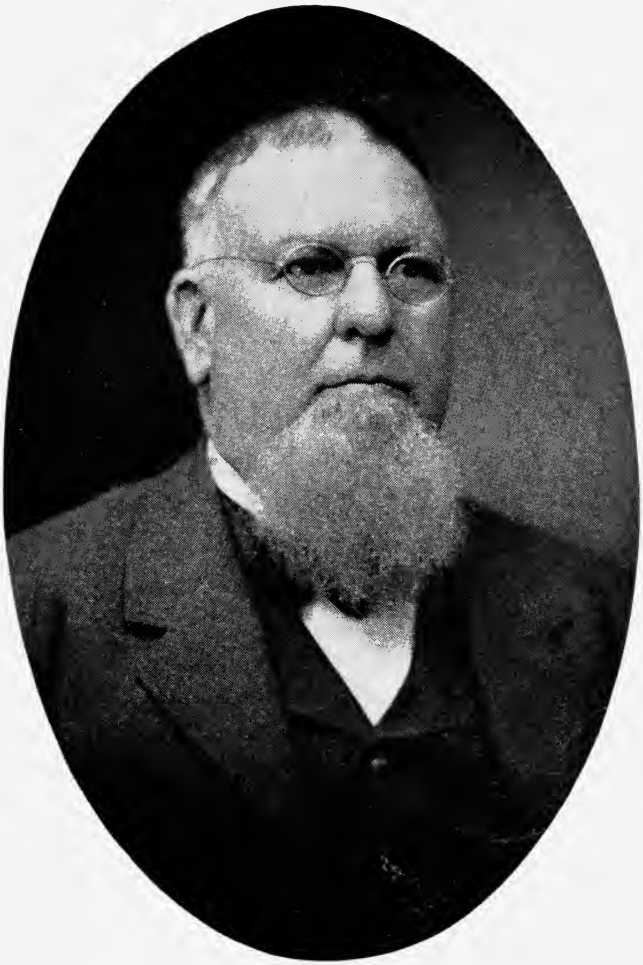
When school was out on Friday night I would walk, or hitch-hike as we call it now, out to their farm. I also spent my summer and Christmas vacations with them. Uncle Jim provided me with an old gray mare for the return trip. When I reached home I would turn the old mare loose and she would go back to their farm.

To a boy of my age, Uncle Jim and Aunt Mary were fascinating characters. Uncle Jim was unusually well read and was well informed on many subjects, especially politics, religion and history. He loved to talk about them all and discussed them with me as though I were a man. He was my fishing and hunting companion, so life on his farm was a combination of work and play—mostly play.

Uncle Jim took life easy and did not allow adversities to affect his mental attitudes very seriously. He was always genial and cheerful. He didn't care much about making money, as long as he and his family could be comfortable. Aunt Mary was one of the sweetest, most placid characters I have ever known. She worshipped her husband and never was out of patience with him, although she had many occasions to be, since in many respects he was quite careless about the house; but he was never unkind to her. I loved them both dearly.

The Smoky Hill River ran through Uncle Jim's farm. There were catfish in the river and quail in the thickets along the banks and in the hedgerows. In the winter there were ducks on the river and prairie chickens in the corn field. The chickens would fly from the corn fields to the cover along the river.

When I was 12 years of age Uncle Jim taught me to



JAMES H. HARDISON
Uncle Jim

HORSE AND BUGGY DAYS

Santa Paula on Decoration Day, 1894. The building at the far end of the street was the first main office of the Union Oil Company of California.

shoot and provided me with an old muzzle loader. The gun was so heavy I could hardly hold it up, and had such a long stock I could not get it to my shoulder but had to put it under my arm to shoot. Uncle Jim taught me how to load the gun with a very light charge of powder and let me take it and slip along the Osage orange hedgerows and shoot cottontails. When I was 13 my father gave me a 16 gauge Ithaca shotgun. It was placed near my bed on my birthday and I well remember my feelings of delight when I awoke in the morning and saw it.

I usually had one or two bird dogs and became rather proficient in training them. During heavy storms, when there was snow on the ground, Uncle Jim and I would go squirrel hunting. During the cold winter the squirrels would sleep in nests in the trees. By pulling the grapevines that climbed through the trees we would scare the squirrels out and were able to shoot them. Uncle Jim and I would hunt quail in the thickets along the river. It was quite difficult sometimes to penetrate those tangled brush pockets.

One day when the river was quite low Uncle Jim proposed that we take a couple of horses and ride up the river, with the dogs covering the territory on either side until coveys of quail were located. The plan worked very well until we came to a place in the river where there was quicksand. The horses were having great difficulty in getting out and Uncle Jim proposed that we dismount, since a man can walk on quicksand when a horse cannot. We got out of the quicksand all right, but the situation looked a little ticklish to me at the time.

We had lots of fun catching catfish. We owned a boat

and had several "trot lines" stretched across the river. These "trot lines" were a short distance apart and had numerous hooks attached to the main line and a sinker in the center. In the evening we would bait the hooks with liver and row the boat from one line to another, taking off the fish and rebaiting the lines.

One incident in our fishing experiences stands out in my memory. The river was low and the fish had accumulated in deep pools so that we had not been having success with our "trot lines." Uncle Jim proposed that we try a new method. He had a few sticks of dynamite and when we reached one of the deep holes with the boat he would put a cap in the dynamite, with a short fuse, and throw it into the hole. The explosion would break the bladders of the fish and they would rise to the surface. We had a pretty good supply of fish when Uncle Jim threw in the last stick of dynamite, but it failed to explode. After waiting for a reasonable length of time, Uncle Jim said, "Whist, (his nickname for me) take off your clothes and dive in and get that piece of dynamite." This I proceeded to do. I remember the feeling I had when I held the dynamite in my hand and thought "What if this should go off?" But it didn't.

When we had an extra supply of fish I was allowed to take a team and wagon and peddle them to the people living in the surrounding country.

My experiences in actual farming were limited to cutting rye out of the wheat with a butcher knife, running the hay rake during haying, shocking wheat, cultivating corn, and helping with the hogs. In the late summer and fall we picked wild grapes along the river, and elderberries for

wine—but I was not allowed to drink any of the wine!

Uncle Jim was quite resourceful. He had a couple of large stag hounds, Jeff and Jerry, which were my constant companions. Uncle Jim discovered that he was not getting the usual number of eggs and found that Jeff had been hunting up the hens' nests and eating the eggs. He said to me one morning, "I figured out a scheme for breaking Jeff from sucking eggs." He then took the old muzzle loader, put in a light charge of powder, but left out the shot, and placed it in the pathway between the house and the barn. Next he attached a long cord to the trigger, covered the gun with a piece of cloth, placed a couple of eggs in front of the muzzle of the gun, and then got out of sight behind the house, holding the string in his hand. My job was to go down the path and call the dogs. When Jeff saw the eggs he stopped, but just as he was taking one of them up in his mouth, Uncle Jim pulled the trigger. Jeff's face was quite badly burned and he never looked at an egg after that.

Uncle Jim went quite heavily into the business of raising hogs and at one time had about 1000 of them. He conceived the idea of building a large dugout opening onto the river, to serve as a shelter for the hogs during the winter. The scheme seemed all right but when very cold weather came the hogs piled into the shelter in such numbers that many of them suffocated. When Uncle Jim's hog business was at its peak an epidemic of hog cholera almost cleaned him out, but the heavy loss did not greatly discourage him.

One winter Uncle Jim proposed that we cross the river on the ice and cut some fence posts. We took our lunch with us and stayed all day. When it was time to go home

the sun had melted the ice, making the crossing quite hazardous. Uncle Jim, who was over six feet and weighed about 250 pounds, said, "Whist, you're light, you go out on the ice and test it." I crossed over safely and told him that I thought it was all right. He pushed a couple of fence boards along on the ice much as one would use skis. When he arrived at about the middle of the river the ice gave way and he found himself in the water almost up to his shoulders, greatly to my amusement. Fortunately the water wasn't very deep and he got out without much difficulty.

Another amusing experience involved an old sow which had a litter of pigs on a shelf above the river. There was a steep path down to the shelf and Uncle Jim, fearing that the pigs would fall into the river, went down to drive the sow back up the steep trail. He had a little switch in his hand and got behind the sow—but she wouldn't drive. Instead, she charged him and backed him into the river. I thought this was awfully funny and I believe Uncle Jim enjoyed it just about as much as I did.

In the evenings Aunt Mary read us such books as *Huckleberry Finn, Tom Sawyer, Thaddeus of Warsaw* and *Ben Hur,* and Uncle Jim commented from time to time as she read. One of Uncle's favorite expressions was—"Flee unto the mountains of Hapserdam, where the lion roareth and the whangdoodle mourneth for its first-born." He also frequently used a phrase which appeared in an article in a Pennsylvania oil country paper, referring to a rival oil town after the boom—"A man found alive in Titusville."

Is it any wonder, considering my free outdoor life with

Uncle Jim on the farm, that I became restive when shut up in a schoolroom, had difficulty in concentrating on my lessons, and failed to make much of a name for myself as a student? In recent years my wife has chided me for concentrating too much on a problem in which I am interested, sometimes to the extent of becoming oblivious of what goes on around me. At least, in those long past days of my boyhood, I had no such deep concern over the future of our country, of our business enterprise system, or the welfare of our people, as I have now in these days of great experimental reform.

From Uncle Jim I learned many lessons that have helped me through life. The most important of these is to be philosophical toward reverses and events about which I can do nothing. But I also learned that to achieve what we call material success, one must work harder and take life more seriously than did Uncle Jim.

When I was 16 and attending the military academy, I had a new experience, and one that really made me work. One of my schoolmates told me that his uncle had a contract to do the grading on a railroad to be constructed in Colorado on the west side of the Rockies between Salida and Alamosa. He said he thought he could get me a job there during the summer vacation. I secured the consent of my parents and accepted. My particular job was to be assigned to me later. We started for Colorado on a work train. At Pueblo we were told that the train would stop for about an hour and we would have time to see the sights of the city. When we returned to the depot the train had left! We had only a little change in our pockets and the

situation looked pretty serious. My companion began to cry. I suggested that we consult the stationmaster. We found that the railroad running on from Pueblo was narrow gauge and charged very high fares, so it looked as if we were up against it.

Then the stationmaster had a bright idea. He said, pointing to a woman on the other side of the station, "That woman has a job cooking for the same outfit to which you are going. She has a pass for herself and family and two flunkies, but she hasn't any flunkies. Perhaps if you would talk to her real nice she might take you along."

Acting on the suggestion, I made an eloquent plea to the woman and she agreed to take us. I attended her small children on the way as partial payment. When I arrived at our destination, I was given a job as mule skinner, or driver of a team of mules, on a dump scraper. The climate was terrible. There had been no rain for over a year and every day there were high winds with choking dust. We lived in tents. My school companion was working in the commissary department, and he even used to charge us for mailing our letters. So you see I can appreciate the song which goes, "I've Been Working on the Railroad All the Livelong Day." It was the only time I remember being really homesick, but I stayed with the job until the school vacation ended, a period, I think, of nearly three months. I don't remember the pay I received but I am sure it was very small.

My father thought that Salina, Kansas, was destined to be the metropolis of the West. He invested heavily in nonproductive city property and incurred considerable debt.

Then came the depression of the early nineties and his fortune was wiped out and his health broken. In 1893 he decided to move to California. He died in August of that year, soon after we arrived in Santa Paula.

CHAPTER III First Impressions of California and First Experiences in Ranching

MY GREAT-UNCLE, Wallace L. Hardison, was a great optimist and developer. He and Lyman Stewart were the founders of the Hardison-Stewart Oil Company, which later became the Union Oil Company of California. The general office of the company at that time was at Santa Paula, California.

Mr. Hardison was a genial, friendly man, whose impulses were to help relatives and friends. We came to Santa Paula at his suggestion and arrived with practically no resources. Uncle Wallace had written to us of the wonders of California, and I am frank to say that we were greatly disappointed upon our arrival. Santa Paula was a sorry little town with board walks and unpaved streets, mostly unsprinkled and dusty. There were only a few decent buildings on Main street—one of them was the oil company building.

We expected to find a tropical country. I am not sure, but I rather think we expected to find monkeys climbing

through the trees. At least we expected to find tropical vegetation, and we were not prepared for the brown hills that confronted us, which we have since learned to love, nor for the absence of trees.

The road from Newhall to Ventura was unpaved and full of deep chuck-holes. It was a two-day trip to Los Angeles by horse and buggy, with half-way places at Newhall and Simi. In these days even a moderate driver makes it by automobile in two hours. The trip up the valley in the summer-time with a horse and buggy was something. The road was rough and the dust was wafted along with you by the coast breeze.

The McKevett family had come to Santa Paula a few years earlier, before the railroad was completed. My wife's mother, Mrs. McKevett, had the same feelings of disappointment when she first saw the valley. She travelled by private conveyance from Newhall and the driver entertained the passengers with descriptions of the "paradise" ahead. Mrs. McKevett said—"By any chance, are you a Catholic?" and he answered, "No, why do you ask?" Her reply was, "I have always understood that it was a part of the Catholic faith that the people have to go through purgatory before entering paradise. We are certainly going through purgatory most of the day."

When we arrived in Santa Paula, the lemon industry of the Santa Clara Valley was still in its infancy; but my great-uncle, Mr. Hardison, had become enthusiastic over the future of the business and proposed that my father and I join him in the purchase of a forty-acre tract, two miles west of Santa Paula, for a lemon orchard. The only trouble

with the proposal was that we didn't have any money. This difficulty was solved by an arrangement, the gravity of which we did not then appreciate, under which we contracted to buy the land and plant it out to lemons in lieu of a down payment. Mr. Hardison offered to take our notes for sufficient stock in the Thermal Belt Water Company to irrigate the property. The tract later became famous throughout California as the "Teague Forty," although the Teagues actually owned only twenty acres of it. My father and I planned to find employment. He was to go into Mr. Hardison's office, while I undertook to learn the lemon business from Mr. Blanchard. I do not recall how we expected to get the money for the trees we were to plant, and I even doubt if it was clear to either of us at the time.

One of the early pioneers of the citrus business in California was Nathan Weston Blanchard. He was a native of Maine where he attended Colby College before coming to California in 1854. He was a rugged individualist, but was also a cultured man with the characteristics of so many of those early New England settlers, strength of character, thrift, industry and integrity.

He settled in Dutch Flat, Placer County, in the gold rush days. He tried his luck at mining for several years without success and, when his health failed, he regained it working for a cattle rancher. He then went into the mill and lumber business which he later sold and, in looking for a new location, was attracted by the fine climate and rich soil of Santa Clara Valley in Southern California.

In 1872 Mr. Blanchard and a Mr. Bradley formed a partnership and purchased a tract of land in Ventura Coun-

ty which had appurtenant thereto the water rights of the Santa Paula Creek, and laid out the townsite of Santa Paula.

In 1873 Blanchard and Bradley planted 100 acres of their new purchase to what they called "Havana Seedling Oranges." It was an enormous planting for that early day. Such of the balance of their purchase as was suitable was planted to alfalfa and they engaged in the sheep business. They also built a grist mill operated by water power from the Santa Paula Creek. For many years this was the only mill between San Luis Obispo and Los Angeles. The seedling orange grove was very slow coming into bearing, as is characteristic of seedling trees. Five years after planting, 11 acres of the seedlings were budded or grafted to lemons, and a few years later about 25 acres more were budded to lemons.

Mr. Blanchard was the manager of the partnership up to the time of Mr. Bradley's death in 1885. Because of the slowness of the orange and lemon grove coming to a bearing state and the large expense involved, Mr. Bradley's widow became dissatisfied with the partnership and it was dissolved soon after Mr. Bradley's death. Mr. Blanchard, who still had faith in the outcome of the citrus grove, took that as his portion, together with the reservation of a water right sufficient to irrigate it. Mrs. Bradley was glad that he should have it and took for her portion the balance of the land, water rights, and mill.

Mr. Blanchard's daughter tells me that at the time of the division of the property her father was down to his last dollar. His proportion of the division was one-sixth. Mr. Blanchard's faith in this pioneer orange and lemon grove

was fully justified. When it finally came to bearing it was very productive and profitable and soon became more valuable than was the other five-sixths at the time of the division.

Indicative of Mr. Blanchard's indomitable character is the fact that when he was 82 years of age he decided to bud all his seedling oranges to Valencias, which variety had proved to be so superior to seedlings that the latter had become unprofitable. To Mr. Blanchard is due the credit for developing much of the early knowledge and practice of citrus culture, and to him I owe my first knowledge of the citrus business.

My first job was pruning windbreaks—a sort of "monkey" job for which I received a dollar a day and board. I climbed the trees, attached the ropes and cut off the limbs. I later went to work picking lemons and in a little while was made foreman of a gang of Chinese lemon pickers. In the short period I worked for Mr. Blanchard, I also learned to pack and grade lemons and to avoid injuring the fruit. Careful handling of lemons, which few growers understood at that time, was one of the cardinal principles of Mr. Blanchard's success. I was so impressed with the absolute necessity for such treatment that I have always required lemons coming under my management to be handled as carefully as eggs. Much of the success we have had in developing the keeping quality of our fruit is due to strict adherence to this rule.

Man's best laid plans frequently cannot be carried out. Probably it is just as well that this was the case in my initial adventure in lemon growing. I am satisfied my father and I could not have carried through the enterprise as we had planned. We had no realization of the high cost of bringing

a lemon orchard into bearing and had been led to believe that practically all expense could be met from the production of lima beans planted between the tree rows.

In Ventura County, some soils are well adapted to bean production and considerable income can be obtained from such planting. But my own experience, covering many years, indicates that the average cost of planting and bringing a lemon orchard into bearing, even after crediting the receipts from inter-crops, runs from $500 to $1000 per acre, exclusive of the initial cost of land and water.

Before we reached the financially embarrassing stage of our lemon venture, however, my father died. This was only a few months after we had set out the orchard. Fortunately for the rest of us my father had a paid up insurance policy for $8500. After a family consultation it was decided that the best thing we could do was pay off the obligations still resting on the water stock and lemon trees and purchase a team and the necessary operating tools and equipment for the ranch. It was also agreed that I should do the manual labor necessary to care for the orchard. It is my recollection that we had about $4000 left, with a $4000 mortgage on our lemon grove. Upon this reserve my mother, my two sisters and I had to live and pay the necessary operating expenses of our twenty-acre investment in lemons until the grove came into bearing.

Since we had no buildings on the property, I rented a ten-acre ranch at the edge of Santa Paula, upon which stood a house suitable for our needs. I farmed this property for a number of years and in addition for two years drove every day to our lemon orchard two miles away, and did

all the work of caring for the trees and farming the land to lima beans.

In 1894 a condition developed which enabled me to add something to our small capital. The year was very dry and had practically no rainfall. Adjoining our lemon grove were two dry-farmed apricot orchards owned by a Mr. Nicely and a Mr. Harpold. There was an enormous set of apricots on the trees. Knowing the fruit would not mature without water I conceived the plan of leasing the properties for the year and putting them under irrigation. I accordingly proposed to the owners that I would irrigate the land, take care of the orchards until harvest time, pick and dry the fruit and give them half the crop.

They accepted the proposal. In making my offer I planned to use the water to which we were entitled through our holdings in the Thermal Belt Water Company. Because the trees were still very young only a small quantity of water was required for the twenty acres of lemons, so I had an adequate supply for the apricots. As I recall, my share of the crop brought me nearly thirty tons of dried apricots. Through this venture I gained my first experience in marketing. Dried apricots were then selling for about eight cents a pound in the sweat box. Should I hold for a higher price or sell? I consulted those whose advice I thought would be most valuable, and they were unanimous in the opinion that on account of the dry year apricots would sell at from twelve to fourteen cents a pound before spring.

With some trepidation I finally concluded to store, insure and carry my thirty tons of fruit until the market rose.

Contrary to expectations however, the price steadily declined and some months later I finally sold for five and a half cents a pound. Though naturally disappointed, I still made a fair profit, chiefly because of the low cost of labor. My experience taught me a lesson I have never forgotten. If a farmer can get a fair price for a product at harvest time, it is better to sell than to hold for a higher price. He is not justified in holding produce for a higher market unless prices at the time of harvest are down near the cost of production.

To the best of my knowledge I was the first rancher to irrigate a commercial crop of lima beans by means of furrows run between the rows. Prior to that time beans were irrigated only in dry years. In such seasons, the land was flooded before planting and the beans were not watered thereafter. The first year that I planted beans between the rows of our lemon grove, I noticed that the rows next to the trees produced about twice as many beans as the rows farther inside. This was evidently because the outside rows received more water when the trees were irrigated. I therefore concluded that it would be a good idea to put furrows down between the bean rows and irrigate the beans as well as the trees. But when I consulted those pioneer lima bean men who had been most successful in the business, they unanimously advised me against the experiment. They said it would cause the beans to go to vine and seriously reduce production. But I decided to take the risk. The first year the crop more than justified my expectations and as long as I raised beans between the trees, the new method proved highly successful. In the practice now generally

followed the beans are furrowed out, just as they begin to vine, and given a proper irrigation. One irrigation is usually sufficient under the climatic conditions of Ventura County.

Before I leave the story of my early ranching ventures I may say that the "Teague Forty" proved to be a very profitable investment. For over 25 years it produced more than a carload of lemons per acre. The fruit was of high quality, the cost of production low, and the market good. I doubt if any other orchard in America yielded as large an income per acre over a 50-year period.

Indicating the changes that time brings about, it is interesting to note that there were only three original owners of the ranch—W. L. Hardison, my father and I. Shortly after the orchard was set out in 1893, Mr. Hardison sold his half interest to other relatives, but I have always managed the property.

Deaths of the original owners and their successors have brought about a curious situation in connection with the ownership of the ranch. In 1943 there were 21 owners of undivided interests in the 40 acres. By that time the fifty-year-old orchard no longer paid. The problem could be met only by taking out the old trees and replacing them with young stock. Many of the owners of the undivided interests were not in a position to finance their share of a reconstruction program that involved not only the planting of a new orchard, but also the expense of maintaining it until it became self-sustaining. This would cost $400 to $600 an acre, depending on market conditions during the period. I accordingly proposed to buy out the other owners on a

basis of $1500 an acre, including the operating buildings, tools and equipment. The offer was accepted.

It is interesting to compare the $1500 an acre I paid for this land in 1943 with the valuations found in the assessment records of 1860 as given by Robert G. Cleland in his *The Cattle on a Thousand Hills*. The Rancho Sespe, a tract of 26,640 acres, was assessed at $6600, and the Rancho Santa Paula y Saticoy, a tract of 17,760 acres, was assessed at $4400. The value of the two ranches was thus only $11,000, or approximately 25 cents an acre. These ranches formed a considerable portion of the farming and grazing lands of the Santa Clara Valley of the South.

CHAPTER IV Complex Responsibilities

DURING the winter of 1894 Mr. Charles Cleveland, one of our early pioneers, at this writing still living in Santa Paula, joined with me in renting the tillable land in Adams Canyon and planting it to barley. A cousin of Mr. Cleveland and I plowed the land with walking plows and "bached" at a bunkhouse in the canyon until the work was completed. The following year I gave up manual ranch labor to undertake more responsible administrative work.

The change came about in this way: One Sunday in June, 1896, my great-uncle, Wallace Hardison, asked me to call and see him. After we had visited for a while he casually told me that he had secured an option on the Santo Domingo Mine in Peru, South America, and had to leave to look after its development. He expected to make a fortune from the mine and wanted me to take charge of his interests while he was away. He also said he was taking with him his son, Guy L. Hardison, and his nephew, A. C. Hardison, now a well-known California engineer and horticulturist, who had been assisting him in the handling of his affairs.

I asked my uncle when he expected to leave. He said

he was going that night and had prepared a power-of-attorney under the terms of which I would have as complete authority over his property as though I owned it. The news and the request came as an overwhelming surprise to me. I was then only twenty-two years of age and had very little business experience but I told my uncle I would be willing to assume the responsibility if he would remain until I could become familiar with his property and his policies. He said this was impossible and finally prevailed upon me to undertake this work. Had I known the problems involved, I think I should have declined.

We were in the depths of the depression of the nineties and I found that none of my uncle's property was income-producing. His chief holdings were as follows: One-half interest in the Limoneira Company, a property on which assessments were still being paid and for whose stock there was no market; a minority of the stock of the Thermal Belt Water Company, another security no one wanted to buy, since ranchers had not yet learned the value of irrigation; a three-fourths interest in the Raymond Improvement Company, a subdivision of two hundred acres in South Pasadena mortgaged for $40,000 whose lots could not be sold; a relatively small interest in the Hardison-Stewart Oil Company; the plates for a 40,000 barrel steel tank in storage in San Francisco; and a three-fourths interest in the Santa Paula Horse and Cattle Company. The latter concern owned 5000 acres of good range and 200 acres of valley land, known as the Sentny Ranch, upon which there was a race track. The livestock on the ranch consisted of some 500 head of brood mares and young horses

of various ages. At that time $50 was a pretty good price for a horse.

After looking the situation over, I became convinced that with the possible exception of the horses, all of these properties were potentially valuable if they could be held until we could put them on a paying basis. Mr. Hardison had shown sound judgment in selecting the investments, but he was unfortunate in having so much non-productive corporate property subject to assessment at a time of severe business depression and difficult financing. In acquiring the properties he had accumulated a heavy indebtedness and under the existing conditions found it impossible to borrow additional money. I concluded the situation was so desperate that I must immediately sell as much property as I could without too great sacrifice, clear the most pressing obligations and carry the remainder of my uncle's holdings until the coming of better times. I made an estimate of the amount of money this would require. My recollection is that the figure came to $25,000. I presented the matter to the president of the local bank, Mr. McKevett, who afterwards became my father-in-law, and told him if he would let me have the money I would sell sufficient property to repay the loan. Mr. McKevett told me that under this agreement he would let me have the money without collateral.

In accordance with my promise I first sold the steel tank in storage in San Francisco and then disposed of some of the stock of the Hardison-Stewart Oil Company. With the money thus obtained I paid off the obligation to the bank. I then decided to get rid of the horses belonging to the

Santa Paula Horse and Cattle Company at any price and stock the range with cattle. I accordingly put an advertisement in the Santa Paula Chronicle announcing that I would sacrifice the horses and offering to trade a horse for a cow.

My first customer was Mr. Morris Cohen, owner of a general merchandise store in Santa Paula and something of a practical joker. As I was passing his place on my way to the post office one day he was laying for me with some of his cronies and asked me to come in. "Charlie," he said, "I see you have advertised to trade a horse for a cow." I replied, "That's right, Morris." He said, "It's a deal." I answered, "All right, Morris, it's a deal." I figured I probably had as poor a horse as his cow. He then said, "All right, here's your cow," and showed me a very fine toy cow, covered with calfskin, which would low when its head was moved. The toy was priced, as I recall, at $5.50. The joke afforded much amusement to Mr. Cohen and his friends.

I said, "Morris, I never go back on a trade," and immediately walked across the street to a small toy store where I paid fifteen cents for a little tin horse with wheels. I attached a string to the toy, wheeled it up the street and into Cohen's store and said, "Morris, I have brought around your horse. I'll tie it up here." I then proceeded to tie the toy to a little stool in front of the counter. As many may recall, it was usual in those days for the customers to trade sitting down on a stool in front of the counter, instead of standing up. I then put Mr. Cohen's cow under my arm and walked out. He didn't appreciate the joke very much when it was thus turned against him and was never again quite as cordial toward me.

After getting rid of all of the horses, my next move was to arrange to put cattle on the ranch. I accordingly made a deal to purchase 350 head of cows with calves by their sides, at what I thought was a very low price. After placing these cattle on the range I began looking around for additional stock, since the range would carry about 800 head. As I purchased additional cattle from time to time and put them on the ranch with the first lot, the new stock would soon die. Upon investigation I found that the original herd was infested with Texas fever ticks. Stockmen know, of course, that cattle in time become immune to these ticks, but when cattle from uninfested ranges are first exposed to the ticks a very large percentage of them die. I concluded that I could meet the situation only by keeping the heifers and cows and selling the steers until the range could be stocked with second-generation immune cattle. I followed this procedure successfully. I then plowed up the race track, and put the land into sugar beets.

