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CALIFORNIA'S AGRICULTURAL PROGRESSIVES AND THE STATE COMMISSION MARKET ACT OF 1915

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IN the spring of 1915, California agricultural markets were in turmoil. Prices had begun a sharp ascent; the U.S. Department of Agriculture's index for wholesale farm prices climbed from a base of one hundred in 1914, to well over two hundred fifty by 1920. Even before inflation from World War I shortages took hold, agricultural prices had seen a steady twelve-year increase.¹ However, farmers were not experiencing much, if any, of those returns. For example, in 1915, the state's peach growers left one-third of their crop to rot in their fields. While the retail price of peaches rose to 17¢/lb., farmers were getting between 2.5¢ and 3¢, less than what it cost to produce and the same price that was offered several years before.² Many farmers and agricultural reformers believed that overproduction and glutted markets were to blame. Farm activist H. P. Stabler noted that farmers were producing at a loss and that the upcoming harvests of previously non-bearing acreage "will serve to make conditions worse unless markets are extended and distribution improved . . . this [new] acreage begins to add to the already heavy tonnage."³ Stabler added, "something is wrong somewhere and the excessive planting that is being done every year is making matters worse. Under our present system we cannot expect relief."⁴

¹ G. F. Warren, *Prices of Farm Products in the United States*, U.S. Department of Agriculture Bulletin No. 999, 1921 in H. E. Erdman, ed., *Marketing and Cooperation: Selected Bulletins Assembled by H. E. Erdman*, vol. 5 (Berkeley, 1915-1923).

² *First Annual Report of the State Commission Market Director to the Governor*, Office of the State Commission Market Director (Sacramento: California State Printing Office, 1916), 9 (hereafter cited as *Market Director Report*).

³ H. P. Stabler to Dr. A. J. Cook, 13 September 1915, Hiram Johnson Papers, Bancroft Library, University of California, Berkeley.

⁴ *Ibid.*

In 1915, the California Legislature passed the State Commission Market Act to intercede in the state's troubled agricultural markets by providing regulated municipal grocery markets for farmers and consumers.⁵ The state's leading progressives, including Harris Weinstock, Aaron Sapiro, and Governor Hiram Johnson, rushed to the helm of the new state agency, with Weinstock appointing himself Market Director. However, once in charge, they completely ignored the intent of the law. Instead, they worked to create marketing cooperatives—their approach based on a progressive philosophy that sought to rationalize, centralize, and control agricultural markets through “scientific” management. The efforts of Weinstock and others to create business co-ops brought a political firestorm to the state capital, a “Sacramento Sensation,” as it was characterized by the press. Weinstock was vilified as organizing “food trusts,” and by 1920 suffered a deluge of criticism and calls for his ouster by women's and consumer groups.⁶

Why did Weinstock and other state progressives derail the State Commission Market Act and implement a highly controversial program to organize agribusiness marketing cooperatives?⁷ Soon after his ap-

⁵ State Commission Market Act (10 June 1914).

⁶ *Los Angeles Times*, 14 January 1917 in Harris Weinstock Scrapbooks, vol. 17, Bancroft Library, University of California, Berkeley. Most of the newspapers cited in this paper are from the Weinstock scrapbook.

⁷ Historians have offered a variety of explanations. Almost before the ink was dry on the paper, Carl C. Plehn wrote a history the Market Commission in 1917. As was already widely understood, Plehn perceived that the Market Commission was being used to foster cooperative organization. Although he feared government involvement in market practices and the threat that cooperative monopolies posed to consumers, he generally lauded the attempts to make agricultural markets more rational through cooperation. Carl C. Plehn, “The State Market Commission of California,” *American Economic Review* 8, no. 1 (March 1918): 1–27. In the late 1950s and early 1960s, Henry E. Erdman, Grace H. Larsen, and Erich Kraemer, wrote a series of articles and a short book in which their praises for agricultural progressives could not find adequate terms of exuberance. The agricultural progressives were called geniuses and their tenures on state and national agricultural bodies characterized as successes. H. E. Erdman and Grace H. Larson, “Aaron Sapiro: Genius of Farm Cooperative Promotion,” *The Mississippi Valley Historical Review* 49, no. 2 (Sept. 1962): 242–268; H. E. Erdman and Erich Kraemer, *History of cooperation in the Marketing of California Fresh Deciduous Fruits*, Contribution from the Giannini Foundation of Agricultural Economics, Bulletin No. 557 (September 1933); Galdys Waldron wrote a brief rebuttal to Erdman and Larsen, “Commentary on Dr. Larsen's Paper,” *Agricultural History* 32, no. 3 (July 1958): 194–195. In 1977, Mansel G. Blackford wrote *The Politics of Business in California, 1890–1920*. In a few brief pages on the Market Commission and Weinstock, Blackford argues that the director's actions and the effort to organize cooperatives were congruent with a broader business strategy and culture that included the standardization of products, rationalization of production and marketing, centralization of decision making, and an increasing role in public policy. He characterizes the role of Weinstock and the director's office as favoring growers, creating a political row that pit “growers vs. consumers.” Mansel G. Blackford, *The Politics of Business in California, 1890–1920*

pointment to the position of Market Director of California, Weinstock wrote that it was his task to work “out some scientific system of selling which will enable the [farmer] to sell at a fair price . . . and which will at the same time enable the consumer to purchase it for less than he now pays.”⁸ This, he conceded, was “some job,” but nonetheless he believed that with the power of the State Commission Market Act he could do just that. This paper argues that Weinstock’s diversion of the State Commission Market Act into cooperative marketing schemes was the result of a progressive ideology that sought to alleviate, and even erase, class and interest group tensions through the implementation of “scientific” and “efficient” organization of market systems.⁹ The goal was not to do away with capitalist market relations through direct state intervention, but to better harmonize various interests through their system. Despite the fact that progressive agricultural policy and ideology was based on a vision of classless society, men like Weinstock, Sapiro, and Governor Hiram Johnson sought the creation of a system that served their distinct managerial class interests. To understand this paradox it is necessary to look at both the problems agricultural progressives faced and the origins of the State Commission Market Act.

Troubled Markets and Tentative State Intervention

The origins of the act were based in consumer discontent with steadily increasing retail food prices, exacerbated by international shortages caused by World War I. State consumer groups began organizing to find a solution to the general high cost of living, and the cost of food in

(Columbus: Ohio State University Press, 1977). Finally, in the late nineties, Victoria Saker Woeste wrote a book that focused on the California Associated Raisin Company as a case study of the development of agricultural co-ops in the state. Woeste argues that cooperatives “played essential, heretofore unacknowledged roles in shaping some of the fundamental constitutional and regulatory issues of the Progressive Era.” Focusing on legal positions worked out through civil and criminal litigation, Woeste argues that agricultural cooperatives helped establish the precedent for progressive state regulation and intervention based on “the public good.” Victoria Saker Woeste, *The Farmer’s Benevolent Trust: Law and Agricultural Cooperation in Industrial America, 1865–1945* (Chapel Hill: University of North Carolina Press, 1998).

⁸ Harris Weinstock, “Statement of Harris Weinstock State Market Director in answer to the criticism of Senator Wm. E. Brown of Los Angeles Relative to the Administration of the California State Market Law,” Office of the State Market Commission Director (San Francisco, 1917), 1 (hereafter cited as Weinstock, “Criticism of Senator Brown”).

⁹ Shelton Stromquist explores similar ideas in *Reinventing the People: The Progressive Movement, the Class Problem, and the Origins of Modern Liberalism* (Chicago: University of Illinois Press, 2006), 1–11. Stromquist shows that reconciling turn of the century class conflict through a vision of classless social harmony was at the heart of the Progressive movement.

particular. With the war in Europe threatening to drive retail prices even higher, consumer groups found a sympathetic ear in the state legislature, which passed the State Commission Market Act on June 10, 1915. Some of the state's farmers also supported the bill after legislators added provisions that would have the office of the market director research East Coast wholesale prices to locate favorable markets.¹⁰ The law was very clear. Its exact terms required the director to establish municipal produce markets to sell "agricultural, fishery, dairy and farm products" on a commission basis to the people of California.¹¹ The idea was that by eliminating speculative wholesalers, the state could draw producers and consumers closer together, simultaneously granting farmers a livable return and lowering prices paid by consumers. The office of the market director was instructed to purchase agricultural products directly from farmers, sell them on commission at the market, and retain a small percentage to cover overhead costs. Originally funded at a paltry \$25,000, the law was seen as an experiment. The state would operate one or a handful of such markets and the director would expand the program when deemed feasible.¹²