The conversion of the 5000-acre ranch from an unprofitable race-horse venture to a paying cattle range was accomplished only after great difficulty. During the middle nineties there was a succession of unusually dry years. There was no feed on the range and none could be obtained anywhere. Ranchers had to undergo the heart-rending experience of seeing their cattle literally die from starvation. Even after a season of good rainfall the feed was sometimes destroyed by grass fires which swept over the property.

During one such fire I nearly lost my life. Mounted on horseback, I was riding along a ridge superintending the fighting of the fire. To get a better view of the operation

I got off my horse and walked down the hillside. The wind suddenly shifted and drove the fire in my direction at race-horse speed. I turned and ran back toward the top of the ridge, but before I reached a place of safety I had become almost exhausted. Fortunately the foreman of the ranch saw my plight and rode down to where I was. I caught hold of his horse's tail and the animal pulled me to the top of the ridge. When we reached there the fire was almost licking my boots.

After I had straightened out the affairs of the Santa Paula Horse and Cattle Company, my next task was to convince the farmers owning land under the Thermal Belt Water Company pipe line that it would pay them to irrigate their ranches and that they should consequently own stock in the water company. I was quite successful in this as the results of the irrigated agriculture on the Limoneira Ranch and on the Teague Forty were becoming apparent.

In the meantime, recognizing that it would take a long time to dispose of the water stock, I began to look around for some way to use the water to which Mr. Hardison was entitled through his ownership of Thermal Belt stock. There was a 200-acre walnut orchard adjoining the Limoneira Ranch on the south which belonged to a Mr. Thorpe, the father of Carlyle Thorpe, now general manager of the California Walnut Growers Association. I proposed to Mr. Thorpe that I lease his walnut orchard and offered to pay him half the crop, harvested and dried and delivered to the warehouse, as rental. Mr. Thorpe accepted the offer and we entered into a ten-year lease on that basis. The lease proved mutually very satisfactory, as it brought in during

the ten years of its life a net return of $10,000 a year.

The only remaining item among Mr. Hardison's assets that now gave me concern was his three-fourths interest in the real estate venture known as the Raymond Improvement Company. The property, situated in South Pasadena, was managed by a former United States congressman, with offices in Los Angeles. The manager charged the company $100 a month for office rental and sold lots on a 10 per cent commission basis. I found that he was accustomed to sell the lots on down payment only large enough to meet his commission. The down payments were so small that many purchasers did not make additional payments or pay interest which meant that the company eventually would have to repossess most of the property sold.

When I called on the manager and protested the arrangement, he only laughed at me. I bided my time until the annual meeting of the stockholders when I was able to elect an entire new board of directors. I then moved the office of the company to Santa Paula where it remained until a later demand for real estate in Los Angeles and its environs enabled us to dispose of all the property.

I recall an incident which I here recount because it was connected with Mr. J. A. Graves, later the president of the Farmers and Merchants National Bank of Los Angeles and one of the leading citizens of that city. Mr. Graves at that time was a member of the firm of Graves, O'Melveny & Shanklin, attorneys at law. He was the representative of Balfour Guthrie & Co., Ltd., bankers of England, and owners of the $40,000 mortgage on the Raymond Improvement Company subdivision. When times got better

and real estate began to move I had occasion to call on Mr. Graves quite frequently with respect to partial payments and releases under the terms of the mortgage. Mr. Graves was a man of very gruff exterior, although those who knew him best testify that he was really a warm-hearted man. After he nearly took my head off on several occasions, I said, "I am getting tired of the way you treat me when I come in to arrange partial payments. You act as if I came in to hold up the place, whereas I am only here to make arrangements as provided for in the mortgage." He looked at me quite sternly for a minute and then began to laugh and said, "I meant no offense." We got along very nicely after that and I grew to like and respect him.

When Mr. Hardison returned from South America in 1898 he found his affairs in excellent condition. Most of his properties had been conserved and even the Limoneira Company, which I speak of in the next chapter, was approaching a dividend-paying basis. I continued to manage Mr. Hardison's property until I had disposed of his interests in and around Santa Paula.

For the complex responsibilities described in this chapter, I recall that my salary was about $90 per month when Mrs. Teague and I were married in 1897.

CHAPTER V Development of the Limoneira Ranch

WHEN I came to Santa Paula in 1893, Mr. Blanchard and my uncle, W. L. Hardison, had organized a corporation, called the Limoneira Company, and purchased a tract of 400 acres five miles west of Santa Paula, to plant to lemon trees. Stock in the corporation was held equally by the two men.

As a promotor and developer, Mr. Hardison had an eye quick to see the possibilities of new enterprises and had become greatly enthused over Blanchard's success in growing lemons, which I have described in a previous chapter. Attracted by the success of these early orchards, Hardison persuaded Blanchard to go in with him in forming the Limoneira Company. At that early and uncertain stage of the California lemon industry's development, the venture was one of first magnitude and involved all manner of uncertainties and risks.

The new owners planned to obtain water by gravity for the Limoneira property from the Santa Paula Creek and the Thermal Belt Water Company was organized for that purpose. This company acquired the rights to the flow of

Santa Paula Creek, and in 1894 constructed a twenty-inch vitrified pipe line from the canyon to the Limoneira Ranch five miles down the valley. The shortage of water during the dry year of 1894 showed that a pumping system was needed to provide a supplement to the flow of the creek. A pumping plant capable of lifting 250 miner's inches was accordingly installed on the bank of the Farmers' Ditch to deliver the water to the Limoneira property as it was required.

Water for the first trees planted on the Limoneira Ranch was hauled in five-gallon cans from the Farmers' Ditch which passed a short distance below the ranch. The Limoneira Company owned the controlling interest in the stock of the Thermal Belt Water Company and that company in turn owned ninety per cent of the stock of the Santa Paula Water Works, which supplied the gravity water for irrigation and also furnished water for the town of Santa Paula.

About 300 acres of the Limoneira property were planted to lemons in 1893 and 1894, and approximately 90 acres to Valencia oranges. The trees grew well and thrived from the start, but some portions of the property proved to be much more subject to frost than others, and during the first or second year the young Valencia trees were frozen to the ground. Mr. Blanchard, who was then president and general manager of the company, thereupon planted seedling English walnuts in the areas which had suffered most from the freeze.

In 1898, when the Limoneira properties were just getting old enough to pay, a second unprecedented freeze struck the country and did great damage to the grove.

Many of the trees, then four or five years old, were frozen so badly they had to be cut back to a skeleton of the main branches. In the most severe cases the entire tops were removed.

Fortunately, warned by earlier freezes of the necessity of frost protection, Mr. Blanchard had forehandedly equipped the coldest areas of the Limoneira property with the best heaters then available. These were wire baskets filled with kindling and soft coal and were first used, I believe, in orchards near Riverside. The freeze of 1898 showed that even the small amount of heat afforded by such crude equipment could be used effectively for the protection of the orchards. A considerable amount of fruit was saved in the Limoneira groves. Since the greater part of the crop in southern California was frozen, the company's lemons brought extremely high prices, and the proceeds helped tide the company over the most critical year in its history.

In this year of the big freeze, Mr. Blanchard decided to retire because of advancing age and he and Mr. Hardison asked me to take over the management of the company. I was twenty-five years of age. I have been general manager of the company ever since and have served as president since 1917. During all those years it has been my good fortune to have a board of directors that has worked with me in complete harmony. So far as I can recall, there has never been an adverse vote by a member of the board on any recommendation that I have made regarding the policy or management of the company.

When I assumed the management of the Limoneira

property, the trees were suffering severely from the effects of the freeze and it was necessary to undertake extensive pruning operations and other treatment of the injured wood. One of my first measures was to expand the orchard frost protection. Some experiments in oil heating were then under way. The first of such heaters were gallon sheet-iron containers of the lard pail type. Later a two and one-half gallon short stack Hi-Low heater with a damper and three-hole regulation was developed. We equipped the property with a large number of these and also bought more coal baskets.

Two years after the freeze the groves were bearing well and producing satisfactory profits. We were then confronted with the task of handling a large volume of fruit that had to be washed and properly cured. The greater part of the California lemon crop is picked in the late winter and spring months, but the chief demand comes during the summer when hot weather in the East stimulates the market. It is therefore absolutely necessary for anyone in the lemon business to be equipped to carry over at least a portion of the lemons picked earlier in the season to take advantage of higher summer prices.

The problem of curing and storing the fruit was thus one of the first problems the Limoneira Company had to solve. Mr. Blanchard had built a packing and storing house without means of proper ventilation and control of temperature and humidity. It proved to be impractical for the large quantity of fruit the orchard was producing by this time. Certain fundamental conditions are essential to the proper storage of lemons: good ventilation, a reasonably

low temperature of 55 to 60 degrees, a humidity of approximately 85 degrees and a method of controlling both temperature and humidity. If such conditions are maintained, good lemons will keep for several months with little deterioration, otherwise the fruit will either shrivel up or decay.

When it was evident that we could not provide adequately for our lemons in our first packing house, I decided to take a trip through the other lemon sections to learn as much as possible of the experience of growers elsewhere. The prospect of a large crop the following season on the Limoneira property made this trip specially desirable. At that time lemon growing in California was on a very restricted basis. There were some groves at Ontario, Riverside, San Diego and, I believe, south of Hollywood. I interviewed the managers of packing houses in all these districts and found that without exception they had experiences like our own. None of them was satisfied with the old methods of curing the fruit and all realized that some new system would have to be devised.

In my swing around the circle I finally reached Ontario and visited the packing house managed by Mr. F. A. Little. I outlined to him the problems on which I was seeking information and he told me he couldn't be of any help. He said that his fruit was not keeping at all and decay was bringing about disastrous losses. Then he added, "We have had an interesting experience; let me show you. When our packing house was filled to capacity we erected a platform on the north side of the house. We placed the incoming fruit on it and covered it with a tarpaulin. Much to our

surprise the lemons have kept much better under those conditions than in the packing house."

I was greatly interested and upon inspection found that Mr. Little had correctly described the conditions. I said to him, "It seems to me that we must find some way of simulating this condition in a storage and packing house." I returned to Santa Paula determined to apply the Ontario experiment at Limoneira. I first thought we might pile the fruit on platforms in the shade of our great eucalyptus windbreaks. Later I devised a system known as the "Teague Method" which was generally used in the curing of lemons for twenty or twenty-five years until the present air-conditioned and refrigerated basements were developed.

Under my system fruit was piled in carload lots in a long open shed. Two carloads were placed on each side of a long narrow working area where the fruit was graded and packed. Ventilation spaces were left around each tier of boxes. Between each carload there was a space for trucking. Huge canvas compartments or boxes were hung on frames suspended from the roof. These compartments were so designed they could be laced up at the corners, but when the cool, moist evenings came the canvas ends were loosened and pulled up to the top. Fruit from these storage compartments was hand graded into trays and packed in boxes in a working space as shown in the photograph facing page 82. None of the modern packing house machinery for grading and washing had then been developed.

Another interesting experiment in which we took part was the development of a practical washing machine. When I undertook the management of the Limoneira Company

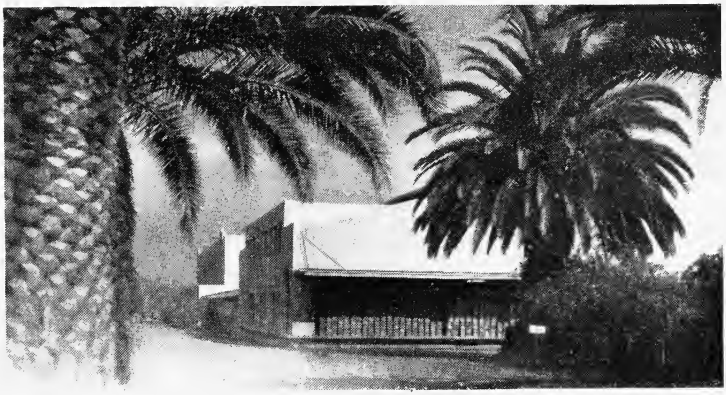
all fruit was washed with scrubbing brushes by hand. This was very expensive and we were eager to find or devise a machine which would enable us to get away from it. The problem was extremely difficult because of the shape of the lemon and the necessity of handling it with such great care.

When I heard that a washing machine, invented by Mr. Stebler of Riverside, had been installed in a packing house in Glendora, I made a trip to see it. As I had already become somewhat of a crank on the careful handling of lemons, it looked to me as though the machine would injure the fruit. I raised the question with Mr. Stebler, telling him I was quite sure that his invention had certain defects which would have to be remedied before it could be put to practical use and suggesting better methods for safeguarding the fruit. Mr. Stebler accepted my suggestions. I then told him he might install a machine in our packing house with the understanding that we would run a trial lot of fruit through it, and store the lemons for a time to determine whether or not they had been injured by the washing. If they came out undamaged we would purchase the machine, otherwise he would have to remove it.

The washing machine was installed under this arrangement. Before we ran the test, however, we insisted on other changes to lessen the danger to the fruit. The machine operated about as follows: There was a circular wheel upon which V-shaped brushes were installed. The brushes were kept moist by a small stream of water from a pipe or hose. The fruit was poured into a hopper and fell into the brushes. It was taken through the brushes by centrifugal action and deposited in a small tub filled with water at the

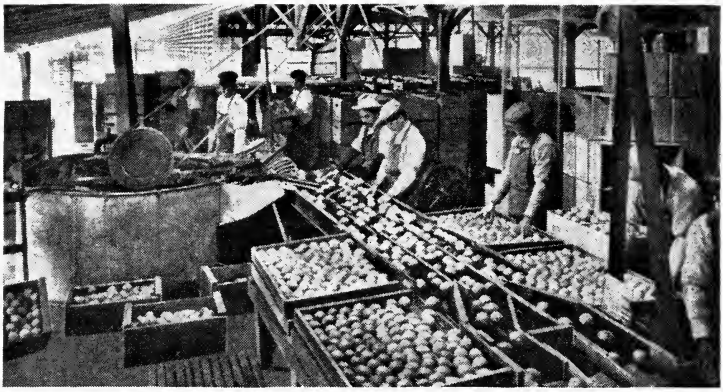
LEMON PACKING HOUSE, 1905

This storage was developed by the author and was in general use for many years. An interior view is shown on page 83.



LEMON PACKING HOUSE, 1943

The concrete constructed, air-conditioned and refrigerated packing house has entirely replaced the crude open sheds.



EARLY LEMON WASHER

This crude but effective lemon washer, with improvements by the author, was one of the first used in California.

MODERN LEMON WASHER

Chemically treated, soapy water and a cold water rinse makes these lemons sparkle with cleanliness.

end of the brushes. The lemons were then removed by an elevator to a grading table.

About two weeks after we had made the trial run we found that approximately one-third of the fruit had decayed. I suggested to Mr. Stebler that most of the damage to the lemons might be avoided if the washing machine were placed in a tank of water into which the picking boxes of lemons could be sunk and inverted. This would release the lemons without injuring them by dumping them into the hopper. I thought the centrifugal action of the wheel operating in the water would draw the lemons through the brushes without injury. Then they would simply float to the surface of the tank and be removed by the elevator.

Mr. Stebler was not inclined too kindly to this suggestion and said he believed the method would require too much power. I told him we were under such heavy expense for hand washing that the cost of the power would amount to very little in comparison and asked him if he would build a machine according to the specifications I had outlined. This he agreed to do. The new machine proved highly successful and the methods then devised are still in common use today, though other satisfactory types of washing machines have since been developed.

After the problem of curing, storing and washing had thus been at least partially solved, we thought we were getting along pretty well when there suddenly appeared a new danger that promised to ruin the industry unless we could find some means of combating it. We became aware one day that we had a considerable number of carloads of lemons in storage that were rapidly decaying. The damage

was done by a new infectious decay that we called, for want of a better name, "poison rot." If there was an infected lemon in a box in the storage, all the lemons in the box would decay within a few days.

We were at our wit's end to know how to deal with this new and devastating plague. I decided to make a trip to the University of California and prevail on the authorities there to undertake a scientific investigation of the rot and develop some means for its practical control. When I explained the matter to the president of the university he told me he would be glad to do anything in his power, but that all the funds in the university budget were allocated for the year. Consequently he could not finance the investigation. I assured him that if the university would furnish the men, the Limoneira Company would pay all expenses incident to the investigation. The president at once assigned a highly trained scientist to undertake the work. It soon became apparent to me, however, that the gentleman selected did not have the originality of thought or imagination to get to the bottom of our problem soon enough to save us from going bankrupt.

At the rate our fruit was decaying we could not last until this long-drawn-out research was completed. From our point of view the investigator was more interested in developing the life history of the organism which was fast ruining the lemon industry than in finding a practical means for controlling the decay. Consequently I asked the university to recall the gentleman and let him pursue his investigations at their expense while they sent us a man who would attack the problem from an immediate and practical

point of view. In response the university assigned Mr. Henry Ramsey, who afterwards became the field manager of the California Fruit Growers Exchange, to carry on the investigation.

Mr. Ramsey was extremely practical. In a pail of water in which he had previously immersed a number of the decayed lemons, he placed some of the fruit as it came from the grove. A considerable portion of these lemons became infected, thereby showing that the water had become infected by the decayed lemons and was capable of communicating the disease to fruit that was otherwise sound. After establishing this fact, Mr. Ramsey placed some of the orchard run lemons in water taken from the washing machine. A large percentage of these lemons also decayed proving conclusively that the washing machine was the source of infection. His experiments soon showed that a small percentage of bluestone would completely disinfect the water used in the machine. Permanganate of potash proved equally effective.

We have since found that, for all practical purposes, the organism can be destroyed by maintaining the water in the washing machine at a constant temperature of 120 degrees. It was determined later that a fungus, classified by Mr. Howard S. Fawcett as "brown rot" fungus, was the cause of the decay. The same fungus caused a great deal of injury to the lemon trees as well as the fruit. I shall refer to this later.

In 1904, after it was apparent that the Limoneira Company was destined to become a successful enterprise, several proposals were made to me to manage other large citrus

ranches. These offers included an opportunity to purchase an interest in the properties. Up to that time I had no financial interest in the Limoneira Company. I concluded I did not want to spend all my life working for someone else without some share in the properties I was managing.

At that time I had a talk with Nathan W. Blanchard, one of the original stockholders in the company and then its president. I told him of the offers I had received and that I was seriously considering accepting one of them. He said to me, "I believe your services should be as valuable to the Limoneira Company as to anyone else." He offered to sell me a tenth of his interest, if the other stockholders would do the same, for the amount of his investment plus compound interest at eight per cent. I told him that arrangement would be entirely satisfactory to me and if it could be carried out I would continue with the company. Mr. Blanchard took the initiative in approaching the other stockholders, and as a result I acquired a ten per cent interest in the company.

Under the terms of the purchase I gave my note, dated September 1, 1904, payable in fifteen years to each stockholder. The certificate was made out in the name of the stockholder, pledgee for C. C. Teague, and attached to the note as collateral. All dividends paid on the stock were first to be applied on the payment of interest and thereafter to be accredited to the principal. No interest was payable except out of dividends until the maturity of the note. The last of the notes was paid off from dividends or other income by July, 1910.

The success attained by the Limoneira Company after

the freeze of 1898 enabled us to enter upon a period of expansion. In 1906 I secured an option on a property, known as Olivelands, consisting of 2300 acres adjoining the original Limoneira land on the west. I recommended the purchase of this property by means of a bond issue of 500 thousand dollars secured by a trust deed on both of the properties. The bonds were to mature in twenty years and bear interest at six per cent. No payments on the principal were to be made for the first ten years, but there was a provision that made such payments possible at any interest period under a premium of one per cent. After the first ten years annual payments of ten per cent of the principal were required.

My recommendations were accepted by the directors, the bonds were issued and sold, the Olivelands property was purchased for 400 thousand dollars and the company began a period of intensive development.

The new property carried with it a preferred water right of 200 miner's inches of water delivered without cost at a pumping plant on the Farmers' Ditch. The pumping plant and pipe line capable of raising water to an elevation of about 120 feet for the irrigation of the new ranch were also included. The property contained 868 acres of irrigable land, including 400 acres planted to walnuts, which we believed suitable for citrus fruits. Part of the walnut trees were taken out immediately and later the remainder of the grove was removed.

At the present time all the land formerly in walnuts is planted to Valencia oranges and lemons. The bond issue was retired from the profits of the company before the first

required payment on the principal fell due. The payments were made without interfering with reasonable dividends to the stockholders.

We double-planted a considerable portion of Olivelands to Valencia oranges and Lisbon lemons budded to sour stock so we could have a choice five or six years later as to the orchard we would permanently retain. When the trees were six years old, it became apparent that the lemon trees could not meet the competition of the stronger growing Valencias. By that time we wished to retain the lemon trees and decided to remove the oranges. We thought it might be possible, however, to transplant the Valencias to another tract of land even though the trees were more than six years old. We accordingly acquired an adjoining property of 135 acres and transplanted the Valencias, naked root without balling, to the new ranch. Most growers did not believe the experiment would succeed because of the age of the trees, but notwithstanding the general skepticism the experiment was highly successful. We lost very few trees and the orchard has produced more fruit per tree than young nursery stock planted on the same land at the same time. But though the experiment proved so successful, it would have been far better if we had left the oranges in the original orchard and taken out the lemons, for the latter began to deteriorate some years later and finally had to be removed.

The second large expansion of the holdings of the Limoneira Company was made in 1922. In that year I secured an option for 400 thousand dollars on the property now known as the Limoneira Del Mar. This ranch consisted of

550 acres of bean land lying five miles west of the Limoneira Ranch. The directors approved my recommendation and voted a bond issue of a million dollars to finance the purchase and development. The bonds carried the same terms for payment and maturities as those issued for the purchase of Olivelands. As in the case of that property, the new bond issue was retired without interfering with a reasonable dividend policy. The success thus attained by the Limoneira Company in developing and financing, although appearing simple enough when told in this summary fashion, was actually accomplished only by trial, error and discouraging experiences. Certainly, in the light of what we now know, we made many mistakes but sometimes actions which appeared to a casual observer to be ill-advised were deliberately undertaken because in the long run we believed they would be most profitable and expeditious.

The new properties, Olivelands and Del Mar, were planted principally to Lisbon lemons budded on to what is known as Florida sour stock, a tree which produces a bitter, non-edible orange. The original lemon plantings on the old 400-acre Limoneira Ranch, on the other hand, were chiefly Lisbon lemons budded on seedling sweet orange stock. The parent trees from which this stock came were among the first oranges planted in California. Until the introduction of the Navel and Valencia oranges all the groves in the state came from these early seedling trees.

We were induced to change from trees budded to sweet orange root to Florida sour stock because of the serious development of gummosis, a disease which attacks the cambium bark, usually at the bud union just above the ground,

and restricts the circulation of the sap. The disease had killed large numbers of trees throughout California and injured even more. Attempts were made to treat the disease by cutting away the affected portion of the bark, a method which, of course, destroyed a part of the circulating area of the tree. At that time it was thought that the disease was caused by injury to the bark frequently resulting from hoeing or cultivating.

While these injuries were undoubtedly contributing causes, the researches of Dr. Fawcett of the University of California Experiment Station conclusively proved that gummosis was caused by our old "fungus friend," brown rot, which gave us so much trouble with fruit in storage. After discovering the cause of gummosis Dr. Fawcett developed a method of sterilization and treatment enabling the alert grower to keep his trees almost entirely free from the disease. Unfortunately, before such discoveries were made, ranchers had gradually abandoned sweet orange stock. Between 1914 and 1926 nearly all lemon trees were budded on Florida sour stock which was much more resistant to the ravages of gummosis.

For twelve or fifteen years the Lisbon lemons budded on sour stock, to which we had planted most of the new properties acquired by the Limoneira Company, were vigorous, thrifty and satisfactory producers. After that, the trees began to decline and in a few years were almost worthless. We sadly concluded that practically all of our plantings on Olivelands and Del Mar would have to be replaced. I believe we were the first ranchers in California to realize that sour stock of the strains we had then was a failure.

The deterioration of our groves was of course a serious blow and naturally led to a good deal of discouragement. As soon as we realized that our groves were rapidly declining, we also became aware that the original sweet stock trees on the original Limoneira Ranch would likewise soon have to be replanted, either because of old age or the inroads of gummosis. It can readily be realized that the replanting of some 1850 acres was a tremendously expensive task. One of the most difficult aspects of the problem was to decide just when the trees should be taken out.

We therefore decided to start a sweet stock nursery with the object of developing a new tree. Three years are required to bring a nursery tree to the point where it is ready for planting. In the case of the original Limoneira Ranch we decided to take out the old trees as they became unproductive and plant new trees in their stead. In the sour stock orchard we followed the method of "interplanting," or setting out young trees in the center of the space between the old rows. We intended at that time to take out the old trees when the young ones were five or six years old. It soon developed, however, that this plan was not working out satisfactorily, because the young trees could not compete with the old. We then decided that the old trees would have to be taken out much sooner than we had originally planned.

In the midst of those serious difficulties the freeze of 1937 greatly reduced lemon production throughout the state and prices rose to such a point that it was inadvisable for us to reduce our production by pulling out the old trees.

The reconstruction of the Del Mar Ranch, lying five miles

closer to the ocean than the old Limoneira Ranch and the Olivelands property, was even more complicated. We had double-planted the Del Mar Ranch to Valencia oranges and Lisbon lemons budded to sour stock so we could decide later which to keep. We were the first to plant Valencia oranges in that area. As the trees came into bearing we were unpleasantly surprised to find that the proximity to the coast and the consequent coolness of the climate made it impossible to grow oranges of a satisfactory quality. The fruit did not develop enough sugar, could not be held on the trees late enough in the season and developed what some of us call a turpentine flavor. The trees grew remarkably well, and produced large crops so the profits were reasonably satisfactory. But we recognized that the inferior quality of the fruit would prevent these Valencias from becoming a dependable and permanent source of income.

The 550 acres of the Del Mar Ranch have therefore presented an especially difficult problem. This property was double-planted to Valencia oranges, which we did not wish to retain, and to Lisbon lemons budded on sour stock which had already begun to deteriorate and would soon have to be replanted. So it was obvious to us that the entire orchard would have to be removed and the land replanted. We began with the interplanting of Lisbon lemons budded on sweet stock. This gave us three orchards growing on the same land at the same time. Despite the fact that we knew that eventually the oranges and sour stock lemon trees would have to go, the production from those trees was yielding a very good income. It was difficult to decide when we should take out the trees and whether we

should remove the oranges or the lemons first. We decided to remove the orange trees first, but both the orange and the lemon trees had been left too long because of the satisfactory profit they were yielding. It became evident that the young sweet stock interplantings had been retarded so greatly by the older orchard that they would not make satisfactory producers when they were grown and like the old stock would have to be replanted. The new orchard we set out thus represented our fourth planting of the Del Mar property. In the meantime the ranch had paid off the million-dollar bond issue representing the purchase price of the land and the entire cost of its development.

My many experiences in planting young trees in old orchards have convinced me that the old trees should not be allowed to remain over two years after the new stock is set out. It would probably be better in the long run if the old trees were taken out completely before the new ones were planted.

The Limoneira Company's development is a good example of the operation of the business enterprise system and individual initiative which have made America great. The 1850 acres, at the time of purchase, were farmed by eight or ten four and six-horse teams, with perhaps thirty or forty people employed. There are now 400 homes on the property; four to five hundred employees are given year 'round employment and six to seven hundred are employed at the peak. The labor payroll for the first eight months of 1943 was $72,000 per month or a total for the eight months of 576 thousand dollars.

CHAPTER VI The 1913 Freeze

THE hazards experienced in the citrus industry are well typified by our experiences in the famous freeze of 1913. The lemon trees on both the original Limoneira Ranch and Olivelands (we had not yet acquired the Del Mar property) were planted at various elevations, from valley lands to hillside slopes. Because of our earlier experience with frost we had equipped the orchards at the lower elevations with the best type of oil heater then available and had been successful in protecting the groves against damage by ordinary cold spells.