Claiming uncertainty in how to proceed, Governor Johnson tasked the state's Rural Credit Commission to investigate the proper implementation of the law. Several progressives belonged to the commission; among them Harris Weinstock, a Sacramento businessman who retired early in the century to work on reform measures. Among his laurels were his appointment to the Federal Industrial Relations Commission under President Woodrow Wilson, chief investigator for the governor into the San Diego Industrial Workers of the World free speech fight, co-founder of the Commonwealth Club of California, and member of the state's Rural Credit Commission.¹³ Weinstock recommended to the governor that he himself be appointed State Market Director. With his usual zeal, Weinstock immediately took his office in directions unintended by the law. In his first year, he neglected to establish a single municipal market and instead spent his time encouraging farmers to organize marketing cooperatives.

The director had been a longtime advocate of agricultural co-ops and believed that when properly implemented they could act as an economic

¹⁰ *Sacramento Bee*, 5 May 1915; Blackford, 30; State Commission Market Act; and Harris Weinstock, "The Burden of Better Marketing Rests With The Farmer and Not With The State," Office of the State Market Director, (San Francisco, [1915?]), 2 (hereafter cited as Weinstock, "Burden of Better Marketing").

¹¹ State Commission Market Act.

¹² *Ibid.*

¹³ State Commission Market Act; *Market Director Report*, 1; Grace Larsen, "A Progressive in Agriculture: Harris Weinstock," *Agricultural History* 32, no. 3 (July 1958): 187-193.

cure-all, raising prices for farmers and lowering them for consumers. As he saw the problem, “it must be self-evident, that no matter how scientifically our fruit may be grown and no matter how large a yield we may be able to get per acre as the result of the scientific husbandry, it is all of no avail if there is not a sufficient market for the output.”¹⁴ Weinstock envisioned market cooperatives expanding and rationalizing markets to meet the increasing supply brought by industrial agricultural production—a progressive parallel to the progress made in production techniques. Weinstock’s models were the industrial “scientific management” programs of Fredrick Winslow Taylor then in vogue with businesses throughout the nation. By maximizing the efficiency of agricultural markets and distribution, as Taylor maximized the efficiency of workers and production, Weinstock believed he could streamline the capitalist market system and have it work in the interests of everyone. In a 1917 defense of his actions, Weinstock wrote, “through organization, producers eliminate waste in all directions, more especially in the cost of distribution. These savings automatically lead to higher returns for the producer, and better products, at lower prices, to the consumer.”¹⁵

The release of Weinstock’s first annual report to the governor caused a political firestorm. State Senator William Brown, who had shepherded the original bill through the Senate, was particularly vocal in his opposition. Brown claimed that Weinstock was in violation of the spirit of the law because the director was organizing cooperatives that were essentially “food trust[s] inimical to consumers.”¹⁶ For proof, Brown had only to reference Weinstock’s own report. In it, Weinstock proposed a rewriting of the original law to give the market director more authority to organize cooperatives. To this end, the director had appointed an advisory board, not mentioned in the original law, and filled it with bankers, lawyers, and representatives of the state’s growing cooperative movement, including those from the California Associated Raisin Company, the California Fruit Growers Exchange, the California Almond Growers Association, the Lima Bean Growers Association, the Apple Growers Union, and on and on. Tellingly, Weinstock sought to change the name of the agency from the State Commission Market to the State Market Commission, a significant shift revealing the director’s conception of the role of his office. As Carl C. Plehn wryly noted in his 1918 article, “It is

¹⁴ Harris Weinstock to H. P. Stabler, 16 September 1915, Hiram Johnson Papers.

¹⁵ Weinstock, “Criticism of Senator Brown,” 19.

¹⁶ *San Francisco Examiner*, 10 January 1917; *San Francisco Chronicle*, 10 January 1917; *Los Angeles Herald*, 4 January 1917.

obvious that a commission market is just as different from a market commission as a horse chestnut is from a chestnut horse.”¹⁷

Weinstock defended himself by arguing, incorrectly, that the creation of municipal markets was only a discretionary measure and that, in any case, such markets were impractical. Only the scientific rationalization of food distribution and selling, he reasoned, could solve the state’s agricultural problems; other proposed suggestions were well intentioned but misguided. Weinstock and others argued that direct government intervention was likely to make matters worse. The director convinced Senator E. A. Luce to sponsor his revised bill, and he diligently worked to drive it through both houses. While the vote was closer for the second version of the bill than the first, the overwhelming support of representatives from rural districts helped put it over the top.¹⁸ With the law now reflecting his desires more closely, Weinstock spent the next three years as market director organizing agribusiness cooperatives throughout the state.

Progressive Cooperation

What drove Weinstock’s fervor was a somewhat vague and contradictory progressive ideology of cooperation.¹⁹ Its leading intellectual was Aaron Sapiro, a young lawyer and protégé of Weinstock. As a partner at Wise, Sapiro, and O’Connor, Sapiro was on the State Commission Market’s advisory board in its first year and acted as legal counsel for Weinstock. His firm, with offices in San Francisco, Chicago, and New York, became the nation’s leading representative of cooperative organizations, drafting co-op charters as their legal advisor. Sapiro put forward the most fully developed cooperative plan, which he called the “Califor-

¹⁷ *Market Director Report*; Plehn, 10.

¹⁸ Weinstock, “Criticism of Senator Brown,” 10; Weinstock, “Burden of Better Marketing,” 6; *San Francisco Bulletin*, 21 March 1917; *San Francisco Call*, 27 March 1917; *San Francisco Examiner*, 11 April 1917.

¹⁹ The ideas had their origins in the programs of the Populist movement. According to Charles Postel, both movements shared a faith in modern and efficient organization to solve the conflicts found in markets and between classes. For agricultural progressives, the links with Populism were more direct—some early Populist leaders advocated a type of market cooperative based on a business model. Postel has argued, “the callused-handed Populist shared much ideological ground with the university-groomed Progressive of the next generation.” However, there were differences between the two visions of cooperation. Progressives favored agri-business co-ops focused on marketing, the cooperatives of the Populist era were to be producer run affairs, organized from the ground up and overseeing agricultural products from farm to corner store. Charles Postel, *The Populist Vision* (Oxford: Oxford University Press, 2007), 3, 103–106; Harris Weinstock to H. P. Stabler, 16 September 1915, Hiram Johnson Papers.

nia model,” but was subsequently called the “Sapiro plan.” In reports, essays, pamphlets, and lectures delivered across the country and in Canada, Sapiro hyped cooperative organization as a solution to the plight of the small farmer. While most of his publications came at the tail end of the Market Commission and the years following Weinstock’s removal from office, Sapiro’s writings represent the most fully articulated version of progressive cooperation.²⁰

A key component of Sapiro’s conceptual framework for cooperative marketing was his idea of “intelligent merchandizing.” The idea had three important parts: the rationalization of markets through centralized mechanisms of sale and distribution; the management of marketing institutions by “experts”; and the harmony of interests of all involved through the successful functioning of the system.²¹ What Sapiro and Weinstock’s system did not provide for was the direct control of production. Despite repeated problems with overproduction and glutted markets, they wanted to maintain agricultural production on an individual basis. It is unclear whether their plan neglected to regulate production because it contradicted popular economic theory, because of a Jeffersonian belief in the sanctity of the small farmer, or because it may have been perceived as a violation of anti-trust statutes. However, the agricultural progressives sought to mitigate the effects of overproduction by finding markets for the goods at the other end of the productive and distributive system.

The problem of agricultural sales, as progressives saw it, was that farmers too often acted as individuals, selling their products without understanding the broader market forces at play. Sapiro wrote, “in no line of industry is there so little coordination as in the marketing of farm products.”²² Lack of coordination led to glutted markets, depressed prices, waste, and inefficiency. Moreover, it allowed “speculators” to manipulate markets, forcing costly and needless competition between farmers scrambling to undercut each other’s prices. It also inflated costs

²⁰ Erdman and Larsen, 244. Weinstock claimed to have proposed notions similar to cooperation as possible solutions to the state’s agricultural crises of 1886 and 1892. However, both men’s ideas were very similar. As it developed, both during Weinstock’s tenure as market director, and after his term of service, the cooperative program represented a progressive ideology about how to best resolve the failures of market production and the ensuing social fissures.