The freeze of 1913, however, afforded us a new experience. The freeze was general throughout the state and was accompanied by a cold wind from the north, so the temperature of the high lands as well as the low lands was below freezing for several consecutive days. Indeed, the lands lying at the higher elevations were frequently colder than the groves lower down and tracts at the mouths of the canyons, ordinarily entirely free from frosts, were the coldest of all. Since we had believed the so-called frostless lands to be out of the freezing zone, and consequently made

no provision for heating them, these unprotected orchards were damaged more seriously than any others. On some of these so-called frostless lands the trees were frozen practically to the ground so that they had to be uprooted and taken out. In addition a considerable acreage was so badly frozen that the limbs of the trees had to be cut back to the trunk. On many of the trees the bark was split by the sap freezing in the cambium layer. We attempted to restore some of these orchards with badly damaged trunks by using various methods of treatment. But none of the trees whose trunks had been seriously injured ever again made satisfactory producers. If we suffered the same experience again, we would replace all such damaged trees with new ones.

I remember remarking after the 1913 freeze that I felt sorry for anyone who thought he had frostless land, because he probably would not protect his orchard and would doubtless have the same bitter experience we had suffered.

After this freeze I made a trip throughout the citrus producing areas of southern California. A large majority of the groves were indeed a sorry sight. The leaves on most of the trees were withered and brown. Lemon and grapefruit orchards were damaged worse than orange, as those varieties are more susceptible to frost. An orange tree will also recover from damage to the producing wood quicker than lemons and grapefruit.

A rather amusing incident happened on this trip. We had driven down through the San Gabriel Valley to Riverside and Corona. As we were going through the pass between that valley and Orange County we met Mr. Ethen Chase, a pioneer California citrus grower, and his two sons,

Frank and Harry. They were returning from inspecting the damage in Orange County. As we stopped to exchange opinions about what we had seen, Harry Chase said to me, "Charlie, I don't understand this business. The state passes laws against gambling and takes police action to enforce them. But it passes laws and maintains a Department of Agriculture and an experiment station to encourage producers to go into the citrus business. It seems to me that the citrus business is a bigger gamble than playing poker."

Citrus growers, like farmers generally, are optimists, otherwise they would not be in the business. They are notoriously subject to every vicissitude of nature, including freezes, hot weather and drought. They have to contend constantly against all sorts of insect pests and fungous diseases. We of the Limoneira Company immediately started to restore our damaged property after the disastrous freeze of 1913. Fortunately we had been forehanded enough to equip a large portion of our planted areas with the best frost fighting equipment that could then be obtained and thus saved a considerable portion of our crop. Because this state-wide calamity greatly reduced the total citrus supply, prices were so high that even with our reduced production we enjoyed one of our most prosperous years.

Our experience taught us that we would have to revamp completely our ideas as to what constituted adequate protection against freezes. We realized that the best heaters available at that time were deficient in many respects. Consequently, we did a lot of experimenting in collaboration with a Mr. Dunn who had developed what he thought was a greatly improved heater. Our experiments showed

that Dunn's heater had many defects, but we worked with him to eliminate the difficulties. When we were satisfied it would prove practical, we ordered 40,000 heaters at $1.00 each. The same heaters now would probably cost about $2.50. The largest heaters we had before that time held two and one-half gallons of distillate oil. The new heaters had twice that capacity. The heaters now most commonly in use hold nine gallons. To protect the coldest parts of our orchards against extreme freezes we found we needed one heater per tree. With this equipment we could protect the groves at temperatures as low as 20 degrees above zero.

I often think of the fight and the inadequate facilities we had in the freeze of 1913. The freeze lasted several nights. The oil in the heaters would burn completely out during the night and they had to be refilled the next day. This required much labor and the men were forced to work day and night with almost no sleep. Everyone connected with the operation was ready to drop with fatigue and loss of sleep and only the loyalty of our men saved our crop. During the freeze we brought in a train load of distillate oil for the heaters.

In addition to providing the new heaters it was necessary to enlarge our storage capacity for distillate many fold and to lay pipe lines to shorten the haul to the heaters.

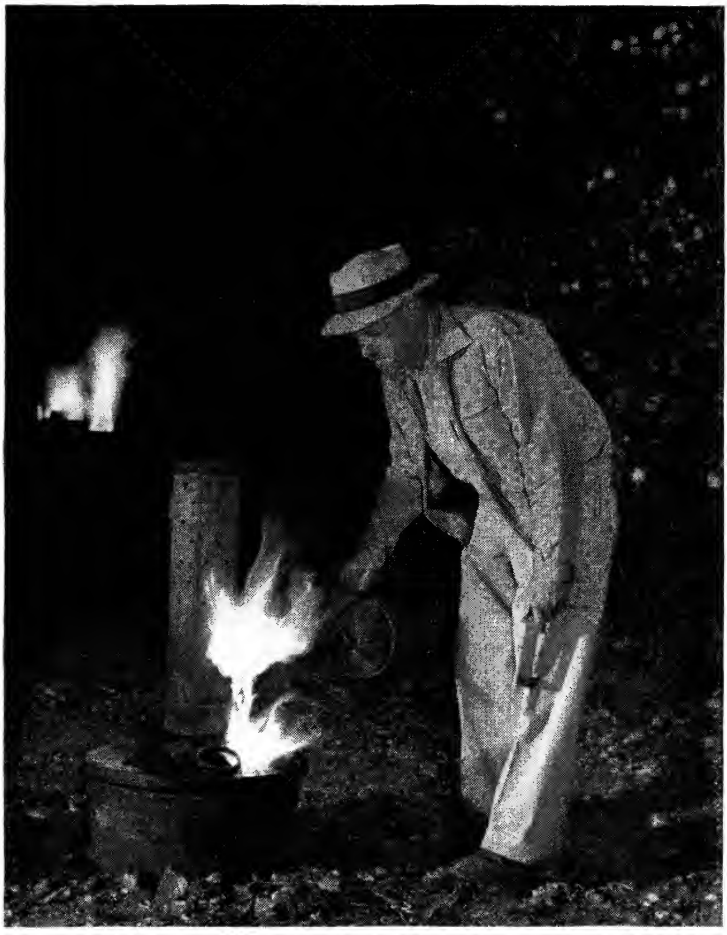
In 1937 I offered a reward of $5000 to anyone who could perfect a substantial improvement in orchard heating devices. A condition of the offer was that the claimant must submit his device to a committee of growers who would decide whether or not it was entitled to the reward. The original offer was open for one year and later extended

for a second year. At the end of that time the committee decided that no substantial improvement had been made and recommended that the offer be withdrawn.

The price of protection of orchards from frosts and freezes is eternal vigilance. Times without number I have seen the fruit frozen in citrus groves through carelessness. In the fall the heaters had not been taken from under the trees where stored and were not ready to light, or they had been taken in too early in the spring. Often the temperature had been allowed to drop too low in the groves before the heaters were lighted. Sometimes draft regulators on the heaters had not been turned up to take care of the falling temperatures. Growers vigilant and forehanded enough to protect their groves from frosts and freezes have been rewarded by prices that resulted in the best years in their history.

FROST STRIKES A CITRUS GROVE

Here's what happens to an orange grove, severely damaged by frost. These trees are completely defoliated although some fruit can still be seen. This damage can be avoided through proper use of orchard heaters.



COURTESY LIFE MAGAZINE

HEATING AN ORCHARD

Burning special oil, these heaters must be lighted every time frost threatens a citrus grove.

CHAPTER VII The California Citrus Industry

THE story of the citrus industry in California is a mixture of phenomenal success and equally marked tragedy and failure. The lure of the orange and lemon business has been great, especially to tourists and prospective settlers visiting the citrus producing regions. The golden fruit on the trees, the beauty of the orchards, the attractiveness of the climate, the romantic idea of owning an orange grove captivated the imagination of thousands of inexperienced investors. They were induced by such attractions, and the tales of fabulous profits circulated by promoters, to invest all their savings in some run-down grove or citrus promotion enterprise. These unfortunate victims thought they were buying properties to which they could retire in old age and spend the rest of their years, prosperous and secure, under most favorable and attractive conditions. In all too many cases the hopes and dreams of those who thus trustfully purchased citrus ranches ended in sad disillusionment and tragic failure.

Under proper conditions, however, citrus growing can

be profitable. The essentials to success are a favorable soil, a climate adapted to the particular variety of the citrus fruit to be grown, an adequate supply of good water, a thorough knowledge of citriculture, sound judgment, and unceasing care. Equally important are an adequate system of distribution and the maintenance of a stable market.

A good, favorably located orange grove should produce 600 field boxes per acre. The average of the state for the past five years, during which there have been no freezes to reduce the crop, has been 350 field boxes. A good lemon orchard should average 700 field boxes per acre annually. The California average for the past five years has been 465 field boxes.

It should be borne in mind that up to the time of harvest it costs almost as much to produce a half carload of citrus fruit per acre as it does a carload. The unit cost of production on the marginal grove is therefore almost prohibitive because of the large amount of labor required in the highly specialized business of citrus ranching. This is one of the reasons there are so many failures in the citrus industry. To make a success of orange or lemon growing your grove must be a better-than-average producer.

The development of the lemon industry has been a business of trial and error. Its history has been marked by disappointments, tribulations, failures, discouragements, and successes, covering a long period of years. In 1900 seventy per cent of the lemons consumed in the United States and Canada were imported from Italy. The balance was produced in California and California is still the only state in the Union that produces lemons in commercial quantities.

The foreign lemons were handled by importers, largely operating from New York City, and these men effectively controlled the prosperity or adversity of California producers.

The importing of lemons was a highly speculative business, and the importers were consequently great gamblers. They either made or lost a great deal of money, depending upon the conditions of supply and demand, but eventually most of them went broke because of the hazards of the business. If the summer demand was slow in developing because of the lack of hot weather, the supply of lemons was sure to be excessive and the corresponding low prices were disastrous.

The Italian lemon was inherently one of good quality, as only the desirable grades and sizes were exported to America but the pack was undependable because of lack of standardization of size and grades due to the unreliability of the packers. The grade and size of the lemons on the top layer of a box were no indication of the quality of the fruit that did not meet the eye. The keeping quality of this fruit, however, was generally good, as the lemons were hard and firm.

The reputation of California lemons for keeping quality in the early days, on the other hand, was extremely bad. This was due either to lack of care in harvesting and handling, both in the field and packing house, or to the failure to develop a practical method of storage. The struggle to build an American lemon business that would supply the American demand therefore resolved into a process of experimentation and education until a lemon could be

supplied that would be satisfactory to the trade and to the consumers.

For many years only a few shippers put out a pack with a reputation for uniformity and good keeping quality. In the light of subsequent events this is amazing to me. Satisfactory methods of packing and storing lemons had been developed. They were circulated freely among producers and packers, advocated at public meetings, described in articles appearing in agricultural papers and discussed by the California Fruit Growers Exchange. It had long been demonstrated that it was possible for all districts to produce and ship lemons that would give satisfaction. Yet many years elapsed before the industry as a whole adopted the approved methods.

When these better methods of handling were generally in use, California had no difficulty in replacing the foreign lemons in American markets although the imported lemons had a strong foothold. As late as 1903 one-third of the Italian exports were sent to the United States, and less than 30 per cent of the United States supply came from California. By 1921 over 85 per cent of the United States supply was from California. In recent years California has supplied approximately 99 per cent of the lemons for American and Canadian consumers.

I should like to pay a tribute here to those engaged in the citrus industry. Unlike industrialists they have always been willing to assist their fellow ranchers to improve the methods of producing, handling and packing fruit and eager to share any improvements they have developed for the advancement of the industry. Such things as secret

processes and patents by citrus growers are almost unknown. This is in marked contrast to the general practice of manufacturers who try to keep all improvements in methods and appliances to themselves.

To appreciate the reasons for the striking contrasts between success and failure in the citrus industry, one should have an understanding of the differences in soil, climate and water that make for failure or success.

In California there is a wide range of soils which affect both the growth and production of the trees and the quality of the fruit. For example, in the San Gabriel Valley along the foothills from Pasadena to Redlands and Highlands, a region which contains a large citrus acreage, the soil consists of decomposed granite, largely sedimentary in character, with excellent drainage and good water. Given proper care, citrus trees thrive under these conditions. They are not so seriously injured by over-irrigation when planted in well-drained decomposed granite as they are in sedimentary soils derived from shales and sandstone.

Soils in the coastal areas, including Orange, San Diego, Ventura and Santa Barbara counties, are largely of the latter type. The alluvial, sedimentary soils, deposited by erosion, especially in the valleys, are deep and fertile, but as they come from sandstone and shale formations in the hills, they are very different from the soils derived from decomposed granite. They are not so well drained and can be injured more easily by over-irrigation. Furthermore, because the water carries more solids and salts, excessive irrigation may cause the accumulation of such deleterious substances as alkalis and boron in the orchards.

After much study and observation of premature deterioration of citrus trees, I am convinced that a large part of the difficulty is caused by over-saturation of the subsoils. Citrus roots, to be healthy, must be dried out occasionally. If they are continually kept in a state of over-saturation the feeders tend to grow near the surface, the deep roots gradually deteriorate and the trees finally go into a decline. In hill sections of the coastal districts, where the soil has not been formed by erosion, the orchards are apt to be underlaid with very tight clay or shale formations which have little sand and possess poor drainage facilities. Trees planted in this type of soil are more susceptible to injury by excessive irrigation than those grown in deeper alluvial soils with better drainage, but trees planted in any of the sedimentary soils will suffer seriously from too much water.

The influence of climate on different varieties of citrus fruits is very marked. Neither Navel nor Valencia orange varieties thrive too near the sea. The Navel is an inland variety. The Valencia thrives in coastal areas but is also successfully produced in inland areas. The determining factor in selecting the areas to be planted to Valencias is the zone of ocean fog penetration. Trees planted in these zones produce fruit of inferior flavor.

The average person who visits a citrus grove knows nothing of the conditions and is totally incapable of evaluating their influence on quantity and quality production. Most people, in fact, cannot distinguish a good orchard from a poor one! This, in addition to the lack of knowledge of proper cultural practices, largely accounts for the differences between success and failure in the citrus business.

In an article in the "California Citrograph" of November, 1938, Dr. H. S. Fawcett, professor of plant pathology at the Citrus Experiment Station in Riverside, furnishes the following data on the origin of the chief varieties of oranges and lemons grown in California:

"The Navel orange comes from trees originally exported from Brazil to Washington, D. C., two of which were sent to Riverside in 1873. The original Valencia trees came from Rivers Brothers, London, in 1876 and were planted on Judge A. B. Chapman's ranch near Pasadena. The Eureka lemon was first propagated in the early seventies from seedlings planted in the old Wolfskill orchard in Los Angeles. The origin of the Lisbon lemon has not been traced."

CHAPTER VII Marketing and the Exchange

IN THE early days when I began producing citrus fruit, the business of marketing was largely under the control of dealers and speculators who had no interest in the problems of the grower and sought to handle the crop as much as possible to their own advantage. At first such speculators either bought the fruit on the groves or delivered at their packing plants on an f. o. b. California basis. A few years later, as fruit became more abundant and surpluses began to appear, the purchase of oranges and lemons in California became so hazardous that for a time nearly all fruit was handled on a consignment or brokerage basis. Under this arrangement, the dealers made a profit on the transaction whether or not the grower received enough to pay freight, packing charges, or the cost of production. This, of course, was a disastrous state of affairs for the citrus producers, and while it lasted the industry was at its lowest ebb.

My experience, extending over half a century, has convinced me that the delivered method of sale is to the best interest of both grower and dealer. In the early days of the citrus industry, practically all sales were made to specu-

lators who came to California prepared to buy entire crops if they could get them at a low enough price. This movement almost broke the citrus industry before it got started. It also placed a tremendous handicap on legitimate wholesalers and retailers who were thus forced to buy their citrus fruit from the few speculators who were in a position to come to California and who had sufficient funds to control large blocks of fruit.

Under the delivered method of sale, the grower actually owns the fruit until it is delivered to the jobber. As a result, he can distribute the fruit on an equitable basis to markets throughout the country and give every jobber and retailer, large or small, an opportunity to handle his product. Under the delivered sale plan, the grower can keep a constant supply of fruit moving to market, which he could not do if he were selling to speculators f. o. b. packing house or grove. Under the latter method there would be plenty of buyers on hand when the market was advancing and a great scarcity when the market was declining. By moving the fruit to market before it is sold, both producer and dealer have an even break on any advances or declines in the market and the ultimate consumer is assured of a constant supply of fruit.

Any rancher or shipper who has confidence in the grade, pack and quality of his fruit has nothing to fear from selling on a delivered basis. Under that method the purchaser can inspect the fruit when it arrives and examine its quality and condition. It places the business on a merchandising instead of a speculative basis. He is thus in a position to pay the market price with safety; whereas, if he is buying

on an f. o. b. point-of-production basis, he has to run the risk of decay and damage to the fruit caused by improper handling. As a result, he makes an exaggerated discount for his possible losses in the price he offers for the fruit.

Early in my career, I reached the conclusion that if I was to succeed in the production of citrus fruit—the business which I had adopted as my life work—I would have to take an interest in the development and perfection of a system of marketing and distribution, owned and controlled by the growers. Such a system necessarily implied that the producers would themselves determine the quantity and quality of fruit to be shipped, the amount to be sent to each market and how the cost of selling could be reduced to the lowest possible level. I soon became convinced that cooperative marketing was the answer to the problem and determined that I would therefore lend such support and aid as lay within my power to the development of such a system both for citrus fruits and walnuts.

In my opinion, cooperative marketing, more than any other factor, has brought about the phenomenal expansion of the citrus business in California during the past 50 years. The agency that has accomplished such outstanding results and that has fought the battles of the growers during all of that time is the California Fruit Growers Exchange, better known as the "Sunkist" organization. In the same way the remarkable success and expansion of the walnut industry of America is due to the extremely effective system of marketing and distribution adopted by the California Walnut Growers Association, which came into being in March, 1912.

The early history of the attempts of producers to or-

ganize cooperative selling agencies, both in the citrus and the walnut business, was characterized by many failures, discouragements and disappointments. Grower-owned and controlled cooperative selling and distribution agencies were finally established only because pioneer citrus growers of ability and conviction refused to abandon the idea or admit defeat. A faithful and accurate account of these early experiences and disappointments and of the men who led the movement is given in Miss R. M. MacCurdy's book, *The History of the California Fruit Growers Exchange*, published in 1925. Miss MacCurdy, who for many years served as assistant secretary of the Exchange, made careful use of the manuscript material in the files of the Exchange, including minutes of meetings and the organization statements of prominent ranchers of the early days. The book accurately describes the conditions existing before an effective organization of the growers was accomplished. Referring to the demoralized state of affairs and the tragic plight of the growers at that time, Miss MacCurdy writes:

"The desperation of the growers is manifest in reading the newspapers of those days in the citrus belt, which record the various collective and individual methods tried by producers in an endeavor to extricate themselves from their dilemma. The middlemen by this time had become autocratic. They told the growers how the fruit should be picked and what qualities and grades would be handled, and, it is said, even districted the orange producing territory among themselves. Then, in the opening of the season 1891, they decided they would not buy any more fruit f. o. b., but would all ship only on consignment. As William Prior

Russell states, 'About 1890 I could not sell at any price. The shippers had agreed not to buy any oranges but to ship only on the grower's account,' handling these accounts at a definite percentage of the sales price, and being guaranteed packing, shipping and freight charges—the grower assuming all risks and even underwriting any deficit that might be met. T. H. B. Chamblin, in later years commenting on this situation in the Fruit Exchange Review, the official organ of the Southern California Fruit Exchange, says: 'The old-line packers and shippers, having found the growers in a helpless condition by reason of increased output and lack of independent means of marketing, had deliberately, and for personal gain, almost wholly abandoned the buying system and had substituted therefor commission methods. We are willing to recognize the full force of the situation and grant that the conditions had placed the matter beyond their control, and that under the methods of marketing then in vogue a resort to the commission system was the only alternative.'

"But this did not in any degree alleviate the grower's plight. Naturally when the grower furnished the capital and the distributor assumed no risk and had his profits practically guaranteed, the incentive for careful marketing lessened. Shipments went forward recklessly, demoralizing markets and returning in many cases a loss to the producer. Moreover, decay in transit, due in part to inadequate transportation facilities, was also excessive.

"The early nineties were the famous 'red ink' years, when the future of the orange industry was dubious. Honorary Life President Story states that in 1892, with a cost of pro-

duction of not less than 50 cents a box, he sold his seedlings on the tree for 10 cents a box of 70 pounds. Speculators had free play. The grower was forced to accept whatever offer might be made him by these local handlers, or consign it to commission men in the east. Either way ruin stared him in the face. His desperation culminated in 1892-93, when 'red ink' returns occurred in such alarming numbers as to force him to action if he desired to continue in the business of orange growing, 'it being frequently the case that the larger the crop a grower had, the more he was indebted to his packer at the end of the season.' "

While there were a number of very earnest attempts at cooperative organization prior to the early nineties, the first effective movement in that direction was the formation of the Southern California Fruit Exchange in 1893. It was recognized that the organization must be grower-owned and controlled; that it must return all the net receipts, after deducting actual selling costs, to the producers. Even after the California Fruit Growers Exchange succeeded the Southern California Fruit Exchange in 1905, there ensued a long era of considerable uncertainty, marked by periods of low prices, dissatisfied growers and withdrawals, and an irregular and fluctuating membership. This was largely due, I believe, to the fact that the Exchange did not handle a sufficient percentage of the California citrus output to regulate shipments effectively and thus stabilize the markets.

In an attempt to correct this condition, the California Fruit Agency was organized. This was a merger of the commercial and so-called independent shippers with the Southern California Fruit Exchange. While the merger

temporarily benefited the market, the organization did not work out successfully because it represented an attempt to amalgamate two interests with diametrically opposed philosophies and viewpoints. The independent operators were either speculators or shippers engaged in selling citrus fruits regardless of profit to growers. The Exchange was a growers' cooperative organization, operating without profit, whose sole purpose was to improve marketing conditions and advance the interests of the citrus industry generally. It was like trying to mix oil and water and it came to an end in 1904. The Southern California Fruit Exchange continued as a grower-owned and controlled cooperative. When central California growers joined the organization in 1905, the name was changed to the California Fruit Growers Exchange.

During the period of this unholy alliance between the independent operators and the Exchange, the Limoneira Company decided that it could no longer continue its membership. When the California Fruit Agency was formed a representative of the commercial operators was made general sales manager of the new organization. Up to that time the Southern California Fruit Exchange had held to the principle that the fruit packed by its members was to be sold on its merits. If a packer established a reputation for the high quality of his fruit and the excellence of his pack, he was entitled to receive a premium over the fruit of other shippers in the organization. At that time the Limoneira Company had established a high reputation for the quality of its fruit and was receiving a premium of from sixty to

seventy cents a box above the average returns on Fruit Agency lemons.

Since its inception, the California Fruit Growers Exchange has followed the practice of obtaining premiums for individual brands. Though substantial premiums are obtained by some Exchange shippers, more intelligent and better care of groves and improved packing house operations have greatly reduced the high differentials of those early years.

We found, however, that the general sales manager of the Agency was continually complaining to the agents in the east that there was great dissatisfaction among the shippers in the organization because of the premium being obtained for Limoneira Company fruit. As a result the agents were afraid to ask for the premium though it was readily obtainable. After numerous warnings to the sales agency that we would not tolerate such interference with our legitimate prices, we finally gave notice and withdrew from the Exchange. To dispose of our fruit we set up our own national sales agency with an office in Omaha.

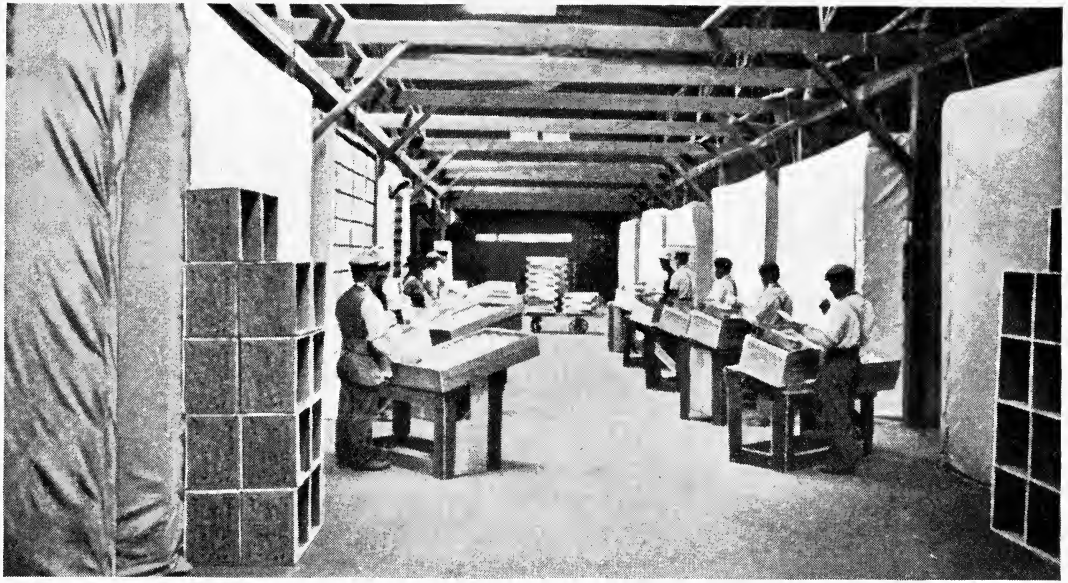
Although the California Fruit Agency was short-lived, we did not see our way clear to renew our membership in the Exchange for several years. I confess, however, that I did not feel very comfortable during that period. I was especially anxious to join again with my fellow ranchers in finding a solution for the many problems connected with the marketing of California fruit. As soon as we could do so in justice to the men we had taken into our new selling organization, we returned to the Exchange in 1911 and have been active members ever since.

In the year that the Limoneira Ranch rejoined the Exchange, I was elected to the board of directors as a representative of my local district exchange. I have served as director for the Ventura County Fruit Exchange ever since that time. In 1920, I was greatly honored by being elected president of the California Fruit Growers Exchange, a position which I still occupy today.

The California Fruit Growers Exchange has been built from the bottom up and not from the top down. It is a federated democracy in the purest sense of the word, with a clearly defined channel of representation running from the individual grower to the central organization.

The foundation of the Exchange is the 201 local packing associations comprising over 14,500 individual citrus growers throughout California and Arizona. The prime function of the local associations is the gathering of fruit from the orchards and arranging pooling systems which maintain the identity of the fruit. Each local association establishes pools so the individual grower receives precise credit for his various grades and sizes. In that manner, individual initiative is preserved. Each local association is governed by a board of directors elected from its membership list and each association is independently operated from an administrative standpoint.

The local packing associations perform many valuable services for their members. While their chief function is packing the fruit, almost all the associations supply picking crews, hauling facilities and all the equipment necessary for such work. They also undertake the work of pruning and insect control. Many local associations maintain advisory



PACKING LEMONS, 1905

After the lemons were cured under the canvas tarpaulins, generally called the "Teague Method," they were taken out into the wide aisles and graded into trays by hand and then packed. The process was slow and not altogether accurate.

MODERN PACKING HOUSE

Today, many lemon houses use automatic sizers which accurately segregate the fruit into commercial sizes. Much has been done to speed up the packing process and at the same time insure careful handling of the fruit.

services to help their members with such problems as proper fertilization and irrigation.

The local associations are banded together into 25 district exchanges, each comprising from three to twenty-five local associations. The local association elects a director to sit on the board of the district exchange and each district exchange elects a director to the board of the California Fruit Growers Exchange. Thus the line of representation from individual grower to central organization is completed.

Like the local association, the district exchange is entirely self-governing. It acts as a clearing house of information for the entire district and the district exchange manager closely supervises the shipment and sale of fruit from his district.

As in any real federated democracy the central Exchange (the California Fruit Growers Exchange) has no jurisdiction over local administration. Like our own government, the central Exchange provides advisory services for its association members.