²¹ Aaron Sapiro, *Your American Farmer Organizes for Business: How He Is Changing Himself from the Hapless Victim of Markets Into the Master Merchant* (Dallas: The Department of Information, American Cotton Growers Exchange, 1922), 12–13 (hereafter cited as Sapiro, *Your American Farmer*).

²² Aaron Sapiro, “True Co-operative Marketing,” reprint from *Journal of the American Bankers Association in Papers on Cooperative Marketing*, pamphlet series (New York, 1920), 1.

to consumers, as speculators withheld their goods from retail markets to drive up the price.²³ Their solution was the application of business organization, in particular the corporate model, to the sale and distribution of agricultural goods. In a 1916 pamphlet, Weinstock argued, “business men have long since discovered that the individual business man can do little to eliminate trade evils.” Instead, “capitalists” formed their own cooperatives: “They have found that to get the best returns they must organize into corporate bodies and act collectively for their common good . . . it remains for the farmer to follow these wise and successful examples.”²⁴ Sapiro added, “cooperation is the one means to accomplish for agriculture what the corporation has done for other industries.”²⁵ Therefore cooperatives needed to be “established along definite business lines” with “iron-clad” and “absolutely tight” contracts made with “ropes of steel” to ensure that farmers stayed loyal and did not sell outside of the combine.²⁶ Weinstock’s prime examples for farmers’ successes along these lines were the notorious California Associated Raisin Company (CARC) and California Fruit Growers Association.²⁷ In the words of Victoria Saker Woeste, “in both structure and purpose, the CARC resembled more an ordinary commercial business than an agricultural mutual help society.”²⁸

The primary justification for the organization of business cooperatives was that they would contribute to efficient and rational markets that would benefit everyone. Cooperative marketing was “a scientific system, designed to minimize speculation and waste and to merchandise the products of the farm . . . The aim of cooperative marketing is the sane and orderly marketing of farm products without unnecessary internal competition and with an equal return to every grower.”²⁹ To achieve these ends, “a centralized marketing or distributing system must, however, be created as the selling machine . . . the central association takes title to the commodity; then grades, pools and markets the product through one central office.”³⁰ The business co-op could monitor markets

²³ Aaron Sapiro, “Points in the California Plan” in *ibid.*, 27–28. There was some dispute over the role of speculators. Weinstock felt that inefficient and wasteful market practices allowed speculators to flourish. Sapiro believed that the role of market speculators was insignificant and that the real problem with farm prices was unscientific markets.

²⁴ Weinstock, “Burden of Better Marketing,” 3; see also Sapiro, “True Co-operative Marketing,” 1.

²⁵ Sapiro, “True Co-operative Marketing,” 2.

²⁶ *Ibid.*, 5.

²⁷ Harris Weinstock, “State Commission Market of California,” Office of the State Commission Market Director (San Francisco, 1915), 2–3.

²⁸ Woeste, 113.

²⁹ Sapiro, “True Co-operative Marketing,” 2.

³⁰ *Ibid.*, 2–4.

and distribute or withhold goods based on need, stopping shipments to flooded markets and expanding markets into new territory. Efficiency, rationalization, and centralization were key components of the ideology.³¹

The need for “experts” to monitor and manage markets and distribution was another chief tenet of the program. The actual business of the co-op would be “carried out by the finest merchandising, advertising, warehousing, transportation, financing, insurance, and other experts money can buy.”³² Empowering management decisions to the control of hired experts was a way to limit farmer participation in their own cooperatives. But, Sapiro and Weinstock reasoned, it was the only way to succeed. Cooperatives were “sure to fail if they disregard the need for experienced and broad-gauged men to conduct the business.”³³ And, according to Sapiro, a cooperative certainly would fail “unless it operates through experts and is conducted on the best established commercial principles.”³⁴

Part of their hope was that these experts, men like Sapiro and Weinstock, would be paid extremely well for their service to the farmers. “California farmers do not ask for a fair price for prunes and deny a fair price for brains,” Sapiro wrote, “[they] search throughout the United States for the ablest men. They never say, ‘How cheap’ they simply say ‘How expert!’” In another dubious contention, Sapiro asserted that “the California farmer throws out his chest and boasts that he has a \$12,000 or a \$20,000 a year man working for him, selling his products on an intelligent, orderly basis.”³⁵ While one can certainly question the validity of Sapiro’s account of farmers’ responses to the role of experts, it appears that part of the attractiveness of the cooperative plan was the power and prestige awarded to the “expert” managers. However, it should be stressed that the agricultural progressives were not advocates of their policy simply for personal gain. Progressive cooperation represented a class interest not because of any pecuniary rewards for the managers, but because the system managers as a class retained ultimate authority and control.