The most important function of the central Exchange and the basic reason for its existence is the sale of fruit produced by affiliated associations. Before the fruit is sold, however, the central Exchange provides services that help to insure the production of the finest possible fruit. Through its pest control work, the central organization has saved millions of dollars for growers by reducing the loss due to insects. Through its field laboratory, many new developments in the handling and packing of citrus fruit have been brought into general use.

A very important activity of the Exchange is the main-

tenance of rigid standards of grade and pack. Without such standards, Exchange fruit would not enjoy its high reputation among consumers. Through mutual agreement all packing associations affiliated with the Exchange accept and observe the grade standards of the organization. To see that these standards are rigidly followed, the central Exchange maintains a force of over 60 inspectors who inspect the fruit at the local packing houses before it is shipped to market. This service has been of mutual benefit to producer and consumer.

While due honor and credit should be given to the early pioneers of the citrus cooperative movement, without whose efforts the present organization perhaps would not be in existence, it is nevertheless true that many years went by before a really effective organization was perfected. The primary reason for this delay was the opposition and entrenched position of the speculative operators. For a long time these men were able to prevent the Exchange from obtaining a sufficient percentage of the citrus output to enable it to regulate distribution, stabilize the markets and take many other steps that have since proved of vital importance to growers, dealers and consumers. As the Exchange gained in membership, it was able to establish a department for national advertising, create a traffic department, and organize the Fruit Growers Supply Company. All these subsidiary departments have contributed substantially to the growth and success of the organization.

To indicate the present success and magnitude of the citrus business and the importance of the industry to the economy of California, I quote at length from the 1942

annual report of the efficient general manager of the California Fruit Growers Exchange, Mr. Paul S. Armstrong:

"Well was it for the industry that the Exchange, through its careful and extensive program of research and vigorous and attractive publicizing of findings, had made the healthful story of citrus so widely known that in a single generation citrus fruit had been taken out of the luxury class and put into the essential diet group. Citrus fruits were always as healthful as they are today. But only a few years ago, practically nobody knew about it; today their values are generally recognized. This stimulation has been largely the work of the California Fruit Growers Exchange. It took the lead; others followed; and the combined effort brought about the result.

"The place that the citrus industry has come to occupy in the national life is revealed by figures lately issued by the Bureau of Labor Statistics. According to these figures, food accounts for 34 per cent of the total cost of living; citrus fruits for 3 per cent of foods: therefore citrus fruits represent 1 per cent of the total cost of living.

"Total shipments from California and Arizona during the season 1941-42 equaled 87,768 cars of oranges, 8707 cars of grapefruit and 17,925 cars of lemons, making over 114 thousand cars in all of packed fruit.

"Of this volume, the Exchange shipped 65,610 cars of oranges, 3962 cars of grapefruit and 16,148 cars of lemons, totaling 85,720 cars of packed fruit.

"The Exchange movement was, therefore, approximately three-fourths of the entire movement of packed citrus fruit from the two states.

"In addition to packed shipments, the Exchange marketed the equivalent of 8928 standard carloads as loose fruit, bringing the Exchange total volume sold as fresh fruit to 94,648 cars. This, together with estimated sales of loose fruit by other shippers, indicates that the season's total citrus movement from California and Arizona for consumption as fresh fruit equaled almost 127 thousand cars."

Of all of the manifold activities of the Exchange during the past years, the adoption of a policy for national advertising has probably made the greatest contribution to the development of the citrus industry in California and, for that matter, in the entire nation. After test advertising in 1907, it was decided to set up a department for national advertising which should include promotional and market development activities. An historic step in Exchange advertising was the adoption of the name "Sunkist" as a trademark to enable consumers to identify fruit of high quality shipped by the Exchange. The name appeared at first only on the wraps and labels but later was imprinted upon the skin of oranges and grapefruit. Because of their elliptical shape, a satisfactory method of stamping Sunkist on the skin of lemons has not been developed. Since 1907 the Exchange has expended over 37 million dollars in national advertising. This program of health education has given consumers an appreciation of the value of citrus fruits in the daily diet.

Following the start of orange juice advertising in 1916, and the development of efficient extracting devices, the practice of eating only half an orange was supplanted by the now universal custom of drinking the juice. More than any other single thing this change in practice and diet

probably accounts for the rapid increase in the consumption of oranges throughout the United States. In recent years the total production of citrus fruit in the United States has reached the amazing total of 368 thousand carloads annually, over 1000 carloads per day. Because of the development of canning and by-products outlets, all of the harvest is not shipped in fresh form but these figures establish citrus fruit as the leading fruit industry in America.

The many uses of lemons have been publicized intensively since 1916. National per capita consumption has shown a material increase, especially in recent years.

I well remember the discussion that took place on the Board before the policy of national advertising was adopted. Some directors were certain it was a great mistake. They were certain that if an advertising cost, of even a few cents a box, were deducted from the returns to growers, the Exchange would have difficulty in competing with other shippers who made no such deductions. On the other hand, the proponents of advertising argued that the rapidly increasing production required something be done to increase consumption. Otherwise there would be a perpetual state of over-production and demoralization of markets. Furthermore, the Exchange packing and selling was done at cost while the so-called independent shippers had to make a profit on packing operations. Thus, they reasoned, the Exchange could pay the cost of advertising and still return more to its growers than could its competitors. I was one of the proponents and the proponents finally prevailed.

As the Sunkist trade-mark became established, we had to decide which should be most prominently printed on

the boxes and wraps—the association brands or Sunkist. Both were permitted. Our own brands had become well known because of our many years of careful handling and packing. It was hard for me to believe that Sunkist could be more valuable to us. Finally a house-to-house canvass was made in Lincoln, Nebraska, where Limoneira brands had been sold for many years. It established the fact that Sunkist was better and more favorably known than were our own brands. After that I was quite willing that Sunkist should have the greater prominence on the box and wraps.

As a further phase of its program of advertising, the Exchange established a dealer service division to instruct the retail trade in proper methods of buying, handling, pricing, displaying and selling citrus fruits. The program has been very helpful in increasing dealers' volume and profits and has enhanced the reputation of the Exchange and its products.

This, to me, offers a prime illustration of the ability of strong cooperatives to accomplish benefits to the industry at large. The raising of advertising funds by the assessment of members of a cooperative enables the cooperative to maintain its own advertised brands. This is not possible when advertising funds are obtained through state legislation as in the case of oranges from another producing section and apples from Washington.

Another highly important step taken in 1907 was the creation of the Fruit Growers Supply Company. This organization was designed to furnish growers, at cost, the principal supplies that are necessary for packing and production. Among such items are boxes, nails, wraps, fer-

tilizers, insecticides, fungicides and many other things which enter into the grower's cost of production.

The historic San Francisco earthquake and fire of 1906 was directly responsible for the founding of the Fruit Growers Supply Company although the company was not formed until 1907. In 1906, San Francisco was almost destroyed. The enormous demand for lumber created by the rebuilding of the city made it almost impossible to obtain boxes for the shipment of fruits and vegetables. The cost of orange boxes rose from twelve or thirteen cents to better than twenty-one cents, and an adequate supply could not be obtained at any price. The Exchange then determined to go into the lumber business. It made large advances of money to inadequately financed lumber operators in northern California. They agreed to repay the loans out of the entire output of a mill at Hilt in Siskiyou County, California, but in the end the Supply Company had to take over the mill and the timber which supplied it. The enterprise has been operated by the Fruit Growers Supply Company ever since.

In 1919 the Supply Company bought a large tract of timber in Lassen County, California, made arrangements with the government to purchase timber which was interspersed with and neighboring to the company's holdings, and at Susanville built the large, modern mill which it still owns. With sufficient labor and logging equipment to assure adequate log supplies, the two mills could cut 200 million feet of lumber in a year. This would be enough to meet the full demand of the Exchange which last year amounted to 43 million boxes! It has seldom been necessary

to convert the entire production of lumber to box shook. It has generally been more profitable to sell the better grades of lumber into commercial channels and use only the lower grades for boxes. Through the years the possession of the mills has placed the Exchange in the enviable position of having a supply of boxes at reasonable prices as they were needed. There is no doubt that this has resulted in saving citrus growers a great many millions of dollars.

The great value of the lumber operations to the Exchange was conclusively shown during World War I. It is even more evident today. The present conflict, with the demands of government for cantonments and other military purposes, has absorbed a very large share of the nation's commercial supply of lumber. It has become a critical material, the use of which is restricted by the government to needs essential to the war. Citrus fruit falls into the category of essential products and the boxes made by the Supply Company mills, plus those that are purchased under permit from other lumber operators, have furnished the Exchange sufficient containers to ship all of its merchantable fruit to market. If it were not for the Exchange's mills and supply of lumber, it is doubtful if it could obtain enough boxes for the enormous output of citrus fruit it now ships. By way of contrast, the citrus fruit growers in Florida have been forced to resort to all sorts of makeshift containers—fiber board, bushel baskets and sacks.

The lumber operations of the Fruit Growers Supply Company have clearly demonstrated that a group of farmers, when properly organized, are capable of efficiently

running a great manufacturing business. The variety and value of the products of the Fruit Growers Supply Company for 1942 are shown by the following table:

Box shook and lumber	$ 8,784,696.67
Tissue wraps	1,729,251.54
Labels and paste	206,131.53
Nails	89,081.81
Box strapping	13,474.13
Packing sundry supplies	711,767.78
Orchard supplies	3,065,619.69
Miscellaneous	170,530.76
Net Sales	$14,770,553.91

The total value of purchases made by Supply Company members through their company since its organization has exceeded 243 million dollars.

As the business of the Exchange increased it was necessary to create an agency to have charge of our relations with the railroads. In 1910 a traffic department was established for that purpose and thus another important step was taken in the evolution of the function of the Exchange. It was the responsibility of the traffic department to see that all shippers were promptly supplied with refrigerator cars, to attend to all routings and diversions of cars in transit, to file claims and secure payment for damages and to conduct negotiations with the railroads on all changes in railroad tariffs.

The traffic department, now a large and efficient organi-

zation, handles transactions involving as many as 85,000 carloads a year. The difficulties and long delays growers used to experience in collecting damages are gone. Thanks to the work of this department, claims are now settled fairly, promptly and without friction.

A good many years ago I heard Mr. Ripley, president of the Santa Fe Railroad, frankly say that the proper principle to follow in fixing freight rates was "to charge all the traffic will bear." Since that time I have sat in many conferences with high officials of the transcontinental railroads and their traffic and rate experts. Most of the time it seemed to me these officials were still governed by the principles laid down by Mr. Ripley. We have had many discussions directed toward a reduction of freight rates and did not make much progress unless we could convince the railroad people that they were charging more than the traffic would bear. When they were losing traffic to steamship companies, however, we were able to get some concessions. In Florida, water transportation has taken a large part of the citrus business away from the railroads and even though the railroads eventually put in low rates to compete with the ships, they could not recover the business.

Some of our directors became convinced we could not get as low rates as we deserved until the Exchange owned its own steamship line to carry a large part of the fruit sold along the Atlantic seaboard. One of our able directors, Mr. Whitcomb, from Glendora, made a painstaking investigation of this subject and presented to the board a complete plan with estimates of cost and a method of financing. The recommendation was given serious consideration

and some of the discussions became quite heated. While I was willing to concede that we could get lower freight rates by this means, I was convinced that the problem of financing and operating a steamship line and giving it a volume of business that would insure continuity of operation was too ambitious even for a cooperative as well established as the Exchange. This opinion finally prevailed.

The Exchange made another important contribution to the entire citrus industry when it began the manufacture of various by-products from inferior and surplus fruit. The first attempt to enter the by-products field was made in 1915 when the Exchange Lemon Products Company was started. In 1918 a group of Exchange shippers set up a company for the manufacture of orange marmalade. After a good deal of money had been spent on the latter experiment it was found that while a good product could be made, most of the money was being spent on sugar and containers. Not enough fruit was actually required in the manufacture of marmalade to afford an outlet for the culls and surplus, so the project was abandoned in 1920.

That same year, however, some of the Exchange members formed a new organization, called The Exchange Orange Products Company, which from the start enjoyed outstanding success and uninterrupted expansion. Last year the company handled 154 thousand tons of oranges and manufactured products valued at almost 6 million dollars. The Exchange Lemon Products Company has also had a highly successful development and in 1942 converted 130 thousand tons of lemons into by-products having a value of over 5 million dollars.

The two companies between them produce citric acid, sodium citrate, lemon oil, pectin, concentrated and natural strength orange and lemon juices, orange oil, orange pulp for cattle feed, and juice products for the beverage and pharmaceutical industries.

The evolution of the by-products business from small beginnings to a great industry was made possible by skillful, well organized scientific research. The Exchange maintains excellent laboratories and spends 120 thousand dollars annually in scientific research. Indicative of the value it attaches to citrus by-products, the government spent for military and lend-lease purposes nearly 6 million dollars during the first nine months of 1942 for pectin, used in making jams and jellies; lemon and orange oil for flavoring food and beverage products; concentrated orange juice, high in vitamin C content, and concentrated lemon juice, also rich in vitamin C, and widely used in food and beverage products.

The sales department of the Exchange is one of the most efficient in American business. It has its own salaried representatives in 57 United States and Canadian sales districts. In 26 other markets where the annual volume is insufficient to maintain a salaried office, sales are handled through brokers. It has six regional marketing divisions, each with a division manager who supervises sales operations in his territory. Fruit is sold almost entirely on a delivered basis, although in a few "pocket markets," from which fruit cannot easily be diverted, some business is done on an f. o. b. California basis. In an average year, 45 per cent of Exchange fruit is sold at public auction in ten metropolitan markets.

The auction method of sale accomplishes wide distribution and affords opportunity for both large and small buyers to secure their supplies on an equal basis of price. It also gives them a wide assortment of grades and sizes from which to supply their individual requirements. The remainder of the fruit is sold in private sale markets through the regular salaried representatives of the Exchange or brokers. The Exchange has consistently sold through established jobbing channels, and makes no distinction in price between large and small buyers.

The development of the program of sales and distribution has necessitated the creation of a remarkable system of market information. Every district exchange receives a teletype record of all transactions as they occur. It has complete market information, including copies of telegrams between the central office and representatives in all markets. The data includes the car number of all cars shipped, sold or diverted, together with a record of the brands, grades and size of fruit in each car; the prices at which the cars are offered to the trade; and complete information on the acceptance or rejection of offers.

The receipts from the sale of fruit are collected and deposited in the city where the transaction has taken place. An account of the sale and a check to cover the balance are then sent through the central and district exchanges to the local association by which the fruit was shipped. The average elapsed time from sale to collection is four days. Under normal conditions the average time of transit from a packing house in California to the eastern market is nine days.

So efficient is the sales department of the Exchange that out of total sales of two billion dollars since its organization, the Exchange has lost only 146 thousand dollars or only seventy-three ten-thousands of one per cent. I seriously doubt if there is another organization in the United States, doing business on a credit basis, that can show as good a record.

CHAPTER IX Development of California Walnut Industry

THE production of walnuts in this country fifty years ago amounted to only about 1700 tons, yet as the crop increased surpluses began to develop, accompanied by the usual demoralization of markets and financial difficulties of producers. Just as in the case of the citrus industry, the walnut crop of those early years was handled by brokers, speculators and commission men. This method of marketing was so unsatisfactory that some of the early growers awoke to the necessity of devising a method of collective selling to protect themselves against the interests which then controlled the markets.

The first such group was the Los Nietos and Ranchito Walnut Growers Association, organized in 1896. Later other local cooperative organizations were formed, each operating separately with no attempt at collective action among themselves. In 1905, however, a central organization was created called the Executive Committee of Southern California Walnut Associations. We had a substantial walnut acreage on the Limoneira Ranch, so I participated

actively in affairs of the Committee and became its president in 1907 and served for four years.

The Executive Committee was not incorporated. It performed only a few limited functions such as purchasing bags for its members, handling matters involving the general welfare of the industry, and meeting prior to harvest time to discuss market conditions and the prices that growers might reasonably expect to receive under the current conditions. There were no agreements to maintain uniform prices; but the various local associations whose representatives comprised the Committee were supposed to try to sell at the prices which the Committee thought could be obtained. For example, the prices named in 1905 were 12½ and 13 cents for first grade walnuts and 8½ and 9 cents for second grade. This arrangement was a sort of "gentlemen's understanding." However, when surpluses appeared and marketing became difficult, the "gentlemen" disappeared and cut-throat competition became the order of the day. This was naturally disastrous to growers.

I remember distinctly that during one of these market depressions the Los Nietos and Ranchito Association sold some five or six cars of first grade walnuts for 5 cents per pound f. o. b. California, yet the total United States production at that time was less than 10,000 tons. Think of it!

It soon became apparent to those of us on the Executive Committee that a stronger organization would have to be formed if better distribution and market stabilization were to be attained. So, after several years of discussion and study the California Walnut Growers Association was organized in 1912. I was its first president and served con-

A CALIFORNIA WALNUT GROVE

These large trees line many of southern California's highways. Walnuts are deciduous with the trees being completely defoliated between November and May. Shown here is a grove in full bearing.

For two seasons after the Association was formed the production of its members was sold through California brokers, f. o. b. California, with each local association retaining the right to select its own broker. These brokers were such firms as J. B. Inderrieden Co., Fay Fruit Co., J. K. Armsby Co., Rosenberg Bros. Co., Castle Bros., W. H. Lathrop and Hogue-Kellogg Co. Just prior to the opening of the shipping season, prices were named for the various varieties, grades and sizes, and all member locals were supposed to maintain them.

It soon became evident that this plan would not work effectively because of differences in the sales abilities of these California brokers. For example, some brokers could dispose of all the production of the locals which they served, whereas others were unable to do so. Whenever this situation arose, the local association whose walnuts were not moving would immediately cut the price. Of course, this placed those eastern buyers, who had been given the assurance of a stable market, at a great and unfair disadvantage because their competitors were supplied with walnuts that could be resold at lower prices. Finally, after much discussion, which I recall became quite controversial at times, Central was given the right to make all brokerage arrangements and conditions were greatly improved for a while.

Shortly afterward the Association became convinced that the 6 per cent sales commission was too high and obtained a reduction to 5 per cent. Walnuts were handled at this rate for one year, but at the conclusion of the 1913 season the brokers served notice that they would not handle the product for less than 6 per cent. Since these brokers had

all of the contacts with the eastern trade, the Association had to make a choice between acceding to these demands or setting up its own sales organization and selling directly to the wholesale trade through brokers located in the consuming markets of the country. In January of 1914 it decided on the latter course. Its own sales system was set up immediately and has been maintained ever since.

In retrospect, I recall a number of important landmarks, to some of which I have already referred, in the steady progress of the California Walnut Growers Association, particularly relating to improvement in quality of the product. They are, in about the order of their adoption, as follows:

1. Registration of the Diamond Brand for the Association's best walnuts—1915.

2. In the same year, uniform size grading was adopted and all graders operated by local associations were required to conform to the mechanical standards established by Central. In this connection I recall that much of the preliminary investigation and the final proposal itself was made by H. C. Sharp of Saticoy, an old friend and neighbor, who has served the Association as a director since the first year of its organization and who succeeded me as president.

3. In 1915 a uniform bleaching process was adopted so that all walnuts handled by the Association might be uniform in appearance.

4. Uniform cracking standards, previously established on a seasonal basis that made them subject to considerable variation and argument, were adopted in 1925. Mr. A. J.

McFadden, first vice-president of the California Walnut Growers Association and prominent California rancher, was chairman of the committee named to set up the cracking standards. This step was necessary to assure consumers that from year to year the walnuts marketed by the Association would be uniform as to edible quality. These standards have been changed from time to time but such changes have usually been made to improve the average quality of the walnuts.

5. A general pooling system, sometimes called "common pooling," was adopted in 1918. This was made necessary because of the wide variation in quality of the walnuts handled by the locals arising from varying climatic and other conditions. It was found that when a local produced walnuts of poor quality, it was not possible to market them as readily as those of a local which produced better quality. Growers thus affected insistently demanded a reduction in price. Such a policy would almost automatically demoralize the market for all walnuts, whether good or bad.

I well remember the meetings that were held prior to the establishment of a common pool. Almost every local association thought it produced the best walnuts grown in California and when a proposal for a common pool was submitted it was very vigorously opposed by some of the strong characters who represented the locals. When originally presented, the plan failed of adoption, and failed again the following year. It was not until the third year that it was finally adopted.

I remember that one of the representatives of a local, in making an argument against the common pool, declared,

"It is ridiculous to propose that we should pool the walnuts which we produce in our association, which are the best in California, with the junk produced by some of these other associations." But the plan was just and equitable and, in my opinion, was one of the outstanding advances in the sound handling and marketing of walnuts.

Pooling, as practiced by the Association, is quite simple: Prices of the various varieties, sizes and qualities are established at the opening of the season. The common pool takes over all of the various grades and sizes at the opening prices, giving credit to each local association for the value, by size and quality, of each lot that it delivers. The local likewise credits growers according to the quality of their deliveries and thereby maintains the incentive and reward for quality production. These credits are set up in the common pool and it makes no difference to the various locals or the producers whether their product moves to market early or late or at all, because the money from sales, less expenses, is distributed from the common pool in proportion to the dollar credits of each local in the pool. This plan, in my judgment, has worked out with complete equity.

In practical explanation of this pooling system let us suppose that the total pool of a local association is 1000 tons. Jones delivers 100 tons to the association; Brown 400 tons; and Green 500 tons. Jones would receive a credit for 10 per cent of the pool; Brown 40 per cent; and Green 50 per cent. When the walnuts were sold, the three members would then split the money derived from the sale on the basis of their percentages. This example presupposes that all of the members had the same grade of walnuts.

However, if only half of Jones' walnuts were of first grade and the balance of lower grades, final monetary returns would be proportionately lower for him than for Green or Brown.

Prior to the adoption of a common pool, the Limoneira Company had established such a reputation with the trade for the high quality of its walnut pack that it was able to get a premium of two cents a pound for first grade walnuts. It had established its own brand which was printed on the bags. Even to this day, Association sales representatives receive complimentary comment from older brokers who handled this brand. The Saticoy Walnut Association of Ventura County also enjoyed a similar high reputation for quality and obtained the same premium.

When market conditions became so demoralized as to force the establishment of a common pool, of course we at Limoneira had to sacrifice this premium for the common good. This apparent sacrifice, however, in reality was a great gain because the resultant stabilization of the market through the common pool prevented demoralization of the general market level, and in the end saved us far more than was represented by the sacrifice of our premiums.

Contrasted with citrus fruits, walnuts are far less perishable and lend themselves more easily to standardization and handling in common pools. Such handling permits a stronger centralized control and a better regulation of supplies in relation to demand, tending to stabilize the markets. On the other hand, citrus fruits have a wide range of keeping quality and other characteristics that up to this time have not permitted the development of any system of industry-

wide common pooling. As a result, it has been difficult to attain the same high degree of efficiency in the marketing of citrus that prevails in the case of walnuts.

At the outset it was necessary for Central to establish its own brands so that its walnuts and their superior quality could be recognized by consumers. At first these brands appeared only upon the sacks. After a nationally advertised inventors' contest in 1919, and much subsequent experimentation, a feasible method of stamping the brand on the walnuts themselves was developed in 1924. Within a year or two the Association undertook to stamp the Diamond trade-mark on each individual walnut of first quality, and has continued to do so ever since. Today Diamond-stamped walnuts are familiar to millions of consumers. Emerald and Suntand Brands were established for second and third qualities respectively, but these brands have not been stamped on the nuts themselves. This distinction has been reserved for only the Diamond or best quality.

The Association began a campaign of national advertising in 1918 and has spent almost 7 million dollars in advertising since that time. As a result, trade and consumer preference for its brands is now on a firm foundation, and few other products are better known in their respective fields than walnuts carrying the Diamond Brand.

In common with most agricultural products, the walnut is subject to attacks by various insect and plant diseases. The most serious ones are codling moth and a bacterial disease known as walnut blight. The latter became so troublesome that at one time the Association offered a

reward of $10,000 for a practical means of combating it, but as yet no entirely satisfactory method has been discovered. Throughout its history the Association has given generously in time and money to research for remedies against injurious insects and diseases, and has always received generous technical assistance from the state university and similar research agencies.

In connection with the $10,000 reward, I recall a rather amusing incident. A certain doctor, a former resident of San Francisco, who said that he was obliged to leave that city after the earthquake and fire, claimed to have discovered a method of control which he wanted to present to the committee we had set up to pass on remedies submitted in competition. This doctor claimed that he had considerable training in chemistry and announced most emphatically that his discovery would control walnut blight. On the basis of his very positive representation the committee granted him an interview. He began by saying that to build the appliance he would require several thousand dollars, a sum which he did not have, and that the method would have to remain a secret until it was ready for practical demonstration in the orchard. He feared that if it were divulged beforehand his secret might be stolen. The committee told him it could not advance the money until it could pass upon the practicability of the method. At first the doctor declined to give the committee any information but later decided to take a chance. The plan involved the use of a large iron roller, heated to a high temperature by certain appliances. The doctor was certain that if this device were rolled over the surface of the soil in an orchard

it would destroy all the bacteria that cause the trouble. The committee explained to him that this could not possibly succeed; that even if the soil could be sufficiently heated to kill the bacteria, all the humus in the soil would also be destroyed, and that undoubtedly the particular bacteria responsible for the blight were also present in the bark, twigs, and leaves of the tree. This explanation did not satisfy him and he was still convinced that the committee intended to steal his idea and turn it to their own profit.

One of the most significant steps in the progress of the walnut industry was the development of the shelled walnut business. This was originally only a by-product operation for the salvage of kernels from culls but is now an exceedingly important outlet for even high quality stock. In the early days all walnuts not conforming to standards established by Central were kept by growers and sold to peddlers, or occasionally small quantities were cracked by hand in the locals. This practice became quite troublesome. Despite their internal inferiority, these cull walnuts were purchased by peddlers; were bleached and frequently sold as good walnuts, thus injuring the reputation of first grade California walnuts.

The Association accordingly came to realize that it must require all walnuts, including culls and the kernels shelled from them, to be under Central's control. This was accomplished in stages extending over 10 or 12 years. In 1915 Central built its first cracking plant, but several locals continued to crack their own culls. In 1917 growers were required to deliver all their walnuts to locals in orchard-

run form. This ended culling on the ranch. Then, with culls all in the hands of locals, it was only a matter of time before they were all required to be delivered to Central for cracking and handling under a common pool similar to the handling of in-shell walnuts.

The first shelling plants were quite crude and the nuts were cracked almost entirely by hand. Gradually, the Association's managers and mechanics evolved efficient cracking machines and devices for cleaning and grading until the methods and equipment now employed represent the most up-to-date engineering achievements, and the Association's plants compare favorably in efficiency with the most modern manufacturing establishments in other fields. In its 1942 season of operations, the Association produced nearly 10 million pounds of kernels. There are two of these shelling plants located in Los Angeles, which employ from 600 to 800 persons for seven to nine months of the year.

Shelled walnuts are graded into various qualities. About half are sold to the consuming public and half to the baking, ice cream and candy manufacturing trade. For many years a large portion of the product sold to the grocery trade was vacuum-packed in 3 and 8-ounce tins to prevent rancidity and insect infestation. The proportion so packed declined sharply in the thirties and due to wartime tin restrictions this pack has temporarily been discontinued.

Even the walnut shells themselves are utilized as a result of the Association research. They are sold to a mill which grinds the shell into a flour which becomes a valuable filler

for insecticidal dusts, plastics and other products. All moldy and waste kernels go to another mill for oil extraction, and the pressed meal in turn is used for stock feed.

The Association found that to handle the crop most efficiently through the various blending and repacking processes, and to afford storage for stocks awaiting shipment in-shell or processing in the shelling plants, a large shipping terminal was necessary in addition to the two shelling plants and in lieu of the expensive and unsatisfactory commercial storage facilities available in Los Angeles. To meet this need a large combination dry and cold storage plant was erected in 1935. This plant, located in Vernon, an industrial section adjoining Los Angeles, has a storage capacity of 18,000 tons of walnuts, covers over seven acres of ground, and has trackage for over fifty cars. It contains the largest single cold storage chamber in the world and is equipped with every modern device for efficient operation.

In addition to the 1300 people employed seasonally during peak operations in the shelling plants and warehouses, the Central Association employs 100 persons throughout the full year and maintains its business office and largest shelling plant in a fine 7-story building which it built in Los Angeles in 1921.

Since 1912, when the California Walnut Growers Association was organized, I have seen the industry undergo many changes. For years the production came almost entirely from southern California. Now about half comes from central and northern California although my home county, Ventura, is still the largest walnut producing

county in the state. Oregon, too, developed a sizable walnut industry which now accounts for between 5 and 10 per cent of the total production in the United States.

Here again, as with citrus, a relatively prosperous industry which was built on a foundation of successful cooperative marketing induced heavy plantings and production increases followed. As a result, the industry labored under sizable surpluses for 11 years. These surpluses, which could not be marketed in-shell at even production cost, ranged from 10 to 35 per cent annually, and had to be withheld from the usual channels of trade and disposed of by export or by shelling in the same manner as culls.

This difficult period began in 1932 when the combination of an unusually heavy crop and the general economic depression threatened a complete demoralization of the markets. It consequently became necessary, as in the citrus industry, to take advantage of the marketing agreement provisions of the Agricultural Adjustment Act. Under Association leadership in 1933 an agreement, backed by a mandatory order which covered the walnut industry of the entire Pacific Coast, was entered into with the Secretary of Agriculture.

A control board was set up from within the industry to determine, subject to the approval of the Secretary of Agriculture, the quantity from each crop that could be marketed in the shell at reasonable prices and the surplus quantity to be exported or shelled. Consumers were assured of adequate supplies, extensive export markets were developed and the domestic market for shelled walnuts was greatly expanded. In this way markets for in-shell walnuts

were well stabilized, the confidence of the distributing trade was strengthened, and reasonably efficient growers were maintained on a fairly prosperous basis. At the same time, good quality walnuts were furnished to the public in abundant supplies at reasonable prices.

The California Walnut Growers Association now markets for its members about 85 per cent of the walnut crop of California. Its operating cost in recent years, exclusive of advertising, has averaged a net of about 3 per cent of sales values. In addition, processing costs in local plants have averaged about 1 cent per pound. The value of the total product, f. o. b. Los Angeles, was over 18 million dollars in 1942 and, as stated, membership in the Association has grown from 1164 in 1912 to 9200 in 1943.

CHAPTER X Spirit of Cooperation

AS I look back over the years and consider the factors that have been of the greatest influence in the development of the cooperative organizations with which I have been connected, I think the fundamental basis of success has been a willingness on the part of those who have contributed most to the success of cooperatives to work together unselfishly for the common good, without seeking individual advantages at the expense of others cooperating in the undertaking. It has been a pooling of brains as well as of products.

Naturally and inevitably in the course of time, the growers have come to select as their representatives those in whom they had the greatest confidence. In most cases leaders who did not approach the problems of the cooperative exchanges from the broad, unselfish point of view were soon replaced.

In the development and activities of the cooperatives, much credit is due those committee men who, from the time of the first crude organization down to the creation

of those highly efficient bodies that now direct the policies of the two cooperatives, worked out the problems that constantly arose. Such committee members have always given unstintingly of their time and ability. Perhaps nothing develops the broader viewpoint in a man more quickly than to be a member of a committee working on some problem involving the welfare of his fellow ranchers.

This spirit of mutual service has been very aptly termed "The Religion of Cooperation." Both the California Fruit Growers Exchange and the California Walnut Growers Association long ago established the policy that the president should serve without salary or compensation of any kind. I believe this policy contributed to the confidence the growers had in the presidents who served the Exchange and the Association during the trying periods of their development. While their own personal interests as growers were involved in the fate of the cooperatives, I believe these men derived their chief satisfaction in contributing to the development of the organizations; from the feeling that they were thus serving thousands of growers and their families and enabling them to improve their economic condition.

In recent years there have been demagogic attempts to develop class prejudices between large and small farmers. I am a believer in the development of the family-size farm in America, to the greatest possible extent. However, I am also confident that small farm ownership in California would not have developed to its present proportions if some of the early pioneers had not been able, through the expenditure of considerable capital, to blaze the trail and prove the

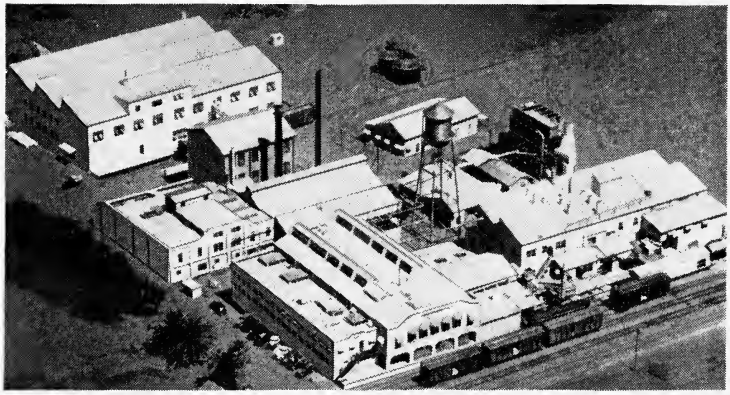
practical and economic value of producing agricultural crops in various regions.

Those who seek to build up class feeling among the ranchers continually claim that they alone are working in the interests of the small farmer. I can testify from many years' experience that this is utterly untrue in the case of the cooperative movement. Most of the men with whom I have worked through the years in the creation of marketing cooperatives have been owners of fairly large farms or orchards and have achieved enough economic independence to be free to devote their time and energy to the development of cooperative marketing organizations. The small farmer, compelled to work from daylight to dark, has neither the time, the energy, nor the means to devote to such purposes. I, myself, am not able to see any place for class feeling in agriculture. The interests of the small and large producer are identical.

FIFTY YEARS OF PROGRESS

The progress of citrus cooperation in California-Arizona is typified by the office building owned and exclusively occupied by the California Fruit Growers Exchange, successor to the Southern California Fruit Exchange. In 1943 the Exchange shipped 85,000 cars of citrus fruit, representing 75% of the California-Arizona crop.

NIGHT VIEW OF EXCHANGE ORANGE PRODUCTS
PLANT AT ONTARIO



AIR VIEW OF EXCHANGE LEMON PRODUCTS PLANT
AT CORONA

CHAPTER XI Proration to Stabilize Markets

I HAVE already discussed the efficient operations of the California Fruit Growers Exchange and the various measures it adopted in past years to increase consumer demand, to keep pace with rapidly increasing production, to reduce the cost of selling and to bring about an orderly distribution of California's citrus fruits. As long as the demand kept pace with supply the ranchers made a reasonable profit, but prosperous industry always invites increased production. This proved to be the case with citrus fruit.

Lemons were the first, in recent years, to run into difficulty. Troublesome surpluses began to appear a quarter of a century ago. After several years of disastrous prices, Exchange growers concluded that something drastic would have to be done if the industry was to be saved from ruin. Exchange membership represented about 90 per cent of the lemons produced in the United States, practically all of which were grown in California. Because of certain reserved rights in the shippers' clauses of the grower and shipper contracts with the Exchange, and the democratic nature of the organization, the Exchange could not regulate

the shipments of even its own members. Both the district exchanges and local associations had the right to determine when and where their fruit would be sent, and the quantities they would ship from week to week. Against this complete local autonomy the central Exchange could act only in an advisory capacity.

In 1924 Exchange lemon shippers took steps to provide better regulation of shipments to alleviate a flooded market condition and avoid consequent disaster. Nearly all of them signed the agreement to prorate weekly shipments of fruit on a basis that would keep the markets properly supplied. Shipments were governed by the quantity of lemons in storage, reported at two-week intervals. The district exchange managers, in collaboration with the sales department, decided the number of lemons that could be shipped each week.

This arrangement worked satisfactorily for nearly thirteen years. The Exchange shippers were able, by themselves, to maintain an orderly movement of fruit to market and thus stabilize prices. (Let me say in passing that long experience has demonstrated that more lemons can be sold on a stabilized market, at a fair price, than can be sold at a very low price on a market demoralized by oversupply). As time went on many new lemon groves were set out, and in years of heavy crops as much as 50 per cent of the total crop could not be sold as fresh fruit and was diverted to the Exchange Lemon Products Plant.

After the agreement of 1924, the stabilization program necessitated withholding an average of about 25 per cent of the lemon crop from commercial fresh fruit markets and

converting it into by-products on a salvage basis. The Exchange shippers were able to do this because of their efficient sales organization and the premium prices Sunkist lemons commanded in the markets. At the same time all outside shippers, including the Mutual Orange Distributors, were able, under the umbrella which the Exchange had erected, to ship a large percentage of their fruit in fresh form in the regular trade channels.

When the surplus totaled from 35 per cent to 50 per cent, the Exchange realized it could no longer hold its members if they were to bear the full burden of curtailment while outside shippers sold all the fruit they produced on a protected market. It was obvious that some arrangement must be made to oblige non-Exchange shippers to bear their share of the burden of curtailment. Otherwise the Exchange would have to discontinue its policy of proration, thus precipitating an inevitable marketing disaster for everyone.

With the hope of avoiding this, the Exchange actively participated in the passage of the California Agricultural Prorate Act of 1933. Other shippers fought the measure to the last ditch, but the law was finally passed. A grower control board, representing all interests, was set up to operate the prorate program. The law was bitterly attacked in the courts and it was not until the application of the federal law of 1937 to the lemon industry that proration was finally accomplished.

In that same year a severe freeze greatly reduced the supply of lemons and for two years the shortage made proration almost unnecessary. Then the surplus again be-

gan to cause trouble and, in the record year 1941, the oversupply amounted to about 50 per cent of the crop.

While the lemon growers were having trouble with surpluses, rapidly increasing orange production in California, Florida, and Texas began to confront that industry with the same difficulty. Though the Exchange membership represented only 70 per cent of California orange production, it was able to keep the market reasonably stable by the strong consumer demand created through its national advertising and dealer service work to improve retail merchandising methods. In most years a reasonable balance was thus maintained between supply and demand and nearly all the fruit was marketed. Though there was little or no regulation in Florida, the regulation maintained by the Exchange in California enabled orange producers to enjoy a fair measure of prosperity. From 1931 to 1941, the oversupply of oranges became an increasingly difficult problem. The orange shippers in the Exchange, realizing they could not continue to stabilize the market single-handed, were fast falling into the same plight the lemon shippers had previously been in. It was apparent that legislation requiring independent shippers to bear their share of the burden of proration would have to be enacted.

In 1933 the Federal Agricultural Adjustment Act was passed. It provided the necessary machinery to institute compulsory proration for all shippers, thus effectuating a balance between supply and demand. The law was vigorously attacked in the courts but that portion of it providing for marketing agreements was sustained. The Exchange then proceeded to take the necessary legal steps to set up

a marketing agreement for California oranges. The form of this agreement was then made the subject of suit. Thus it was a battle all the way between the outside shippers on the one side and the Exchange on the other to sustain the prorate legislation. The fight was extremely bitter, and much misinformation and propaganda was circulated among the growers. It is not necessary to give a detailed account of the controversy here. It is sufficient to say that the law has been sustained by the courts and that marketing agreements are now in operation under the sanction of the federal government.

Even after a marketing agreement had been entered into, many obstacles still had to be overcome. Although the Exchange marketed 70 per cent of the oranges produced in California and Arizona, it had agreed to a marketing plan that gave independent shippers the right to appoint one-half of the grower members of the control board which operated the agreement. This effort to be liberal and fair proved to be the source of great difficulty. Nearly all the representatives of the non-Exchange shippers were avowedly opposed to proration. It was consequently difficult to get them to agree upon the proper quantity of fruit that should be shipped weekly. Whenever they did not agree, the vote was tied and nothing could be done about it.

By 1938 the situation had become so serious that I decided to make a series of ten radio talks at my own expense on citrus marketing to try to convince the growers whose fruit was handled by non-Exchange shippers that proration was absolutely necessary to avoid a collapse of the market. These talks were made from November 22 to December 15.

They were then published in pamphlet form (January 5, 1939), and distributed to citrus growers. As a foreword to the publication, I made the following statement:

"The observations in this little book represent in a condensed form conclusions arrived at from a lifetime of study of the problems of marketing and distribution.

"The statements herein made are concurred in by my associates who have given their time and energies to the building and perfecting of that great cooperative marketing organization, the California Fruit Growers Exchange.

"The California Fruit Growers Exchange was organized forty-five years ago at a time when red-ink returns were the rule, and the distribution of the crop was exclusively in the hands of the commercial operators.

"There was no orderly distribution and no stability in the business. Nearly all of the men of that time are gone. The growers now are their children and grandchildren and new people who have come into the business.

"With a membership of over 14,000 growers continually changing through death and transfer of property, the problem of a properly informed membership becomes quite difficult. This is particularly true when there are still those who profit from handling citrus fruit, who are continually seeking to alienate growers from the Exchange by spreading false and misleading information.

"I had been considering this series of radio talks for some time, when the failure of the industry distribution committee on November 10, 1939, to set a prorate on oranges presented an immediate crisis that made it imperative to go

directly to the growers with the facts on fundamentals that affect their livelihood.

"After dealing with this critical situation, I was impelled to go forward and tell the story of Exchange accomplishments and of the importance of this organization, which is the indispensable stabilizing influence in the citrus industry in California and Arizona.

"If by this means growers and the many other people interested in maintaining a prosperous citrus industry are brought to a better understanding of the problems of marketing and distribution, I shall be amply repaid."

Within a week after these talks, pressure from the orange growers caused a resumption of proration in the industry. With the enactment of the amended federal law, following the annulment of the state proration act and the Exchange agreement formed under it, the lemon shippers in the Exchange endeavored to bring their business under the federal prorate law. After another bitter fight, this was finally accomplished. As a result, both the California orange and lemon industries are now operating under federal marketing agreements.

It is my firm conviction, after much experience and study of the problem of marketing for many years, that if the citrus industry had not first enjoyed the benefit of proration set up by the Exchange, and later the enforced proration established by state and federal legislation, it would have been in much the same demoralized condition that characterized it during the early nineties.

As indicated by the years of litigation, proration has long

been a controversial subject. Those who oppose proration do so because they do not understand it, or because they are seeking an advantage, believing that the Exchange itself will do the prorating and removal of surpluses and that they will thus be able to ship their entire production. The proponents of proration believe that there must be proration to prevent surpluses from demoralizing markets and to distribute short crops evenly over the marketing period of the variety, thus maintaining prices which compensate, at least partially, for the low yield and assure the public of a continuity of supply.

While I have been a stanch supporter of proration of shipments to stabilize markets, I was not always of the opinion that the Limoneira Company could afford to give up a special trade which we enjoyed. Because of the good reputation of the Limoneira Brands, we had a "special order" business which took all of the fruit we cared to ship in the spring of the year. Hence the fruit in storage did not become too old and we were able to ship all the fruit we produced and sell it at a premium. This seemed to be rather an enviable position. But as production increased and surpluses grew, shippers who did not have this "special order" business and therefore could not sell all their fruit, shipped it to the markets even though it brought only freight and packing charges. I therefore concluded that we must give up our "special order" business and our preferred position of selling all our fruit when there was an industry surplus. The one solution was to join with the others in establishing a prorate system which would give all shippers equal opportunity to share the market in pro-

portion to their production and equally to share the burden of surplus removal. So I became a proponent of shipment regulation through proration.

Under the present wartime emergency condition there is a new and important reason for proration. We now have a very high purchasing power in the United States arising from the vast number of people employed at high wages. Although we have no orange surplus now, proration is needed to distribute the available supply equitably to the consuming public. Some shippers, by questionable practices, have been able to obtain disproportionate returns by shipping their entire crop quickly. Therefore, they pay extravagant wages to packers and pickers—wages which cannot be paid by conscientious shippers who observe the spirit and letter of price ceiling and wage regulations. But if these unethical shippers are limited to their proportionate share of weekly shipments by prorate regulations, they cannot afford to become pirates of an already scarce labor supply. It has always been a source of great satisfaction to me to realize that proration, which has been so vital to growers, has also benefited the consuming public by assuring a continuity of fruit supply at reasonable prices over the natural marketing period of the crop.

CHAPTER XII Agricultural Legislation

FOR many years agriculture has recognized that it must have nonpolitical representation at the seats of government. In California the cooperatives have the Agricultural Council of California to look after their interests. Except for one year, I have been president of the Council since it was organized in 1919. Most of the state cooperatives maintain membership in the organization.

In Washington the cooperatives have the National Council of Farmer Cooperatives. Judge John D. Miller and Mr. H. E. Babcock served as presidents prior to my election last year. They were both exceptionally able men, and under their leadership a splendid organization was built up.

The executive secretary of the Agricultural Council of California is Mr. Ralph H. Taylor. Mr. Ezra T. Benson holds the corresponding office in the National Council of Farmer Cooperatives. These men were not selected because they are political types, but because they are clean and straightforward, possess a thorough knowledge of farming, and are able to present the problems of agriculture in any company. They are not lobbyists in the commonly

accepted sense of the term. They are men who can explain agricultural legislative needs lucidly and forcibly, either when new legislation is needed or when legislation hostile to the interests of agriculture must be opposed.

As occasion requires, they also appear before the various departments of government in the interests of their constituents. They do not "wine and dine" the representatives of government, but depend upon a forthright presentation of facts to obtain favorable consideration for the interests they represent. By their ability, knowledge of agriculture, and fair dealing, both men have gained an enviable reputation with legislative representatives and the various departments and bureaus of government, regardless of their political affiliation. The presence of such men at the state and national capitals is unusual to say the least, but their character and ability command unusual respect. They are frequently called upon by lawmakers and government officials to furnish agricultural facts and data, and to interpret the sentiment of the farmers.

The National Council of Farmer Cooperatives was organized in its present form in 1929 to provide full-time Washington representation for the nation's agricultural marketing and purchasing cooperatives. Starting with a membership of less than a score of cooperatives, the Council now has 71 direct members. The large-scale national, state and regional federations represent some 4600 individually incorporated associations, which in turn have two million three hundred thousand farmer-memberships. The annual business volume of Council members is approximately one billion three hundred million dollars.

Fifteen state-wide cooperative councils, which function within the state in much the same way that the National Council operates nationally, hold associate memberships in the Council.

The Council seeks first to promote the interests of farmer cooperatives in national affairs. It serves as a conference body devoted to the development of closer understanding and cooperation among agricultural groups, and between agriculture and government, industry, business and labor. The Council at all times endeavors to keep in the public view the importance and potentialities of the cooperative movement in agriculture.

Its organization is nation-wide. Well over 97 per cent of the counties of the United States are represented in the Council's membership and it is growing constantly.

The Council is divided into 14 commodity divisions as follows:

Name	*No. of Directors*
Citrus and Subtropical Fruits	4
Cotton	4
Dairy	4
Deciduous Fruits	3
Grain and Seed	4
Livestock	4
Miscellaneous	4
Miscellaneous Fruits and Vegetables	4
Nuts	3
Poultry	4
Processed Fruits and Vegetables	4
Purchasing	4
Tobacco	3
Wool	3

The Council Executive Committee is as follows:

For Citrus and Subtropical Fruits:
C. C. TEAGUE, Chairman, Santa Paula, Calif.

Committeeman at Large:
HOMER L. BRINKLEY, Secretary-Manager, American Rice Growers Cooperative Assn., Lake Charles, La.

For Cotton:
N. C. WILLIAMSON, Lake Providence, La.

For Dairy Products:
FRED H. SEXAUER, Auburn, N.Y., President, Dairymen's League Cooperative Assn. Inc., 11 West 42nd Street, New York City.

For Livestock:
B. B. BRUMLEY, McComb, Ohio, President, National Live Stock Producers Assn., 160 North LaSalle Street, Chicago, Ill.

For Poultry:
EARL W. BENJAMIN, Eastern Representative Washington Cooperative Egg & Poultry Assn., 11 Park Place, New York City.

For Purchasing:
QUENTIN REYNOLDS, General Manager, Eastern States Farmers Exchange, West Springfield, Mass.

For Wool:
JAMES H. LEMMON, Lemmon, S. D., President, National Wool Marketing Corporation, 281 Summer Street, Boston, Mass.

For Other Commodities:

N. L. Allen, Vice-President & General Manager, American National Cooperative Exchange, 90 West Broadway, New York City.

Honorary Member for Life:

John D. Miller, Susquehanna, Penn.

The Council passes no resolutions unless it is prepared to work actively on the subject matter of the resolutions and does not so act unless such action has the unanimous approval of the commodity divisions. The large number of bills introduced in Congress makes it impossible for legislators to study all of them. Congressmen must rely upon those in whom they have confidence to interpret such measures. This is the function of the farm organizations representing agriculture. The National Farm Bureau Federation, the National Grange, the National Cooperative Milk Producers Federation, and the National Council of Farmer Cooperatives, all have Washington offices and work closely together on matters affecting agriculture. They also represent agriculture in making representation to departments and bureaus of government on matters affecting agriculture.

The Agricultural Council of California, the California Farm Bureau and the California Farmers' Union function practically the same as the national organizations in Washington, working in the same manner on state legislation and in dealing with state bureaus and departments.

CHAPTER XIII California's Irrigated Agriculture

PROBABLY few people who live in California today realize the great part that irrigation has played in the development of the state. One has only to read the early history of southern California as portrayed by Dr. Robert G. Cleland in *The Cattle on a Thousand Hills* to appreciate the great advance that has been made in agriculture since the pioneer days of which he writes. Most of the progress has been made in the last 50 years. California is a semi-arid country, and without irrigation a profitable agriculture could not be maintained here. The beautiful valleys throughout the state, with their deciduous and citrus orchards, vineyards, alfalfa and vegetable acreage are almost wholly the result of irrigation.

In 1940, according to the United States Department of Agriculture, California raised 46 per cent of the fruits, vegetables and nuts shipped in United States commerce; 22 per cent of the vegetables, and 23 per cent of the sugar beets. As late as 50 years ago the total output of these products supplied only 15 per cent of the national total.

The state also provided one-seventh of the total agricultural wages paid in the United States.

Sometimes the question is raised, "Is any agriculture based on irrigation permanent?" Some historians have pointed out that the records of earlier civilizations seem to indicate that no irrigated agriculture can be permanent. Although this may have been true in the past, I do not believe it will be true of the future. Of course, there have been many instances where agriculture dependent on irrigation died out. But after considerable study of the subject, I am convinced that these failures were either due to a prolonged drought; a water supply that carried deleterious chemicals such as salts and boron which gradually accumulated in the soil until the latter became nonproductive; or to improper methods in the use of water for irrigation. A successful irrigated agriculture cannot be maintained on bad water. Irrigated lands can be ruined by the improper use of water.

In 1929 I visited the Rio Grande Valley of Texas and saw large areas of land that were evidently being ruined by the unscientific use of water. Promoters had purchased huge tracts of lands and planted them to citrus fruit. Great irrigation canals had been constructed for the diversion of water from the Rio Grande. Most of the canals were uncemented, the grades were flat, and vast quantities of water were percolating into the soils and building up the water tables. Water was so abundant and cheap that there were few cement conduits and the water was distributed merely in dirt-head ditches.

It was customary, moreover, to charge a certain price

LIMONEIRA RANCH, 1943

Taken from one of the rolling hills near Santa Paula, this photograph shows a portion of the Limoneira Ranch properties. The buildings at the right include a packing house and main ranch headquarters. There are two other division headquarters.

CALIFORNIA'S IRRIGATED AGRICULTURE

This scene of irrigation in a California orange grove typifies the value of water in California's agricultural activities. Without irrigation, the semi-arid climate would have made California's agriculture so hazardous that its present state of development would have been impossible.

for an irrigation head without even measuring the amount of water actually delivered. In fact, I was told that the charge was often made on an acreage basis without regard to the actual amount of water used. A high water table which was injuring the land in some of the lower levels of the valley was thus already being built up, and I prophesied that unless this water was put under better control it would ruin a large part of the valley. We had similar experiences in the Salt River Valley of Arizona, where the water was not as good as that diverted from the Rio Grande, as well as in most of the irrigated valleys of California in the early days.

Fortunately for California, water was not very plentiful, and in order to conserve the supply, as irrigated agriculture increased, it was necessary to put in concrete and vitrified conduits. Water now runs in open ditches only in a few sections where it is plentiful and cheap. I am informed, however, that the practice still continues in parts of the great Imperial Valley of California, and that in those areas the land shows evidence of serious deterioration.

While I have seen many instances where the land has been severely injured from bad water or improper methods of irrigation, I have also seen ample evidence that irrigated agriculture can continue indefinitely if the water is properly applied. Let me give some of my own experiences. Today, on the Limoneira Ranch, even though the water is not of the best quality, we are now able to grow larger crops of beans and vegetables than the land produced when it was first irrigated 50 years ago. Good new orchards are also now being grown on lands that were planted to

citrus trees in the Santa Clara Valley of the South by Nathan Weston Blanchard in 1873—nearly three-quarters of a century ago.

Not nearly as much was known then, and indeed for many years after these first trees were planted, regarding the proper control and use of water, as we know now. As a matter of fact, I am convinced that most of the progress we have made in the proper use of water has come about in the last few years. I have learned from observation, experience and experimentation that most crops do not thrive well when given excess quantities of water. This is particularly true of citrus fruits. Citrus trees, to remain healthy, must have the ground around their roots occasionally dried down. If the subsoil is kept too wet, the lower roots become discouraged and gradually come up near the surface where conditions are more favorable for their development. I am convinced, from our experience, that much of the so-called premature deterioration and collapse of citrus trees is due to the over-abundant use of water. Communities with limited water supplies which forced them to restrict irrigation were indeed fortunate, for the trees in those areas did not deteriorate prematurely like the trees that were given too much water.

The sources of irrigation water in California are an interesting subject. In the early days of agriculture nearly all of the water was obtained from living streams. Then it was found that the valleys of California, being sedimentary in character, in a great many cases were underlaid by vast areas of gravel capable of storing tremendous quantities of water. In many cases Conservation Districts have there-

fore been formed to divert the excess stream flow into settling basins where the water percolates into these great natural underground storage reservoirs, from which it is later pumped to the surface as needed. This type of storage is much cheaper than the erection of large storage dams to impound water.

We have such a conservation district in the Santa Clara River Valley of the South. I have been president of the district since its organization fourteen years ago. During that time more than a quarter million acre-feet of water has been diverted from the run-off water of the river that otherwise would have wasted into the sea. This has been accomplished at an average cost of twenty-five cents an acre-foot. An acre-foot is equal to 12 inches of rainfall on one acre.

Indicating the great value of this source of water, Mr. V. M. Freeman, the engineer of the conservation district, tells me that since 1929 a total of 63,556 acre-feet of water has been pumped out of one of the underground basins by a group of three wells. This is more water than was stored in the St. Francis reservoir at the time of the disaster to which I later refer. When this is multiplied by the large number of wells throughout the valley, the value of the underground reservoirs is readily seen.

It is interesting to note that cooperation in California probably had its origin in the development of mutual water companies. It was not possible, in most cases, for individual ranchers to bring water from the mountain streams to the valleys for irrigation, except in a very limited way. That could only be done by public utilities or by the organiza-

tion of farmers into mutual companies. In many instances farmers thus learned to act collectively in the use of water and discovered some of the advantages and benefits derived from such collective action. From cooperation in mutual water companies it was just another step to the development of non-profit, grower-owned and grower-controlled co-operative marketing organizations and cooperative purchasing agencies.

CHAPTER XIV Pioneering in Salinas Valley

IN 1917 Mr. A. L. Hobson and Mr. John Lagomarsino, two of the early pioneers of Ventura County, invited me to join them in the purchase of the Dumphey Ranch in the Salinas Valley in Monterey County. This was part of one of the early Spanish grants known as Posa De Los Ositos Rancho (The Place of the Little Bears.) The property consisted of 8000 acres of fine valley land, extending north from King City along the west side of the Salinas River, and 5000 acres of range land. The valley land had been farmed for many years to wheat and barley. Each year after the grain had been harvested, the stock from the range land was brought down to the valley and turned loose in the stubble which they ate to the ground. Since there was no stubble left to be plowed under, the fertility of the soil was gradually deteriorating.