³¹ Weinstock, “State Commission Market of California,” 3; Weinstock “Criticism of Senator Brown,” 9–10. Weinstock took the centralized plan one step further than Sapiro, arguing for the elimination of “non-auction markets,” and the centralization of existing warehouse auctions in each city. This could be achieved by creating a single transportation terminus in each city to sell at a single auction.

³² Sapiro, *Your American Farmer*, 11.

³³ Sapiro, “True Co-operative Marketing,” 3.

³⁴ *Ibid.*, 6.

³⁵ *Ibid.* Adjusted for inflation, \$20,000 (1920) is equivalent to approximately \$230,000 (2007). Source: The Inflation Calculator (<http://www.westegg.com/inflation>).

Underpinning the system was a profound lack of faith in democratic structures and the ability of farmers to understand or solve their problems. According to Sapiro, farmers selling their products do “not understand how the price is made or why it varies from season to season . . . He takes what is offered; and he is helpless to change it, or even understand it.”³⁶ Therefore, farmers “can never adopt cooperative marketing except through the guidance of leaders.”³⁷ These principles were manifest in the legal structure of Sapiro’s model cooperative contract; “iron-clad” clauses bound farmers to the co-op for years and inflicted severe penalties for withdrawal. While nominally representative in structure, the management of the cooperative was performed by hired experts selected by executive boards and not run directly by the hapless farmers, hindered by their “ignorant minds.”³⁸

Paradoxically, much of the rhetoric raised in support of progressive cooperatives was based around the empowerment of small farmers to control their fate and not fall victim to the forces of the market. Both Weinstock and Sapiro believed that cooperative marketing would solve social tensions and work for the benefit of the whole community. Their policy was “designed to transform the farmer from the slave . . . to the merchandising master of the markets of the world.”³⁹ Between the farmer and the director of the cooperative there would be:

an absolute community of interests . . . [with] no possible conflict of interest, and no possible method in which the power of the association or its merchandising ability or the efficiency of its managers can be used against the interest of any one person and for the interest of any other person.⁴⁰

This community principle extended beyond the internal functioning of the co-op. The agricultural progressives argued that in their external business relations cooperatives “must be community builders.” By working closely with “bankers, merchants, editors and public thinkers,” they felt that cooperatives “unified communities . . . and brought all classes together.”⁴¹ The cooperatives even had a community of interest with consumers: “by eliminating the purely speculative middleman and dealing directly with the consumer,” the cooperative would lower retail

³⁶ *Ibid.*, 1.

³⁷ *Ibid.*, 8.

³⁸ Sapiro, *Your American Farmer*, 30.

³⁹ *Ibid.*, 15.

⁴⁰ Sapiro, “True Co-operative Marketing,” 6.

⁴¹ *Ibid.*, 6–7.

prices and win the consumer as an ally.⁴² While the managerial class benefited under the system, the ideological vision predicted social harmony.

Furthermore, Weinstock and Sapiro firmly believed that their cooperative system would help the “little guy,” and lessen the risk of class antagonism. Justifying why his office organized cooperatives instead of commission markets, Weinstock wrote, “the State will have performed its highest function, in my opinion, when it will have aided the producer to help himself . . . [through] collective action on the part of the California producers.”⁴³ In this way, the existing California cooperatives “unified communities . . . [and] brought all classes together.”⁴⁴ However, by “collective action,” the agricultural progressives did not mean “mass action” or “class war.” Their intent was to “avoid the systems that breed class antagonism” and “to function completely within our social structure as it exists today, and without requiring any radical change.”⁴⁵ In fact, Sapiro argued, “in its tendency to destroy the need for radicalism alone, this co-operative marketing movement among farmers is the real salvation of the country.”⁴⁶ According to this argument, the success of the Golden State cooperatives had fostered a new spirit in rural communities that “has fused together all elements of the community into one great prosperous whole.”⁴⁷