After investigating the land quite carefully and concluding that it was capable of great development, I was glad to join Mr. Lagomarsino and Mr. Hobson in the purchase. We paid $50.00 an acre for the valley land and $5.00 an acre for the grazing land. There were practically

no commercial plantings of beans, walnuts, almonds or apricots in the King City area at that time, though a small, struggling colony at Greenfield had begun to indicate some of the possibilities of growing fruit and nuts in the valley.

We purchased the property with the intention of developing water and putting such land as we could under irrigation. A corporation was formed known as the Salinas Land Company, of which Mr. A. L. Hobson was president and manager and I was vice-president. Mr. Hobson's son-in-law, Mr. Fred W. Smith, is now president. We began sinking wells along the Salinas River and found, as we had anticipated, that ample water could be obtained. We were just getting well under way with this development when Mr. Carlyle Thorpe, who has been the general manager of the California Walnut Growers Association for many years, became interested in the opportunity to raise fruit in that area and proposed that he and his friends form a corporation, purchase some of the land from us, and set it out to orchards. We agreed to sell the land at a reasonable price and to take stock in the proposed orchard company for it. The California Orchard Company was then formed and took over 1900 acres of the valley land. I was elected president of the new company, while Mr. A. L. Hobson became its vice-president and Mr. Thorpe its general manager.

Meantime the Salinas Land Company sank 16 wells, developed approximately 3850 miner's inches of water, and put in the necessary pump and distribution lines. The term "miner's inch" originated in California in the gold mining days and is the quantity of water which will flow through

an inch-square hole under a four inch pressure. In 24 hours, this equals approximately 13,000 gallons. The company equipped the property with 44 miles of steel and concrete pipe. It sold 4125 acres of land at prices ranging from $66 to $391 per acre, but the bean crops proved so successful that we then decided to take the land off the market and lease it out on a share basis. The land leased to tenants amounts to a total of 3067 acres.

I recall an interesting incident connected with the property. Mr. Paul Talbott, who afterward became one of the supervisors of the county and served for a number of years as chairman of the board, was farming all of the land to wheat and barley when we bought it. He was known as the "Wheat and Barley King of the Salinas Valley." When we told him of our intention to develop the ranch as a bean producing property, he was greatly amazed and said, "You can't grow three sacks of beans to the acre on this land." But Mr. Talbott lived to see the day when he was to lease one of our farms for the production of beans, and for some time now the land has yielded about twenty sacks of beans per acre.

All of this, however, was not as easy as it sounds. We found that bean raising in Monterey County was not the same thing as it was in Ventura County. The cultivation and irrigation of the land required distinctly different methods. The bean producing lands of Ventura County are in a coastal area that enjoys a moist, foggy climate, so that one irrigation is usually sufficient to produce a good crop. In the Salinas Valley, on the contrary, we found that a hotter climate and the prevalence of high winds made it

necessary to irrigate, on an average, about every two weeks. This meant that three or four irrigations were necessary during the season. Following the first irrigation, the land is usually cultivated; but after the second irrigation the furrows between the bean rows are left open, and the ground is not cultivated thereafter.

The California Orchard Company had to experience a number of failures before the enterprise proved a success. The initial planting consisted of the following:

Almonds	263	*acres*
Apples	255	"
Apricots	277	"
Pears	290	"
Peaches	145	"
Plums	45	"
Prunes	127	"
Walnuts	70	"
Grapes	54	"
	Total 1526	*acres*

After these trees came into bearing we found only walnuts, apricots and almonds really profitable. While the other fruit trees and the grape vines developed well and produced satisfactory crops, the heavy national over-production of those products so depressed the markets that they were unprofitable. We accordingly pulled out all but the walnuts, apricots and almonds.

The fruit orchards now consist of 414 acres in apricots;

293 acres in walnuts; 445 acres in almonds. These three crops do superbly well. I had not expected that the valley would be a walnut country and the success of our walnut orchard came, I confess, as somewhat of a surprise.

The walnuts produced by the California Orchard Company are the finest in the state. They grade very high and have an unusually large percentage of white meats. The apricots are also of excellent quality and are probably not excelled in California. The production is much more uniform than in most other apricot areas. The yield of almonds, though not as uniform as in some other sections, is still quite satisfactory.

In addition to the orchard plantings, the open land is now producing successful and profitable crops of beans, peas, grain, sugar beets, tomatoes, paprika, spinach, and broccoli.

These pioneer agricultural enterprises in Ventura and Monterey counties are splendid examples of what the business enterprise system, actuated by individual initiative and the profit motive, has meant to America. Had it not been possible, under our form of government, to create the capital necessary to finance such enterprises, those lands undoubtedly would have remained much longer in a nonproductive or very low productive state. Even as it was, the Monterey County property lay undeveloped until 1917, long after most of the other fine valleys of California had been brought to a high state of cultivation.

Since we began our demonstration of the capacity of the Salinas Valley land to produce new crops on such a satisfactory basis, the increased production of those crops has been quite remarkable.

Despite much criticism in the past of tenant farming, there have been a great many successful demonstrations of that method of utilizing the land. One of these is the Salinas Land Company. All of our tenants have done well. Before we took the land off the market some of them had accumulated enough capital to purchase the lands they farmed, while some made enough money to buy ranches in other places in the valley.

There are those who contend that the days of individual initiative and the business enterprise system are over. They admit it served the people well until the depression days of the late 1920's but contend it cannot meet the conditions of the present day. "The frontiers are gone—we must have a new order," they say. I cite the Salinas Land Company and the California Orchard Company as evidence that there are still frontiers even in agriculture, and that the business enterprise system can still function provided all of the incentives are not taken away by taxes and bureaucratic controls.

CHAPTER XV Labor in Agriculture

FOR the past fifty years I have been closely associated with agricultural employers and workers, consequently I feel quite familiar with the agricultural labor situation in California. The development of agricultural labor in California is an interesting study in itself.

Much of California's agricultural lands were originally a part of large land grants made by Mexico to early settlers of Mexican nationality. These immense holdings were almost small governments in themselves, operated by the grantees of those early days. The laborers at that time were Mexicans and Indians. Mexicans have always been one of the chief sources of California's labor supply. They are naturally adapted to agricultural work, particularly in the handling of fruits and vegetables, for the Mexican climate in many respects is similar to that of California. Many of them have a natural skill in the handling of tools and are resourceful in matters requiring manual ability. For example, I have a gardener of Mexican nationality who has been with me for more than thirty-five years. He is loyal and faithful; can do a good job of plumbing or cement work;

and is very handy in doing repairs of a semi-mechanical nature. My wife often remarks that she doesn't "see how she could keep house without Felix."

The Mexican people are usually good-natured and happy. They have one trait I have always admired—they are generally willing to share what they have with their relatives when they are in need. For many years it was almost unknown for them to become public charges. They have never been a part of that roving class known as "tramps," who live by begging from door-to-door and who never work.

With the development of an irrigated agriculture and the evolution from a pastoral country to one of specialty crops, such as seasonal fruits, vegetables and nuts, which require a large amount of labor per acre, there was a rapidly increasing need for an increased labor supply. As specialty crops increased in volume, the supply of Mexican nationals was augmented by immigrants from Mexico but not in sufficient volume to meet the need.

Among the early additions to the labor supply were itinerants of American nationality. Many of these men were skilled in handling stock and were experts in driving six and eight-horse teams. In those early days this was an essential qualification because transportation facilities were very limited. Much of the farm produce had to be moved considerable distances, to the railroads or water terminals, in large freighting wagons. These men had the ability to do any kind of work. While they were itinerants, they were definitely not "hoboes" although they often carried a bedding roll since it was not customary in those days for the

rancher to furnish bedding. They were dependable and reliable. Many of these men later became the owners of ranches and farms.

Later the labor supply was additionally supplemented by large numbers of immigrants from China. The Chinese were good workers, loyal and dependable, and were skilled in fruit and vegetable handling and made excellent domestic servants. Many Chinese went into business for themselves, conducting small shops or stores or growing produce. With the passage of the Chinese Exclusion Act in 1882 this class of labor gradually disappeared until they were no longer a factor in California's labor supply.

It was during this period that a large number of Japanese immigrants came to California. They also were capable truck gardeners. Lacking the qualities of loyalty and reliability that characterized the Chinese, they nevertheless were very useful as a source of ranch labor. They gradually disappeared from the ranch scene in almost exactly the same manner as did the Chinese. When the United States declared war against Japan, following Pearl Harbor, nearly all the Japanese who were evacuated to relocation centers were engaged in small businesses of their own, including nurseries, the growing of fruits and vegetables and the operation of produce stands in retail markets. Very few of them were a part of the labor supply employed by agricultural producers.

The harvesting, washing, grading and packing of fruits and vegetables require a natural aptitude. Those who do the work become more skilled and efficient with experience. Quite a percentage of the workers who undertake it never

become really efficient even though they may be willing and good workers. They are obliged to do some other type of work to which they may be better adapted. For example, a man may be a good teamster, tractor driver or general laborer but not sufficiently deft with his hands to be efficient in the harvesting and packing of fruits and vegetables. Women are particularly adept in the packing of fruits and vegetables and are widely employed although many men are also engaged in that type of work.

A very large proportion of the people who engage in fruit and vegetable harvesting and packing reside in the communities where the fruit and produce is grown. Citrus fruit, which is produced and marketed every month in the year, furnishes a continuity of all-year employment that does not require the proportion of migratory labor that is characteristic of practically all seasonal crops such as grapes, apricots, peaches, prunes, sugar beets and berries. These crops have sharp peaks of labor requirement at harvest time. Many of them must be completely harvested in 30 to 60 days or they spoil in the field. This means that many more workers are required at harvest time than reside in the communities where those crops are grown. Hence, there is an absolute necessity for a very large number of migratory workers to follow the peak harvests.

The continuity of employment in the citrus business and the fact that nearly 85 per cent of the fruit is harvested, packed and marketed through cooperatives has made it possible to provide a higher type of housing than can be provided for the migratory laborers. It should be obvious that a grower whose harvest period is so short and requires

a large number of employees per acre cannot afford to furnish the same type of housing as a grower whose need is more continuous. The cost of permanent housing to a producer of seasonal crops would often equal the value of his farm or orchard. Seasonal crops mature in the summer time when the weather is warm and with practically no rain—consequently, permanent housing of the type furnished by citrus growers is not needed. Tent housing with floors and proper sanitary facilities conforming to the strict state law is entirely satisfactory.

Weather plays a tremendously important part in all types of agricultural activities, and sometimes also affects labor conditions. This was brought home very forcefully to California farmers when migrants from the "dust bowl" which covered an extensive area in the Great Plains regions of the Middle West, extending from the Dakotas to Texas, began to arrive in California in large number. These unfortunate people were forced to give up their farming in the dust bowl section because of a condition which had its beginning in the days of World War I.

At that time, the tremendous demand for food led to the plowing up and planting of vast areas of virgin prairie land. As long as the area had sufficient rain, this plowed ground caused no trouble but with the years of drought, starting about 1932, the soil in the region became almost like fine powder and began to blow away with the incessant winds that are characteristic of the Great Plains. What happened in that section is known to everyone. The soil on entire farms actually was blown away and great sections of the plains became untillable and almost uninhabitable.

It was only natural that the inhabitants in that area should come to California in particular and the West Coast in general. They knew our climatic conditions were favorable and they were also attracted by our high agricultural wages.

This large influx of population, practically all of it agricultural, resulted in a very serious problem for California farmers. This was especially true in the San Joaquin Valley where great numbers of new people settled because they felt that more work could be found in that area of diversified farming. Most of the newcomers were without funds and it was necessary for the citizens of many cities and counties to furnish living quarters and even food. A high percentage of the new population found no employment since it was a time of depression and there was already more than enough farm help in California to handle the various crops. At the time of their arrival, there was no adequate or satisfactory housing and until good camps could be provided at public expense, the conditions in some of the migratory camps were decidedly poor. The housing had been adequate for the normal number of farm workers but it was impossible to expand the facilities sufficiently to take care of the increasingly large influx of migrants coming into the state.

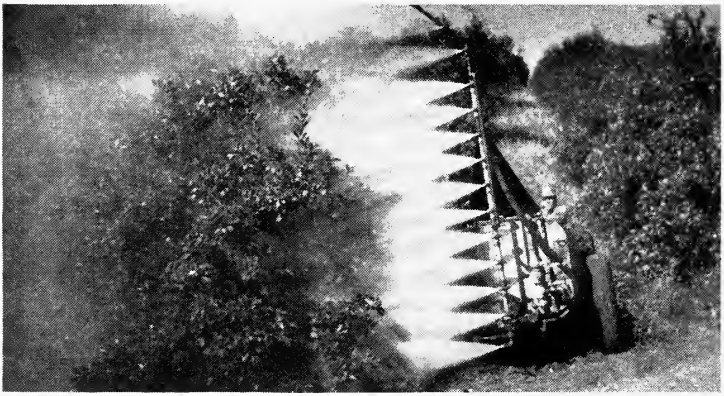
With the combined assistance of city, county, state and federal governments, the newcomers were soon afforded living quarters. Many of them found work during the peak harvests and those who could not find work were cared for with public funds. The entire situation was bad, both from the standpoint of the worker and the employer. The workers could not be blamed for coming to California

LIMONEIRA HOMES

Families working on the Limoneira Ranch occupy these comfortable cottages. Each is equipped with hot and cold water, gas and electricity. Some of the tenants have planted attractive gardens as shown here.

PEST CONTROL, 1900

At the turn of the century, the first automatic oil spray rig was developed on the Limoneira Ranch. By this method, an emulsion of water and oil was mixed under compressed air.



PEST CONTROL, 1943

With this modern spray rig and improved chemicals, one man does more efficiently the work formerly done by five.

because it seemed to them that here they would have an opportunity to remake their lives that had been disrupted by the calamity of nature. They came, however, at a time when California agriculture was in a comparatively poor economic position and did not need and could not support a great influx of population. The agriculture of California has been very unjustly blamed for the conditions which I have described by those who either did not understand the facts or deliberately misrepresented them.

By 1939 the problem had been at least temporarily alleviated by improved economic conditions and was completely solved a year later by the expansion of war production in California. What may happen when the war is over and many industries close down is a matter of great concern to everyone.

A good example of farm worker housing can be found on the Limoneira Ranch. For many years we have maintained houses for our ranch people. These houses, 400 in number, are of various sizes to suit the families occupying them. We normally have a ranch family population of about 1500. Our houses are equipped with electricity, hot and cold running water, baths and toilets and gas for cooking and heating. We charge a small rental of seven to ten dollars per month to cover maintenance. Water is furnished free and electricity and gas are supplied at the regular public utility rates.

Until the time of the strike in 1941 there were many instances of second generation workers living on the Limoneira Ranch. We have an elementary public school for the children of our workers and many of them have gone on

to higher education. I am quite proud of the fact that without exception the people who have "grown up" on the Limoneira Ranch have improved their standard of living and occupy a useful place in society.

It is significant that in the entire 50 years of my experience in Santa Paula we have had but one incident to mar an otherwise happy relationship with our employees. In 1941 about 6000 Mexican citrus workers in Ventura County were persuaded by professional organizers representing a certain labor union to strike for higher wages. When I say "persuaded" I should perhaps say "intimidated" because it was quite apparent throughout the entire strike that the great majority of the Mexican workers were not in favor of the walkout.

The strike ended with a loss to employer and employee. The labor organizers were not able to fulfill the extravagant promises made to the workers and the employers sustained a substantial loss because their ripening fruit had not been picked. The entire affair was unfortunate in that the innocent workers were ill-advised. Under existing economic conditions it was impossible for the ranchers to accede to the demands of the workers. The entire strike was handled by professional organizers who had nothing but a selfish, narrow objective. They were not sincerely interested in the problems of employee or employer.

I am not opposed to organized labor but I am unalterably opposed to the exploitation of workers by irresponsible labor leaders. This opinion, I believe, is shared by agricultural people throughout the country. Undoubtedly, in some instances, it has been necessary for labor to organize in

order to gain fair treatment, but I do not believe that the unionization of agricultural workers is a practical thing and when I make that statement I am considering both sides of the question.

From the standpoint of the workers, association with a labor union would be a distinct handicap. Because the peak season for most crops comes in the late spring, summer and early fall, many ranch workers are not year 'round farm employees. During the late fall, winter and early spring months many of them take jobs in industry or in some other line of work. Under these conditions it would be impractical for the worker to be affiliated with any particular group. Everything considered, farm workers are in a much better economic position than workers in large cities. Their housing conditions are better, their living costs are lower and their opportunity to enjoy life is manifoldly greater. This is especially true in California where the farm wage is far above the national average and the farm worker has an opportunity for sustained earnings due to the fact that agriculture is a year around activity.

From the standpoint of the union organization itself, it seems very doubtful to me that farm workers could be considered good union prospects. Because of the necessity to travel with the crops it would be an exceedingly difficult job for unions to keep their farm members organized. Since there is not enough labor in many of the outlying areas to take care of the complete harvest in those districts, unions could not organize local groups which would be the sole labor source in any particular district. It would be necessary for them to grant traveling privileges to their members

and the administrative expense would consequently be high. I doubt furthermore if the great majority of farm workers could be easily induced to associate with any labor union.

The American farmer is engaged in producing the foods and fibres which are absolutely essential to life. He knows that the American public is depending upon him to produce these crops properly and get them to market in the best possible condition. Any delays in production or harvesting are not merely an economic loss to the farmer—they are a loss of essentials to the consuming public.

The farmer does not have an operation as flexible as the average industrial operation. He cannot control his output and consequently he has far less control over his cost of operation. If the industrial operator finds that labor costs are making it impossible for him to produce a particular item, he can stop production on that piece of merchandise and go into something which can be produced profitably under the prevailing conditions. On the other hand, the farmer is tied to his land through his investment in it and perhaps in trees or livestock. He cannot change his way of doing business without going out of business altogether

CHAPTER XVI Tariffs and Our Standard of Living

I HAVE often said that the citrus and walnut industries constitute outstanding examples of the wisdom of establishing protective tariffs to build American industries to supply American demands.

In the early days of both industries, the demand for their products was supplied almost entirely by imports from foreign countries—oranges from Spain, lemons from Sicily, walnuts from France, Italy, China, and South America. Those countries had very cheap labor compared to the United States, and they also enjoyed cheap transportation by water. Consequently, they were able to deliver and sell citrus fruit and walnuts in this country at prices below the American cost of production. The United States was the most lucrative market for these foreign producers, and therefore they shipped their fruit here in preference to other markets. The importers were all speculators and always stood ready to take a chance.

This was the situation in the American market when we began the commercial production of citrus fruit and walnuts. Since the market was heavily supplied with im-

ported fruit, the new domestic production constituted a surplus. Uncontrolled surpluses always mean low prices and eventual demoralization of markets.

It soon became apparent that the higher costs of production of these young American industries prevented their development to a size adequate to supply the American demand without the aid of protective tariffs sufficiently high to represent the difference between costs here and abroad. Naturally, the importers did not give up their remunerative market without a bitter fight. They were well financed, and were often willing to take the heavy risks of over-supplying the American market to discourage our producers.

In the citrus industry, committees were periodically appointed by the California Fruit Growers Exchange to prepare briefs and appear before the Ways and Means Committee of Congress to argue for the necessary tariff protection. This was granted, but not always at the rates requested. I was a member of these tariff committees regularly from 1913 to 1929.

The following table shows the trend of citrus tariffs from 1890 until 1930. No change has been made in the tariff since the Smoot-Hawley Tariff, effective in 1930:

CITRUS TARIFF HISTORY

Popular Name	*Date of Tariff Act*	*Rate of Duty* Fresh Orgs.	Fresh Lems.	Fresh Grft.
		Cents per pound		
McKinley	Oct. 1, 1890	1.5	1.5	*
Dingley	July 24, 1897	1.0	1.0	1.0
Payne-Aldrich	Aug. 5, 1909	1.0	1.5	1.0
Underwood	Oct. 3, 1913	1.0	.5	1.0
Fordney-McCumber	Sept. 21, 1922	1.0	2.0	1.0
Smoot-Hawley	June 18, 1930	1.0	2.5	1.5

*Grapefruit not listed in tariff guide prior to 1897.

In the case of walnuts, revenue duties had been levied on a tariff for revenue basis even before the industry was established. This is evident from the following table:

WALNUT TARIFF HISTORY

Popular Name	*Date of Tariff Act*	*Rate of Duty* In-shell	Shelled
		Cents per pound	
War Tariff Act	June 30, 1864	3	3
Tariff Act 1883	March 3, 1883	3	3
McKinley	Oct. 1, 1890	3	6
Wilson	Aug. 27, 1894	2	4
Dingley	July 24, 1897	3	5
Payne-Aldrich	Aug. 5, 1909	3	5
Underwood	Oct. 3, 1913	2	4
Fordney-McCumber	Sept. 21, 1922	4	12
Smoot-Hawley	June 18, 1930	5	15

In 1912, the first year of operation of the California Walnut Growers Association, I headed a committee which appeared before Congress in the interest of maintaining tariff protection. Dr. J. A. Osmun of Rivera, and Fred A. Hazzard, secretary of the Association, were the other members. A glance at the table shows that we were not too successful. Again in 1921 I served on a committee which included H. W. Lewis and J. E. Killian, of the Santa Ana and Mountain View associations. Together with Carlyle Thorpe, general manager of the Association, we consulted with Washington officials and secured what we considered adequate protection at that time. Under changed conditions in 1929 Mr. Thorpe and I again tackled the problem and appeared before the House Ways and Means Committee and filed briefs. These efforts resulted in the present tariff rates. Twice in recent years the schedule has been threatened by reciprocal trade treaty negotiations, but in each instance the rates have been preserved by vigorous action of the Association.

What have these tariffs meant to American consumers and to the economy of the country? Two sizable domestic industries have been developed. In the citrus industry, for example, the total American production of fruit (including by-products) had a delivered value in 1942 of 344 million dollars. Of this, transportation companies received 115 million dollars, direct labor 54 million, material suppliers 41 million, and growers 134 million. Similarly impressive figures, but proportionately smaller, characterize the walnut industry. One cannot escape the conclusion that this

is the only sound and lasting way to give America economic security.

How have citrus and walnut tariffs affected the consumer? Two great industries have been developed which are now fully supplying the consumer demand of this country. There are even surpluses but these, too, are being manufactured into useful and essential by-products.

Citrus fruits and walnuts have been sold to American consumers at reasonable prices except when unavoidable crop shortages made prices relatively high. Compare this with the early days when consumers were dependent upon foreign supplies and were at the mercy of importers. Then it was generally both feast and famine: feast for consumers and famine for growers, or vice versa. If the supply was too great, prices to consumers were low and growers were in distress. Returns frequently did not pay their out-of-pocket expenses and occasionally not even the freight and packing charges, to say nothing of production costs. When grower returns were high, it was because of short crops or the manipulations or miscalculations of importers. Consumers were then the losers.

Such conditions made it imperative that cooperative marketing organizations be developed to lower costs of selling, distribution, and production, and to increase consumer demand. Fortunately, such organizations could also speak with united authority for government assistance in tariffs and marketing controls. Without this cooperative effort, it would have been impossible to build and maintain these two great agricultural industries as important parts

of the essential food supply of the United States and Canada.

Currently many promises are being made by some of our political leaders in their attempts to guarantee the future peace and economic security of the rest of the world. They pledge that when this war is ended the people of all countries will enjoy freedom from want and freedom to choose the form of government under which they desire to live. I very much fear we are making promises we shall not be able to fulfill. If so, we in the future may be even more unpopular as a nation than we are now in some countries.

With an enormous national debt created by an unnecessarily high war cost, and with the great dislocations that war has brought to our national economy, it seems certain to me that we shall have a serious time of readjustment here at home. Millions of men will be returning from the armed forces. Other millions of workers in defense plants and even in agriculture, who earned fabulous wages compared with prewar times, will be released and jobs will have to be found for them. Even though we find these jobs, will these people be content to go back to the old wage scales? Will the men who risked life and health be satisfied to return to low wages, remembering that those who did not go to war reaped such a harvest?

Some current economists advocate that the most effective way to help economically distressed nations is to lower our tariff barriers, permitting their products to find a market in the United States. The fact is, foreign products which do not seriously compete with the products of this country are already subject to only small tariffs or none at all. Ironically, those products for which foreign countries seek a

market in the United States are also produced here in abundance by labor which requires much higher wages than those paid in countries with low living standards. Having been educated by us in the use of machinery and tools, such countries as China, Japan, India and Russia now are manufacturing their own machinery. This development, combined with an abundance of cheap labor, promises an eventual flood of cheap competitive goods.

Shall we follow the advice of those economic extremists who cry that the United States should go to the world market to buy from the cheapest possible source regardless of the effect upon our own standard of living? Will we be justified in accommodating these nations by lowering our tariff bars, despite the needs and demands of our own people during the critical days of reconstruction? Shall we undermine the extremely valuable citrus and walnut industries, and others like them, by removing the protection under which this country has become self-sufficient? I trust not.

Protective tariffs have had a very great influence in raising the standards of living of the working people as well as adding greatly to the wealth of our country.

With the passage of the Reciprocal Tariff Act there was provided a means of breaking down tariff protection without going through the legislative processes. The people have lost the opportunity to present to Congress arguments for, or against, changes in existing tariff schedules. Under the terms of the Reciprocal Tariff Act the President may change tariff schedules 50 *per cent without approval of Congress*. This is a very dangerous power to place in the

hands of a single individual. It means the power of life or death over many of our industries. Under the "Most Favored Nation" agreement, the tariff schedules of any treaty negotiated with any country become applicable to all countries with which we have friendly relations. A "free-trade" Secretary of State, with the approval of the President, could almost completely break down our tariff protection.

During the war Reciprocal Tariff Treaty negotiations have been almost at a standstill. When the war is ended, however, idealists and free-traders may think they see in these agreements a means of effectuating a world with "Freedom From Want," by opening wide our markets to unrestricted competition. I am firmly of the opinion that if this is done it will be at the expense of the American standard of living. The Reciprocal Tariff Act should be amended to provide that any negotiated treaty must have the approval of Congress before becoming effective.

Those who have read thus far no doubt have gained the impression that I am a great believer in the business enterprise system, and I am. I have always considered agriculture a part of that system. There is a great mutuality of interest between agriculture, manufacturing, and general business. A large part of the raw material for manufacturing is derived from agriculture, as is also practically all of the nation's food supply. There can be no permanent prosperity for manufacturers when agriculture is not prosperous. When both do not prosper the result is unemployment, workers are on relief, and we are in the trough of a depression.

When the war ends, America will have a great surplus of productive capacity in all fields. Many great industrialists will think that if they can keep their surplus capacity operating by developing foreign trade, they can sell the surplus at low prices and compete with the products of the low cost labor of the rest of the world. Many of them will probably be found supporting a movement to remove completely or greatly reduce the tariff protection on agricultural products.

Some of the countries they will look to for the sale of their products have great surpluses of agricultural products and great undeveloped areas of agricultural lands. South America and Mexico are good examples. Manufacturers cannot develop any extensive trade with those countries unless America is willing to purchase their agricultural surpluses. This cannot be done except by removal of the tariff barriers. If this is done, a flood of foreign agricultural products will enter this country and destroy the markets of our own farmers. We must not forget that when surpluses exist they depress the market, frequently below the cost of production. Neither should we forget that in normal times the products of our own agriculture are usually in surplus.

This being true, it is easy to see what will happen to the economy of farmers if large additional supplies of foreign agricultural products are allowed to enter this country. The price of our products will be depressed and the purchasing power of our own farmers will be impaired or destroyed.

In normal times about 93 per cent of everything our

people use and consume is produced in this country. About 7 per cent is imported. Of the imports about 60 per cent is duty free and the other 40 per cent is subject to tariff duty. These figures are based on the United States Department of Commerce statistical abstract for 1942.

One of the principal reasons why American manufacturing has developed so marvelously compared with that of foreign countries is the accessibility of raw materials and the great purchasing power of the American people because of higher wages and higher standards of living. These higher wages and higher standards of living cannot be maintained if a flood of foreign goods is allowed to come into this country, whether it be manufactured goods or agricultural commodities.

I submit that the manufacturers of this country will be making a poor trade if the purchasing power of the American farmers and the American workers is traded through the lowering of protective tariffs for the uncertain possibilities of developing foreign trade. There is great pressure from our State Department that this be done.

CHAPTER XVII Business

Enterprise and Common Sense

THOSE who are now so critical of the system of business enterprise are inclined to ignore the contributions of such enterprises as those I have described to the economic advance of our country, to the security of its people, and to their social development. I have long believed that nothing has contributed as much to those ends as the wealth and employment created by private enterprise. Certainly there is no country in the world where the standard of living of the average citizen is as high as it is in the United States. I thoroughly believe that if our present system is permitted to remain we shall continue to have a happy and prosperous people; but if impractical theorists create conditions that make it impossible for business enterprise to function, then instead of continued improvement in the welfare of the people we shall have its eventual destruction.

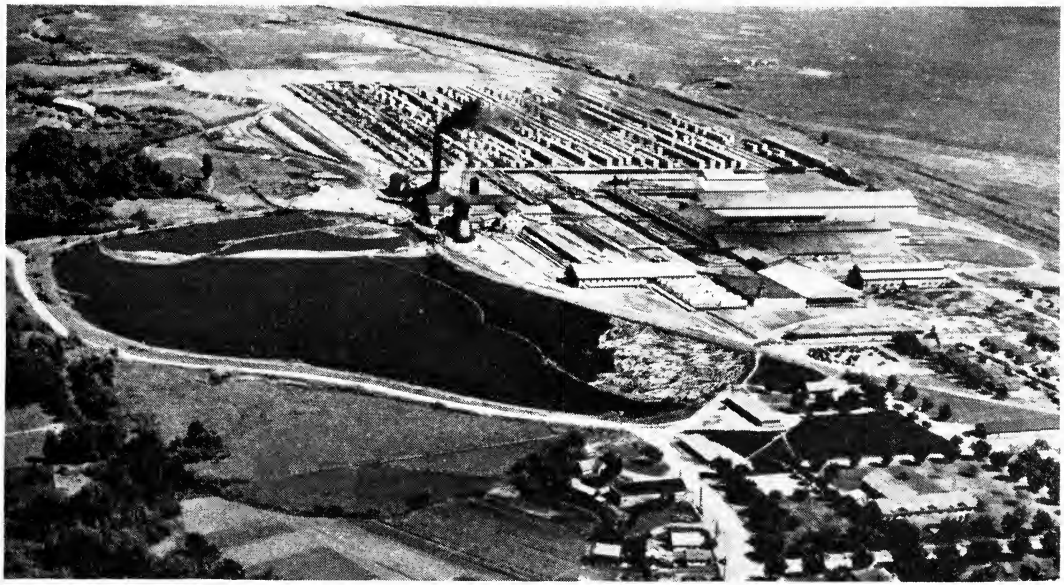
I believe that the operator of a business enterprise is a greater benefactor to the men he employs by the very reason of such employment than he would be if he gave up his business and divided the capital he had invested among his employees. But some people hold that a man,

let us say, who runs a business with an invested capital of one hundred thousand dollars and thereby gives steady employment to 100 men is an enemy to society; whereas if he should quit his business and give each of his employees a thousand dollars, he would be called a philanthropist.

In my long lifetime I have known many businessmen. The overwhelming majority of such men have been broad-minded and patriotic; they have also fully recognized their responsibility for the efficient administration of the enterprises they controlled. Of course, the profit motive was a strong incentive with them; but most of them had also a higher and a better motive, namely, to maintain a successful organization, to give employment to a large number of people, to raise their standard of living and to improve their social condition. There are exceptions to this rule. There are "chiselers" in business and ruthless businessmen who must be controlled by the state in the same way that some other members of our society have to be controlled.

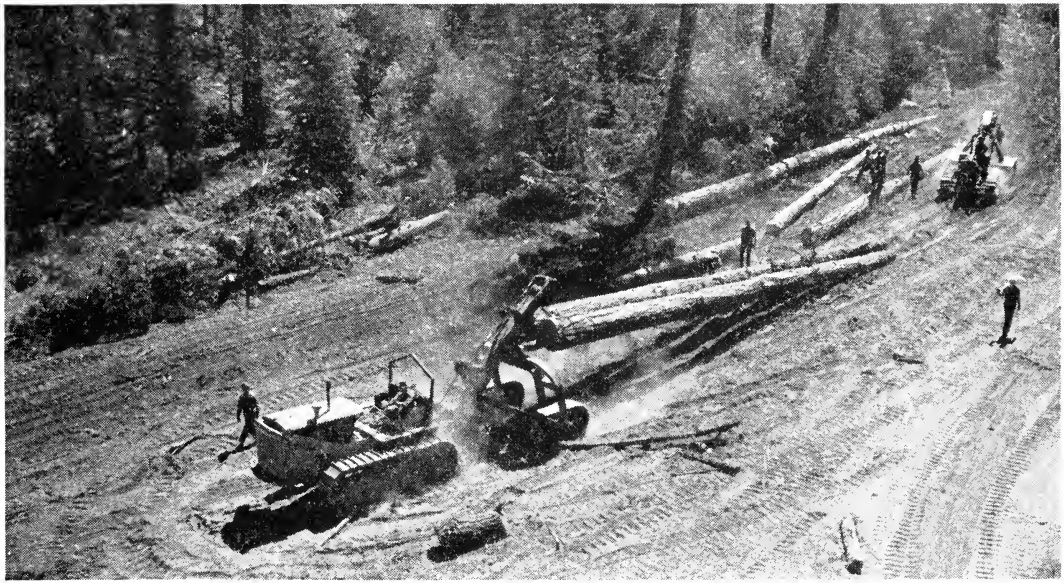
We often hear the term "common sense"—sometimes called "horse sense." What is it? It is the ability to evaluate properly all the factors in the problems of life and to decide correctly how to meet any given situation. Common sense is a God-given quality. It cannot be acquired by an academic education. If the qualities from which it springs can be retained, higher education will go far toward enabling the individual to use this natural gift to the best advantage.

Common sense is one of the fundamentals of success in business. Other fundamental qualities are honesty, integrity, industry, and the sense of justice. Administrative ability comes under the heading of common sense. A necessary



FRUIT GROWERS SUPPLY COMPANY MILL

This large mill at Susanville in northern California and another smaller mill near the Oregon line produced 70% of the citrus boxes used by Exchange growers in 1943.



IN THE WOODS

Completely mechanized, the logging operations of the Fruit Growers Supply Company furnish the raw materials used in the two lumber mills operated by the cooperative.

element in administrative success is the ability to pick the right men to fill executive positions and a willingness to give such men the opportunity to take the initiative and make good, even though they are guilty of some mistakes. If they make too many mistakes, or show a lack of common sense, industry, and ability to meet their responsibilities, administrative officers should immediately be removed and replaced by men of greater promise.

Nothing more quickly discourages a man placed in an administrative position than to have his superior constantly indicating that he has no confidence in his judgment. Men are not developed by that means to the fullest extent of their abilities. It has been my experience that one responsible for the success of any large enterprise must devote himself primarily to the fundamentals which make for success or failure in the enterprise and leave most of the details to those who can administer them better than he can himself. If the one responsible for a business devotes too much time to the details, the fundamentals are apt to escape him.

To develop the greatest loyalty and efficiency in an organization men should be advanced by seniority, wherever that is possible; but a president or manager should not hesitate to promote men out of line of seniority who show outstanding industry, ability, and common sense. Incidentally I would rather trust a man who has such qualities to get results in business, even though he has only a minimum of training, than I would a member of Phi Beta Kappa who does not possess them. Do not misunderstand me—I believe in higher education. Much of our progress could not have been made without the contributions of

highly trained minds. This is particularly true in the sciences and other fields of learning where research has contributed so much to modern civilization. It is obvious that only highly trained minds can carry on such research or apply its results to the uses and needs of human life.

But I have known many men who were ruined by higher education—men who did not possess the qualities I have mentioned that are requisite for success in almost every field of human activity—but who were led to believe that they had the qualifications for more responsible positions than they were able to fill. Such men are apt either to become proponents of impractical theories or grow dissatisfied with life. Often they become agitators against the government, or against the economic system under which they live and which they hold responsible for their failures. Such men are usually glib of speech and are often selected to fill administrative offices by those who run the government. Since these directors of government themselves often lack the qualities essential to success—industry, ability, and common sense—they are wholly incapable of appraising the qualifications of men to fill important administrative positions. The resultant situation constitutes one of the great dangers to our form of government. It is, in fact, responsible for most of the confusion on the home front at the present time. The existence of this confusion any fair-minded person will admit. He will also acknowledge that much of it could be avoided under a more efficient and better-directed government.

CHAPTER XVIII The Federal Farm Board

THE post-war period after 1918 found American agriculture greatly expanded and witnessed serious over-production in nearly all staple crops.

The principal reason for this was the drive made by the national government to induce farmers to increase production to meet the needs of the armed forces as well as of our allies. Vast stretches of grazing lands were plowed up and great areas not formerly farmed were brought under cultivation. During the war and for a short time afterward, the war demand and the prices guaranteed by the government made agriculture extremely prosperous, and land advanced rapidly in price. Many farmers expanded their holdings, mortgaging the old farms to obtain money with which to make a down payment on the new. Then came the depression of the late twenties. The huge surpluses from these now unneeded agricultural lands so depressed prices that almost all farmers lost money and found themselves in great distress.

As a means of relieving the situation, Congress passed the Agricultural Marketing Act in 1928. This law created a

Farm Board to be appointed by the President and placed 500 million dollars at its disposal. President Hoover selected Alexander Legge, president of the International Harvester Company, as chairman of the Board; Arthur Hyde, Secretary of Agriculture, was made ex-officio member of the Board; Mr. James Stone, representing the tobacco and other interests in the South, was made vice-chairman; Mr. Carl Williams was chosen to represent the cotton interests; Mr. Samuel McKelvy, wheat and other grains; Mr. William Schilling, dairying and poultry; Mr. Cyrus Denman, livestock; and Mr. Charles Wilson and myself, fruit and vegetables.

Below are copies of the exchange of telegrams with President Hoover respecting my appointment:

The White House Washington DC

June 24, 1929

C. C. Teague
California Fruit Growers Exchange
Los Angeles, California

I desire to appoint you to the Farm Board as the most outstanding representative of the western cooperative movement. I would be glad to know if you can accept.

Herbert Hoover.

Santa Paula, Calif.

June 25, 1929

President Herbert Hoover
Washington, D. C.

I regret that on account of large interests for which I am responsible particularly requiring my attention at this time it is not possible for me to accept your offer of appointment to the Farm Board stop I deeply appreciate your confidence and assure you that you have my best wishes for the success of the undertaking.

C. C. Teague.

The White House Washington DC

June 29, 1929

C. C. Teague
Santa Paula, California

Have given earnest overnight thought to question of your own relation to Farm Board and while I do not wish to unduly urge you I still have the feeling that with a clearer view on your part of our hopes from the stabilization and clearing house sections of the Act you will find there is great usefulness in them stop In order that the Board should start with maximum intelligence and skill I think it would be a great national service if you could see your way to accept membership for a year in order that its policies might be established stop I would like to ask that at least you reconsider the matter until Monday and let me have your further views.

Herbert Hoover.

Under these circumstances I could not do otherwise than accept the appointment. I did so with the understanding

that I would serve for one year, but at the President's urgent request I continued for an additional year, retiring in the spring of 1931.

I had previously known Mr. Hoover quite well and we had had many conversations on the problems of agriculture and of the country generally. I had a great admiration for him. I knew him to be a man endowed with very unusual qualities of mind and heart and that he had a profound knowledge of economics and the conditions of the United States and the entire world. He had an abiding faith in the people of this country and in the American way of life. He also had a great and sympathetic interest in the welfare of the common people. He believed, as I do, that the welfare of all the people could best be promoted and protected by maintaining those conditions under which our business enterprise could function most successfully to furnish employment to the people.

When Mr. Hoover took office his party had a narrow working majority in Congress. Due either to former political conflicts or differences in fundamental philosophies, some of the so-called "Progressives" of his own party were violently opposed to him and to most of the measures that he caused to be introduced into Congress. Such Senate leaders as Johnson, Norris, Borah and La Follette were usually found voting with the Democrats against his measures. Along with this opposition there was set up by the Democratic party, or at least by some of its leaders, a very skillfully operated propaganda machine with offices in the Press Building in Washington. This was directed by Charles Michelson who so successfully handled the publicity for

the Democratic party from that time until his recent retirement. This publicity bureau was set up for the purpose of discrediting the Hoover Administration, looking forward to the next presidential election. It did such a good job that Mr. Hoover was defeated in 1932.

The prominence of these so-called "Progressives," and the fact that they were attacking the President and his policies, gave them the headlines in the press. I have always thought that these influences, combined with the 1929 depression, were responsible for the disaffection of many people who formerly had been admirers and supporters of Mr. Hoover. Under these circumstances it is remarkable that so much true progressive legislation was enacted by the Hoover Administration.

It is my considered judgment that no man in public life in this country has been so thoroughly misrepresented and misunderstood as Mr. Hoover. He is a great humanitarian and a great statesman. Members of the Farm Board were frequently entertained at the White House. We always had Mr. Hoover's sympathetic interest and understanding of our plans to assist agriculture. We also had the same support from Mr. Hyde, Secretary of Agriculture.

With these closer contacts, my appreciation of the greatness of Mr. Hoover continually increased. He was always kindly in his judgments, but firm in his opinions. While we were continually importuned by Senators and Congressmen to make political appointments to the working staff of the Farm Board, no such suggestions came from Mr. Hoover, and no political appointments were made.

The Farm Board interpreted the Agricultural Marketing

Act as giving it authority to establish a grower-owned and grower-controlled system of cooperative marketing and cooperative purchasing of supplies essential to the production and processing of agricultural commodities for market. Under the terms of the Act, the Board could make loans only to cooperatives organized under the Capper-Volstead Act. This meant that such cooperatives had to be grower-owned and controlled, and that at least 50 per cent of the products handled or marketed by the organization must be produced by its members.

The Board further decided that it could lend only to those cooperatives that had a good record and were fundamentally sound, financially and otherwise, or that could be reorganized to meet such qualifications.

When the Farm Board opened its offices it found many distressed cooperatives on its doorstep, so to speak. A hectic period ensued. Day after day delegations came from all parts of the country pleading for help. Conferences began early and frequently lasted far into the evening. For two months the members of the Board were "run ragged" and hardly had time to sleep. They had little opportunity to study the Act or to formulate any comprehensive policies of operation. I soon became convinced that most of our time was being wasted under the procedure we were following and evolved a plan to set up an examining department to screen out the applicants who could not qualify under the terms of the Act.

Many farmers did not understand the law or its limitations. I remember an incident that was both humorous and

pathetic. We received a letter from a farmer's wife in the South, who appeared to be a woman of some education. After explaining to us that she had worked hard all her life, she said she had always wanted a fur coat and asked if, under the new Act designed to help the farmers, the Board couldn't provide her with one.

Alexander Legge, chairman of the Board, was an exceptional man. He was honest, public-spirited, and had a heart as tender as a woman's. He was also intensely loyal to his friends and had great sympathy for the farmers who were in such deep distress. He was furthermore a man of strong character, with wide experience in the business world. During the first World War he had been associated with Bernard Baruch in clearing up the confusion that had arisen in connection with the delivery of munitions and essential supplies from this country to Europe. Mr. Legge was a self-made man, with little academic education, but he possessed the quality of common sense to a remarkable degree. He was able, resourceful, remarkably energetic and when he wanted to be very emphatic in his statements, he sometimes became quite profane.

Mr. Legge told me he had first been placed in control of the credits and collections of the International Harvester Company, one of the great enterprises of America. As a result of his outstanding success in that department he later was made president of the company. When he assumed that position, the Harvester Company was somewhat overexpanded and in some financial difficulty. Mr. Legge's job was one largely of retrenchment. When he became chair-

man of the Farm Board, he had little experience in the organization of new enterprises and none whatever in co-operatives.

Pursuing my intention to recommend the establishment of an examining division to bring order out of the confusion in which we were working, I prepared a resolution providing for the appointment of a committee to study the matter and make suitable recommendations for the establishment of a department to examine all loan applications. I presented this resolution to the Board and moved its adoption. Mr. Legge became quite angry. He pounded on the desk and said, "By God, these distressed farmers have come here from all over the country to see us, and as long as I am chairman of the Board we are going to see them."

The motion received no second and of course was not put to a vote. I was so angry that I could not trust myself to speak and left the room. Thinking it over that night, I decided I would have to have it out with Mr. Legge. He arose in the morning earlier than any of the other members of the Board and usually came to the office an hour or two before the others arrived; so I decided to call upon him early the next morning. In our interview, the conversation ran about as follows:

I said, "Alex, I like you very much. I recognize that you are a man of great ability and wide experience. I came to Washington at the request of President Hoover, who thought I might be of some value during the organization of the Board, when its policies were being established. He thought this particularly true because of my wide experience in cooperative marketing. At first I declined

the appointment, but later, at his earnest request, I told him I would accept the position for a year, and at the end of that time I would expect to retire and go back to my business."

I also told Alex that in participating in the deliberations of the Board I was prepared to accept and abide by the decision of the majority, but I did not think that it was going to be a one-man Board.

"Now," I added, "after giving a lot of consideration to the subject I have come to the conclusion that much of our time is being wasted by people with whom we cannot legally do business, with people who are not qualified under the Act to obtain loans from the Board. We can effect a great saving of time by setting up an examining division to screen out the applicants to whom the law does not permit us to make loans.

"Yesterday at the meeting of the Board I presented my plan, and you even went so far as to prevent its consideration by the Board. I do not wish to quarrel with you and will not do so, because I fully appreciate the necessity for harmony and team work if the Board is to get very far with this tremendous undertaking. I have therefore decided that the best thing I can do is to resign and return to California."

Mr. Legge listened to me very attentively, and then said: "Hell, Teague, I didn't mean anything. Bring in your resolution this morning and we will put it through." This I did, and the resolution was unanimously carried. The only remark Alex made before putting the motion to the Board was to the effect that he would consider an amend-

ment stating that the Board hadn't done a damn thing since it had been organized.

Mr. Legge appointed me chairman of the committee to bring in a plan of organization. We recommended that a loan application department be set up to examine all applications (1) as to legal qualifications and (2) as to financial standing and business record. The facts developed by the examination would be presented to the Board by the member representing the commodity division under which the application came. The recommendation was adopted by the Board, and thereafter applications were handled promptly and in a businesslike manner. The saving of the Board's time was tremendous.

After that Alex and I worked in complete harmony on everything that came before the Board, and I learned to appreciate him more and more as the days passed. As the problems of the Board multiplied, he came to believe that assistance in the development of cooperative organizations was the greatest aid that could be given to agriculture, and no member of the Board more strongly advocated this program than he. So far as possible, he believed that cooperatives in the same commodity should be organized on a federated basis and thus be in a position to exercise a substantial control over the industry and lower costs to the growers. I had many talks with him about this and I know that was the way he felt.

Indicating his great interest in and sympathy for agriculture, when Legge died he left one-half of his estate for the establishment of a foundation, the income of which was to be devoted to the improvement of rural life.

The broad application of the Farm Foundation is set forth in the articles of the trust agreement creating the Foundation:

"Recognizing the importance to the national welfare of improving and at all times maintaining healthy and satisfying conditions of life for the farming and rural population of the country with *adequate economic returns* and social, educational and cultural advantages, a continuing foundation, to be known as the FARM FOUNDATION, is hereby created. The purpose of the Foundation is to administer all funds and property now or hereafter contributed by the Founders or others and to use and devote the same and the income thereof to the general welfare of the rural population of the United States of America in such ways as the Board of Trustees may from time to time determine. As an amplification of said purposes and without in any way limiting the same or the discretion of the Board of Trustees, it is contemplated that said funds may be expended,

"1. To encourage and develop *cooperative effort* and community organization and consciousness as means for improving the *economic*, social, educational and cultural conditions of rural life.

"2. To stimulate and conduct research and experimental work for the study of any *economic*, social, educational or scientific problem of importance to any substantial portion of the rural population of the country, including problems of *production, marketing and purchasing and the sound coordination of the agricultural with the industrial, financial and mercantile life of the country*.

"3. To encourage, aid or finance any university, institution, corporation or persons in the conduct of any such research or experimental work.

"4. To disseminate educational and useful information de-

veloped as a result of any such study, research and experimentation, or otherwise, in such manner as to be of *practical* value to the farming population.

"5. To promote and enlarge the intellectual and cultural interests and opportunities of the rural population through community action."

The italics are mine. From them it will be clearly seen that Mr. Legge had definitely in mind cooperative effort in improving the economic and social condition of agriculture by means of cooperative marketing and purchasing.

He appointed me one of the trustees of the Foundation. The other trustees, with the exception of Chris L. Christensen, secretary of the Farm Board and afterward dean of the Agricultural College of Wisconsin, were men with whom Legge had become acquainted during his business career. They were all fine gentlemen but, unfortunately, few of them knew anything about agricultural cooperatives. Here let me say that in my long experience I have found comparatively few heads of large business enterprises who understand cooperative marketing. They are apt instinctively to consider it a sort of socialistic movement; whereas it is, on the contrary, just as much a part of the business enterprise system as is manufacturing or any other form of industry.

My experience as one of the trustees of the Farm Foundation did not prove a very happy one. From my conversations with Mr. Legge, I knew he had come to believe that the development of cooperative organizations was the greatest single influence that could be created to improve the economic condition of agriculture, and I felt certain

he would expect at least a part of the income of the Foundation to be devoted to that purpose. I thought it very important that an impartial survey should be made of the cooperative movement in America, and that its successes and failures, together with the underlying reasons for them, should be examined. I believed the survey should be made in connection with some endowed university which would be wholly impartial and objective in its report. I knew that any such investigation would be favorable to agricultural cooperatives, and I thought it might be a great help in stimulating their development and in increasing public confidence in their value and operations. I preferred to have a privately endowed university undertake the study because if a land grant college, or one supported by state funds, brought in a report favorable to cooperatives, I knew that commercial operators, whose interests might be adversely affected by the growth of cooperatives, would subject the institution to serious criticism.

The first prerequisite to the impartial investigation I had in mind was a man thoroughly qualified to do the job. I found him in the person of Theodore Macklin, now connected with the California State Department of Agriculture (Division of Markets). I had an interview with President Wilbur of Stanford University and asked him if he would set up a department in the university to make a study of the cooperatives of California, where the movement has had its greatest development, and suggested that Mr. Macklin be employed to do the work at the university. I told him I hoped I could prevail upon the trustees of the Foundation to finance the study, at least in part.

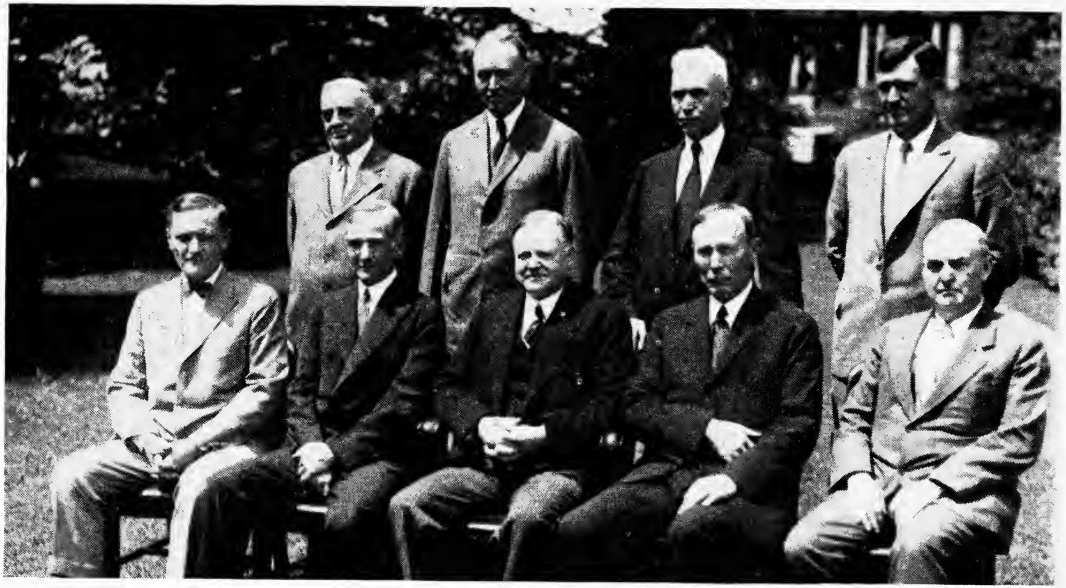
President Wilbur said the university would undertake the work if I could get a grant of $10,000 to start it. I had an idea that the same type of investigation might be extended to other parts of the United States through other universities.

So I laid the matter before the trustees of the Foundation in Chicago and recommended as earnestly as I could that they appropriate $10,000 for the proposed study; but the suggestion was very coolly received. The appropriation was denied ostensibly because the income from the Foundation was not sufficient to warrant it. At the same time, however, other projects were being undertaken which, in my opinion, were not nearly as important. Shortly thereafter I resigned as one of the trustees of the Foundation.

The most recent report of the Farm Foundation has just come to my desk. This report shows that during the ten years, 1933-1943, over 361 thousand dollars were expended, but only $885 had been expended under the heading of "Agricultural Cooperation-Grants-in-aid." The balance of the fund was spent on various projects that seem to me not nearly as important or as practical as the development of cooperative marketing and purchasing organizations, which are the best means of improving the economic welfare of farmers.

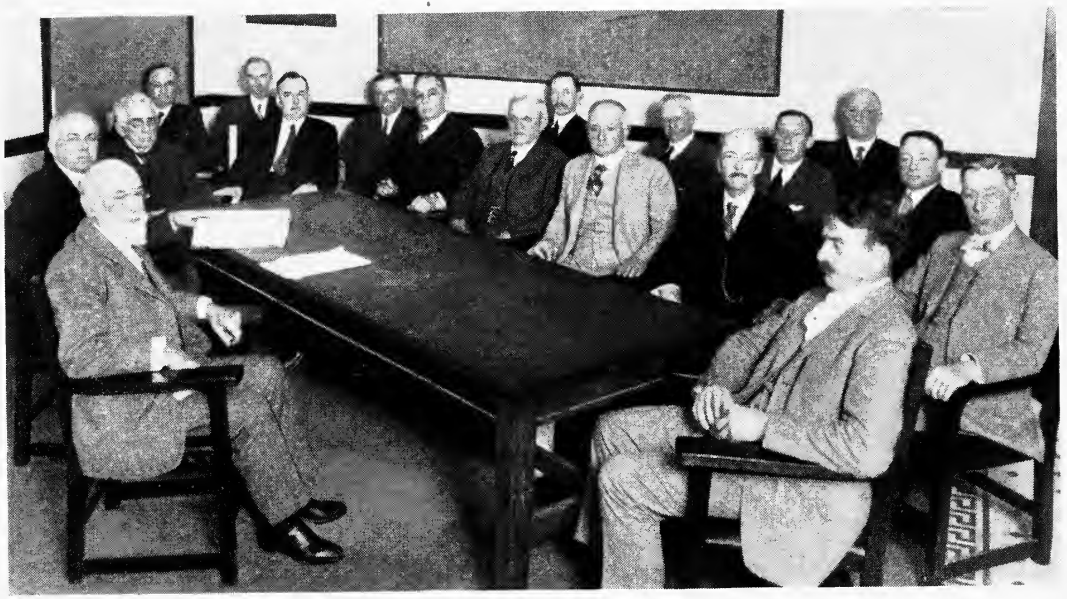
I have long thought that if the economic condition of the farmer is taken care of, he will pretty well take care of his own social problems.

It is generally recognized that the cooperative movement underwent a steady and substantial growth and development during the four years the Agricultural Marketing Act



THE FEDERAL FARM BOARD

Members of the Federal Farm Board shown with President Hoover on the White House grounds at the time they were sworn into office. Left to right standing: W. F. Schilling, Charles S. Wilson, Carl Williams, C. B. Denman. Seated: James E. Stone, vice-chairman; Arthur Hyde, Secretary of Agriculture; President Hoover, Alexander Legge, chairman, and C. C. Teague.



CALIFORNIA FRUIT GROWERS EXCHANGE DIRECTORS, 1919

The gentleman at the left is F. Q. Story, who preceded C. C. Teague as president of the citrus cooperative. Mr. Teague is seated sixth from the left.

was administered by the Farm Board. Not only that, but the decision of the Board to make loans only to cooperatives with secure financial structures and sound operating practices had a beneficial effect on the movement generally. In order to meet the requirements of the Board many cooperatives were obliged to change their legal and financial structure and their operating practices before they could secure loans.

The Board was under continual political attack by certain interests which thought that the development of cooperative marketing and purchasing was injuring their business. The Agricultural Marketing Act was administered on an absolutely non-political basis. The members of the Board made no inquiry into the political affiliations of the employees and turned a deaf ear to Congressmen and Senators who besieged them with requests to have the Board run on a basis of political patronage.

The first general counsel of the Board was Mr. George E. Farrand of Los Angeles, California, who has served for many years as the general counsel of the California Fruit Growers Exchange and the California Walnut Growers Association. Mr. Farrand's keen legal mind and long experience in cooperative law enabled him to render great service in answering the legal questions confronting the Board. When Mr. Farrand retired after a brief term, he was succeeded by Mr. Stanley Reed, a Kentucky Democrat, who later became a member of the United States Supreme Court. Reed was a man of great industry, sound judgment and profound knowledge of the law. Like Mr. Farrand he rendered invaluable assistance to the Board.

One of the provisions of the Agricultural Marketing Act called for the stabilization of agriculture through the support of market prices by governmental purchase of surplus supplies. I am confident that not one member of the Board believed this could be done effectively under the Act and within the limits of the funds placed at our disposal for that purpose. Accordingly no action was taken until the markets for wheat and cotton became so demoralized as to create virtual panic conditions.

Banks whose loans exceeded the market value of the agricultural commodities used as collateral were then failing throughout the great wheat and cotton producing belts of the United States. The Board decided it must seek some way to stabilize the markets and set up organizations to control market operations in wheat and cotton. As a result of the steps taken, prices were raised, the market was stabilized for a considerable period, and the economic condition of the cotton and wheat producing regions was materially improved.

In the course of its market operations, the Board accumulated large quantities of wheat and cotton. It hoped to hold these non-perishable products in storage and off the market until one of the periodical crop shortages developed. These government-owned surplus commodities were still on hand at the close of the Hoover Administration, and the new Democratic Administration almost immediately dumped them on the market. The consequent loss amounted to about 197 million dollars, because Congress donated to the American Red Cross large quantities of wheat and cotton, owned by stabilization corporations, without reim-

bursement to the Agricultural Marketing Revolving Fund.

As a result of this Congressional action the final liquidation of the revolving fund will probably return to the United States only about 183 million dollars out of the original 500 million dollars appropriated by Congress. Subsequent interest accretions will total approximately 23 million dollars, according to the statement of the Farm Credit Administration on June 30, 1943.

There is ample evidence to justify the opinion that, had Congress curbed its generosity and not interfered with the proposed program of the stabilization corporations, these surplus commodity stocks could have been disposed of advantageously. They could have been sold during periods of short production in the later drought years at prices which would have liquidated all of these loans without loss. Had this been done the amount returned to the United States Treasury would have been somewhere between 380 and 425 million dollars.

While it is true that this experiment in the stabilization of markets put the government to considerable expense, it should be borne in mind that most of the money went to relieve distressed farmers by preventing disastrous declines in prices. The Board did not create any large organizations or send a vast horde of men across the country trying to regiment and regulate every phase of agricultural production. When I look at the enormous sums that have been spent in an effort to support and stabilize markets since the days of the Farm Board, and see the great army of employees that is now trying to do the job, I often think that we of the Farm Board days were mere "pikers."

CHAPTER XIX St. Francis Dam Disaster

RECENTLY I gave to the Huntington Library the manuscript of the "History of the St. Francis Dam Disaster," by George B. Travis. I attached to this manuscript the following foreword:

"While fishing on the upper reaches of the Owens River I met for the first time Dr. Robert G. Cleland, who has contributed so much to posterity in the valuable histories that he has written of the early days of California. He has inspired me to furnish him for the Huntington Library certain manuscripts that I have, together with statement of my recollections of the last 50 years of the remarkable development and evolution of the walnut and citrus industries of California and the cooperative marketing organizations connected with those industries.

"I happen to have in my possession the only authentic history of the St. Francis Dam Disaster, which was prepared by Mr. George B. Travis.

"In 1929 I was drafted by President Hoover as a member of the Federal Farm Board, in which capacity I served for two years. While I was in Washington Mr. Travis, my

former secretary, who was also secretary of the Joint Restoration and Rehabilitation Committee of Los Angeles and Ventura counties and who remained in California when I left, decided to write a history of the St. Francis Dam Disaster and the work of rehabilitation and restoration. Mr. Travis later became assistant to the secretary of the Farm Board. The first knowledge I had that Mr. Travis was engaged in writing this history was when he sent me the manuscript in Washington in 1929. In looking over the documents which I had in my possession I reread this manuscript. In retrospect, after the lapse of 15 years, the work of the public-spirited citizens who participated in the rehabilitation and restoration seems even more remarkable than it appeared at the time. The cost of rehabilitation and restoration to the City of Los Angeles was over 15 million dollars. Never before in the history of the world, so far as I am able to learn, was complete and equitable restoration and rehabilitation made by a great metropolitan people to a rural people, where damage had been done and where large sums of money were involved, without recourse to court action. In fact these settlements were made on the broad ground of moral responsibility without the legal responsibility having been previously determined by the courts.

"In these days when there is so much evidence of strong governments taking advantage of the weak, and when many are becoming skeptical as to right and justice ultimately prevailing, the restoration stands out as a really great accomplishment. I am, therefore, presenting this document, together with a group of photographs, which tell,

in pictorial form, the story. It is my hope that this settlement may serve as a precedent for the settlement of complex questions which arise in the future between persons and government and may restore in the minds of those who care to read it some of their lost faith in the justice of humanity."

The following are my recollections of that disaster:

On March 12, 1928, at 11:58 P.M. a disaster of huge proportions visited the Santa Clara Valley of the South. The tragedy was caused by the collapse of the St. Francis Dam, erected by the City of Los Angeles for the generating of hydroelectric power. The dam was 600 feet long and 180 feet high; it impounded about 38,000 acre-feet of water. The structure gave way so suddenly that the entire volume of water was at once released and swept through the Santa Clara Valley to the sea, a course of about 65 miles. For some distance below the dam the wall of water was at least 60 feet high and even when the flood reached Santa Paula, 50 miles below the dam, the crest was 25 feet above the normal level of the stream. The flood carried before it a terrific mass of debris—trees, telegraph poles, bridges, railway tracks, fences, buildings—in fact anything and everything movable that lay in its path. Three hundred and eighty-five lives were lost; 1240 homes were either completely destroyed or badly damaged; 7900 acres of land were flooded, and damage of every kind and degree was done to farms and orchards.

The first problem presented by the disaster was naturally that of providing relief for the homeless and recovering the bodies of the dead. To meet the emergency a

County Committee was set up, of which I was chairman. Subcommittees were appointed to obtain temporary housing, clothing, food and medical assistance. All citizens appointed on these committees met their responsibilities to the full, and worked heroically day and night until the critical phase of the emergency was over.

We soon realized that the disaster was so great that we could not deal with it locally but would have to call for outside assistance. The situation clearly came under the province of the National Red Cross, and we called upon that body to come in and take charge. This it did. When the Red Cross representatives arrived, they said the emergency phases of relief in connection with the disaster were better organized than any they had ever known. The Red Cross officials at once declared that a public appeal should be made for funds. Before this could be done, however, Mr. George Eastman, then president of the Los Angeles Chamber of Commerce, and a committee representing that organization, called upon me and said the City of Los Angeles was determined to make complete restitution, in so far as possible, to the victims of the flood. We explained to them the operations of the emergency organization and outlined the plans of the Red Cross to make a public appeal for funds. Mr. Eastman's committee urged that the appeal should not be made, asserting that it would be a reflection upon the City of Los Angeles, which proposed to take care not only of the emergency phases of relief but also to provide for permanent reconstruction.

The Ventura County committee fully recognized the good intention of the gentlemen; but since the legal liability

of the city had not yet been determined by court action, it was possible, if not probable, that the work of the Los Angeles committee would be held up by injunctions. In such case the Ventura County committee feared that the sympathies of the public, then thoroughly aroused by the terrible disaster, would die down, and make it impossible to secure the necessary funds by public appeal. The Ventura County committee, with the concurrence of the Red Cross, accordingly notified the Los Angeles committee that it was not willing to forego the public appeal for funds unless the City of Los Angeles would deposit a million dollars to meet the emergency phases of the disaster. The Los Angeles committee accepted the conditions and the city promptly deposited the million dollars.

Soon after the understandings between the Los Angeles committee and the Ventura County committee on a complete and equitable adjustment of damage done, a rather serious situation arose that promised for a time to make the undertaking extremely difficult, if not impossible. This was the operation of so-called "ambulance chasers," or shyster lawyers who appeared on the scene and attempted to get assignments of claims on a percentage basis from injured parties.

At that time I caused a circular to be issued which was sent to all persons known to be injured and published in all newspapers circulating in the damaged area. I quote from it as follows:

> In the meantime there will be lawyers and claim agents who will attempt to take advantage of the situation and sign up those who have been damaged on some contingent basis.

ST. FRANCIS DAM

Before the disaster, the St. Francis dam formed one of the main reservoirs for the Los Angeles water supply.

AFTER THE BREAK

Due to faulty rock foundation the concrete dam settled and was shattered by the tremendous pressure of the water behind it.

I earnestly request that no arrangements be made with anybody to handle claims as such action will only result in complicating the situation and in reducing the amount that those injured will eventually receive.

I would ask that the names of any lawyers or claim agents who are soliciting this business at this time be immediately handed to me and I will see that their names are published and that they are branded as parasites seeking to take advantage for personal gain of a situation which should call for the unselfish cooperation of every honest citizen.

When the first of these so-called "parasites" appeared on the scene in the early days of the disaster, a committee, accompanied by the sheriff, took them to the county line and told them not to come back—in very emphatic terms. While this perhaps savored a little of vigilante days and probably was not legal, nevertheless, in my opinion it was warranted under the circumstances.

Provision for the emergency features of the disaster having thus been made, an organization was set up to carry on the work of rehabilitation, restoration, and compensation for personal injuries and loss of life. The setup of the organization was as follows:

Los Angeles Committee:
George L. Eastman, chairman; James R. Martin, secretary

CLAIMS:
Death & Injuries: W. B. Allen, chairman
Damage to Land & Improvements in Country: John A. Burton, chairman
Buildings, etc. in Cities: John C. Austin, chairman

RECONSTRUCTION:

Land & Improvements: P. M. Boggs, chairman
Homes, etc.: J. C. Edwards, chairman

Ventura County Committee:

C. C. Teague, chairman; George B. Travis, secretary

CLAIMS:

City and Country Buildings: C. C. Teague, chairman
Death & Injury: Richard Bard, chairman
Damage to Land & Improvements (not buildings):
Roger G. Edwards, chairman

RECONSTRUCTION:

Homes: C. C. Teague, chairman
Land & Improvements (other than buildings): J. B. McNab, chairman

I should like to say at this point that never, within my experience, have I known a group of men more unselfish, more sympathetic toward the jobs they undertook, or more efficient in the execution of their responsibilities.

At the first meeting of the joint committee I stated that I would be very happy to work with the group provided we had a clean-cut, mutual understanding that we were dealing with the problem of complete reconstruction and restoration, so far as that was possible, and not with the matter of claim adjustments. Such settlements are usually made on the basis of the best bargain that can be obtained, and I made it clear that I would have nothing more to do

with the work if it was to be undertaken on that basis. It was thereupon agreed that we should approach the subject only on the basis of complete reconstruction and restoration, and I am very glad to testify that I believe every member of the committee, throughout the long and difficult negotiations, was governed in his decisions by the principles we agreed upon at the outset.

To show the seriousness of this problem and its complications I quote from Mr. Travis' history.

First, I will give you a little picture of the conditions. A hasty survey by Horticultural Commissioner Call develops that the following areas in this County were flooded:

1554	acres	Citrus
367	"	Walnuts
287	"	Apricots
1289	"	Beets, bean and hay land
675	"	Alfalfa
505	"	Vegetables
2915	"	Pasture Land
17	"	Grapes
293	"	Vacant land could be used for vegetables
TOTAL 7902	acres	

In this area all conditions will be found, from land being completely washed away, with no value left, to farming land and orchards heavily strewn with debris, in some cases piled ten or fifteen feet high; soil is badly eroded in some places, in others heavy deposits of silt and sand have been left; orchards in some cases are completely destroyed, in others partly; trees com-

pletely washed out, other cases soil washed away from roots. Questions arise as to whether trees can be salvaged or not. Personal property has been damaged in all sorts of ways, from complete loss to only partial damage.

Notwithstanding the good intentions and high character of all the members of the committee, we presently faced a situation that for a time threatened to bring the undertaking, so auspiciously begun, into serious difficulty. This was the problem of the settlement of agricultural claims. In the flooded area over 500 pieces of agricultural property had suffered varying degrees of damage. These included walnut, apricot and citrus orchards, and farming lands planted to vegetables and alfalfa. In fact, as we later found, there were five distinct classes of land, with an equal number of classes of orchards, all having different values and all suffering damage in different degrees. Some soil was completely eroded, some covered with boulders and sand, some crossed by gullies and barrancas. I became convinced that the problem was so complex, particularly since the Los Angeles committee consisted of city men, mostly unfamiliar with agriculture, that there would be little chance of our committees reaching a basis of proper settlement unless we could find some means of arriving at the percentage of damage done and agreeing upon the classification of these lands and orchards by some impartial agency representing neither Los Angeles nor the Santa Clara Valley.

In considering the various agencies that might be qualified to make such an appraisal, the only one that seemed adequate for the task was the Agricultural Extension Service of California, an organization supported jointly by the

state and federal governments. Its representatives are known as County Farm Advisors.

At the meeting of the joint committee I suggested that the Agricultural Extension Service be asked to send a group of their best qualified men to determine the damage and that they should make their estimates in percentages rather than in dollars. The Los Angeles members of the joint committee said they would be glad to consider the recommendation. An immediate decision was very important if the damage to the properties was to be kept to a minimum. This was especially true in the case of the land covered with debris which had to be removed at once to prepare the ground for summer cultivation and irrigation.

In the meantime, thinking it might expedite the work, I wrote a letter to Mr. B. H. Crocheron, chief of the Agricultural Extension Service in Berkeley, describing the damage to the properties in great detail and telling him it would be necessary to classify and map the land and orchards and determine the percentage of damage each class had suffered. I emphasized the need for speedy action and said I thought it would require about twenty men, at least, some of whom must have a thorough knowledge of soils and of the various types of orchards and annual crops grown in the damaged area. I asked him if he would carefully select the men in his organization best qualified for the work and have them prepared to come without delay, if and when the Los Angeles committee concurred in asking them.

I sent a copy of this letter to Mr. Eastman, chairman of the Los Angeles committee. After waiting several days without receiving a reply, I called Mr. Eastman by tele-

phone and told him I thought we should take immediate action and asked him if his committee had decided to support the recommendation requesting the Agricultural Extension Service to make the survey. Mr. Eastman said he had received my letter to Mr. Crocheron and thought I had gone too far in writing it. I asked him why he thought so. He said that his committee already had asked Mr. George Hecke, chief of the State Department of Agriculture, to come in and do the work and that Mr. Hecke had agreed to do so. I replied: "Let's see who has gone too far. We constitute a joint committee, and all decisions with respect to this job of reconstruction and rehabilitation are supposed to be made by that committee. All I did was to suggest the agency I thought best qualified to do the work, whereas you have gone ahead and actually invited another organization without even consulting us; and the worst of it is, because of your lack of knowledge of agriculture, you have invited the wrong agency. Mr. Hecke is a personal friend of mine, but it is his job to look after the quarantine service of the state and to administer police regulations affecting agriculture. He hasn't the right kind of organization to do the work we require. If he attempts it, he will have to get his men from the Agricultural Extension Service, and that will mean confused and inefficient organization."

It can readily be understood that Mr. Eastman and I did not get very far in our conversation, inasmuch as he had already invited Mr. Hecke's organization to do the job. That same day Mr. Hecke's chief deputy called on me to discuss the work we wanted done. I knew him very well and read to him a copy of the letter I had written Mr.

Crocheron, describing the nature of the required survey. When I had finished he said, "You are exactly right. We haven't the men qualified to do this type of job, and I will call my chief, Mr. Hecke, and tell him so."

He put in a call at once from my office and explained the matter. Mr. Hecke said he had not understood the situation and would call Mr. Eastman and withdraw his offer to do the work. A few days later Mr. Eastman telephoned me, saying his committee had decided to join in the invitation to the Extension Service to make the survey.

Soon afterward the Farm Advisors arrived, set up an office, and began their survey. Each piece of property that had suffered from the flood was separately mapped and the damage described in detail. Lands and orchards were classified on the basis of type and condition.

The next problem was to determine the values of the different classes of land and orchards in the damaged region. I caused a search to be made of the real estate sales in the area for a period of two or three years prior to the flood, classified the land covered by these sales according to the schedules set up by the Extension Service, submitted the list to the Los Angeles committee and asked them to check the classifications and valuations to see if they were correct. In due course the Los Angeles representatives informed us that they were satisfied that the classifications and values were accurate. We thus had a classification of the lands and orchards, a schedule of the values for the various classifications, and an estimate, on a percentage basis, of the damage each property had suffered. With this data in hand it was a comparatively simple matter to determine the

compensation that should be awarded individual property owners.

The joint committee had no authority from the victims of the flood to settle their claims for damages. The committee was only seeking to determine what constituted fair compensation for individual losses. Thus it is all the more remarkable that these claims were settled without recourse to the courts.

FLOOD DEVASTATION

This house in Santa Paula, 35 miles below the St. Francis Dam, was moved over one thousand feet by the flood waters. The catastrophe resulted in 385 deaths; destruction or damage of 1240 homes; and the flooding of 7900 acres of productive land.

MODERN SANTA PAULA

A bustling town of ten thousand supported largely by the citrus fruit and walnuts grown in the Santa Clara Valley. The agricultural lands surrounding Santa Paula are among the richest in the world.

CHAPTER XX

New Frontiers at Seventy

RECENTLY an old friend sent me a delightful little book of philosophic literature entitled, *Plea for an Age Movement*, written by Ralph Barton Perry, Harvard's distinguished philosopher.* In appealing for an old-age movement as something of an offset to the youth movement, he says:

When Nestor came to Troy he was already ruling over the third generation of his people. He knew that his footwork could not compete with that of Achilles, but he did so well with his head that his name became a synonym of wisdom, justice, eloquence, experience, and courage.

There is one idea that will, I think, carry us a long way, if we can only get it accepted. We must distinguish between deadness and length of life. After all, we don't say that a youth of eighteen is less alive than an infant of three weeks, though he is much older. Some individuals are born dead and remain dead. Some individuals are born with a low degree of vitality and grow more alive with the years. Between physical birth and physical death there is no fixed point at which men can be said to reach the maximum of liveliness. It behooves us, then,

**Plea for an Age Movement* by Ralph Barton Perry. Published by the Vanguard Press, New York City.

as elders, to take the view that the course of years is a passage from less to greater vitality, from inertness to activity. We can prove the idea by applying it, so that it comes back in the end to what you and I are going to do with our years.

Whether a man shall live toward the past or toward the future, is for him to decide.

In these days many men are retiring, or planning to do so, when they reach the age of 50 or 60. Their philosophy is that, having worked hard and acquired a competence, they will take life easy, free from care and responsibility. I have never understood that attitude of mind. I believe most people get the greatest enjoyment in life from their work and the satisfaction of doing it well.

I have known many men who did not find satisfaction in retirement and idleness. If they have led active, useful lives and do not find some new interest to occupy them, they usually do not live long after retirement.

I am 70 and I feel certain that some of the best work of my career has been in the last year.

We have an attorney here in Santa Paula who has been an inspiration to me in courage and fortitude. His name is William Edward Ginder. He is 77 years of age. When he was 70, he had one leg amputated just above the knee. When he was 76, the other leg was amputated just above the ankle. He has artificial legs and goes about in an electrically propelled chair. He cannot use crutches. He is continuing his practice of law, has no help in his office, and does his own typewriting and clerical work. His income no doubt is not large; he lives alone and does his own cooking and housekeeping.

When he comes home from the office, he runs his electric car into his house and prepares his meal. At bedtime he removes his artificial legs, runs his car up to a stationary table beside his bed, slides onto the table and from there into bed.

He is always dressed neatly. I stop and talk with him whenever I meet him in his electric car on the sidewalk. The marvelous thing is that he is always cheerful, never discouraged nor complaining. I often contrast this man with people I know who "enjoy" ill health—at least they seem to enjoy talking about their troubles.

I have often found myself at odds with Mr. Ginder, politically and on some of his philosophies, but I admire his courage immensely. In a pamphlet entitled, *Nitrous Oxide* (*Literary Laughing Gas*), published when he was 74, he wrote:

Let us laugh, whether quietly or otherwise, if by our laughter we push back tears and overcome sadness. Statues, of wood or stone, do not laugh, that is done only by men and women of flesh and blood. A man whose every minute is passed in deep thought, whose face never wrinkles at the funny quips of innocent children or at a funny situation on stage or screen, does not know the joy of living.

Laughter makes the world worth while. It crowds back the memory of sad days, and the blackness and bitterness of nights of terror. It veils from us the vision of the last, sad ending which threatens us at every step of our short journey.

So eat, drink and be merry, for tomorrow we die. Yes, when our time has come to die, let us look into the marble-like face of Death himself, and give him to understand that to us he is the greatest joke of all.

Weeping may endure for a night; but Joy (and laughter) cometh in the morning.

This was written after Mr. Ginder had one of his legs amputated. Most men would have been discouraged and without hope. The lesson of Mr. Ginder is: "Keep pitching, find something useful to occupy your mind and hands, and you will be happy and will forget to pity yourself."

Most organizations with which I am connected have old age retirement and insurance plans, contributed to by the employer and employee. These preceded the government Unemployment Insurance and Old Age Benefit plans, and have been continued notwithstanding the duplication of insurance benefits resulting from the government's activities.

Employees coming under these plans are usually retirable upon reaching 65. This provision is made necessary by the high percentage of individuals who are physically or mentally incompetent to do efficient work at that age. Where such plans exist it is frequently necessary to retire employees who are still physically and mentally competent. This must be done in justice to the younger employees who participate in the plan and have a right to expect those ahead of them to retire when the scheduled age is reached. Exceptions can therefore be made only when no satisfactory replacement is available for the employee reaching the retirement age. But there is no reason for these retired men and women to conclude they are through. If they are physically and mentally competent they can still find many useful things to do.

There is an old saying that "it is only three generations from shirt-sleeves to shirt-sleeves." The truth of this was

demonstrated by what happened to the old California families, the grantees of those great tracts of land, almost feudal empires, which now constitute the great productive valleys of southern California. The tragic story of how those great estates were dissipated is told in a most interesting way in *The Cattle on a Thousand Hills,* by Dr. Robert Cleland. Some of the original owners and most of their successors became bankrupt in a few years, because they were unfitted to handle large increases in wealth, or because their fortunes were often spent in extravagant and riotous living.

It was the observation and contemplation of these truths that caused my wife and me to devise a plan we hoped would better prepare our children to handle the modest estate we hoped to leave them. We decided it was wise to give them a portion of their inheritance while we were still living. Thus they would have a chance to demonstrate whether they could properly manage it before receiving any balance they might inherit. Hence it was that several years ago, after all our children had reached maturity, we set aside a certain sum which we divided equally among them, with no restrictions. We did not follow the precedent of the parable of the talents as set forth in St. Matthew but gave them the funds outright, explaining our purpose in so doing.

One of the great satisfactions of our lives in our declining years is that our children are all temperate, dependable, and capable, and are assuming and discharging the full responsibilities of citizenship. They have given a good account of the talents we gave them.


SUSAN VILLE
FRUIT GROWERS SUPPLY CO.
SAW MILL & BOX FACTORY
LIVE STOCK
GRAIN RICE
DAIRYING
RED BLUFF
CALIFORNIA REDWOODS
SACRAMENTO RIVER
SACRAMENTO VALLEY
LAKE TAHOE
MARYSVILLE
HOPS PEACHES CELERY
ALMONDS APRICOTS
WALNUTS GRAPES
VEGETABLES RICE
LIVE STOCK
FISHING
POULTRY
PETALUMA
SACRAMENTO
STOCKTON
SAN JOAQUIN RIVER
GRAPES BEANS
PEACHES ALMONDS
APRICOTS WALNUTS
VEGETABLES
GRAIN DAIRYING
SAN JOAQUIN
UNIVERSITY of CALIFORNIA
SAN FRANCISCO
STANFORD UNIVERSITY
SAN JOSE
SANTA CLARA NORTH
FRESNO
VALLEY
PRUNES
APRICOTS
PEARS
APPLES
VEGETABLES
SALINAS
SALINAS RANCH
CAL. ORCHARD CO.
SALINAS VALLEY
KING CITY
GRAPES
VEGETABLES
COTTON
LIVE STOCK
LETTUCE
VEGETABLES
SUGAR BEETS
LIVE STOCK
DAIRYING
APRICOTS
WALNUTS
ALMONDS
BEANS
LIVE STOCK
LIMONEIRA RANCH
TEAGUE 40...
SANTA PAULA
HORSE & CATTLE CO.
SANTA BARBARA
LEMONS
ORANGES
SUGAR BEETS
WALNUTS
BEANS
PACIFIC OCEAN
N

650

CALIFORNIA

APPROX. LENGTH 740 MILES ▣ AVERAGE BREADTH 210 MILES
LAND AREA 155652 SQUARE MILES ▣
13 MILLION CULTIVATED ACRES PRODUCE 46% OF FRUIT, NUTS AND VEGETABLES SHIPPED IN INTER-STATE COMMERCE OF THE UNITED STATES AND 23% OF NATION'S SUGAR-BEETS ▣ FARMERS PAY 1/7 OF NATION'S AGRICULTURAL LABOR BILL ▣

NEVADA
DEATH VALLEY
LOS ANGELES AQUEDUCT
LONE PINE
GRAPES COTTON LIVE STOCK DAIRYING VEGETABLES MELONS
PORTERVILLE
CITRUS GRAPES DECIDUOUS FRUIT
BAKERSFIELD
ORANGES LEMONS WALNUTS VEGETABLES DAIRYING
ST. FRANCIS DAM
CLARA SOUTH RIVER
PIRU
SANTA PAULA
SAN FERNANDO
VENTURA
OXNARD
HOLLYWOOD
PASADENA
CITRUS VEGETABLES BEANS
LOS ANGELES
SAN BERNARDINO
SAN GABRIEL
SANTA ANA
ORANGES LEMONS BEANS AVOCADOS VEGETABLES CELERY
SAN DIEGO
DESERT
COLORADO RIVER AQUEDUCT
IMPERIAL VALLEY
SALTON SEA
MELONS DATES VEGETABLES GRAPEFRUIT
EL CENTRO
SANTA ANA
MEXICO
HOOVER DAM
COLORADO RIVER
PARKER DAM
TO PHOENIX
BLYTHE
ORANGES GRAPEFRUIT
YUMA

CORNELIS BOTKE