Even a cursory review of the immediate history of agricultural production would have shown the “great prosperous whole” of “unified communities” that Sapiro alluded to was a delusion. California’s agricultural sector during the Progressive Era was wracked by labor conflict and violence. Most notably, the so-called Wheatland Riot of 1913 brought national attention to the ongoing labor conflict in rural California. At the Durst Brothers hops ranch in Wheatland, a District Attorney, Sheriff’s Deputy, and several others were killed when the police opened fire on a crowd of agricultural laborers gathered to hear a speech by radical organizers. Both federal and state investigations into the riot prolonged public interest in the events and blamed the Industrial Workers of the World (IWW), a radical union that organized migrant workers in Wheatland.⁴⁸ Furthermore, towns with strong cooperatives were not

⁴² Sapiro, *Your American Farmer*, 21; Weinstock, “Criticism of Senator Brown,” 19, 27.

⁴³ Weinstock, “State Commission Market of California,” 2.

⁴⁴ Sapiro, “True Co-operative Marketing,” 7.

⁴⁵ Sapiro, “True Co-operative Marketing,” 6–8; Sapiro, *Your American Farmer*, 4.

⁴⁶ Sapiro, *Your American Farmer*, 31.

⁴⁷ *Ibid.*, 7–8.

⁴⁸ Don Mitchell, *The Lie of the Land: Migrant Workers and the California Landscape* (Minneapolis: University of Minnesota Press, 1996), 38–40, 78–80. Weinstock himself was very familiar with the IWW, having written an investigation for the governor into the

immune from violence. Fresno was the heart of the raisin industry and home to the California Associated Raisin Company, the state's preeminent agricultural cooperative. In 1915, with waning membership, the CARC helped launch a terror campaign to intimidate farmers into becoming members. Nightriders burned productive acres, hung farmers from their necks over bridges, and threatened their children if they refused to join the raisin company. This behavior was largely tolerated, if not encouraged, in the agricultural press dominated by business and cooperative interests.⁴⁹ Whatever the optimistic vision, the cooperative track record was not one of harmonious class relations.

With labor conflict and violence a persistent problem in the agricultural sector, it is surprising that state action was rarely discussed in the agricultural progressives' literature. The result is a somewhat contradictory vision of the role of government. While both Weinstock and Sapiro agreed that the impetus for action should reside "with the farmers and not with the state," they saw the State Market Commission as a means to implement their cooperative ideology. In a 1916 address to a Central Valley fruit cooperative convention, Weinstock said that he had a clear intention of his use of the office before being appointed:

I have had that remedy in mind for years as a private citizen. However, I found it impossible to have the remedy put into practice. One thought prompted me to accept this office at the hands of the Governor. One hope led me to undertake this very grave, serious and burdensome responsibility of acting as your market director. And that was the thought that now would be offered me the opportunity, officially, of carrying out the remedy for the weak spot in our marketing in the East, marketing that I have had in mind for years.⁵⁰

For Weinstock, state power was a convenient means to an end. Even though the State Commission Market Act clearly had no provision for

Wobblies' 1912 free speech fight in San Diego. Weinstock's conclusion was unsympathetic to the Wobblies who were brutalized by vigilante groups for violating the city's ban on street corner oratory. Weinstock concluded: "It is the organized and deliberate purpose of the IWW to teach and preach and to burn into the hearts and minds of its followers that they are justified in lying, in stealing, in trampling underfoot their own agreements, in confiscating property of others, in disobeying the mandates of the courts and in paralyzing the industries of the nation. If all men and women in the nation were to accept and to follow these teachings it would make society impossible. It would simply mean a nation of thieves, liars and scoundrels." *Report of Harris Weinstock Commissioner to Investigate the recent disturbances in the city of San Diego and the County of San Diego* (22 April 1912), Hiram Johnson Papers.

⁴⁹ Woeste, 129–134.

⁵⁰ Harris Weinstock, "Address to 48th Fruit Growers Convention" (February 1916), in Erdman and Kraemer, *History of Cooperative Marketing*, 93 n. 226.

organizing cooperatives and called for direct state intervention in markets—a task Weinstock found anathema—he nevertheless thought it best to appoint himself director. From that position, he steered the market agency to fit his ideological objectives regardless of the law's intent. For Weinstock, it appears that state facilitation of agricultural business interests was acceptable, but direct involvement in markets through regulated commission markets was not. Clearly, he saw the state as an adjunct to business and commercial interests—a way to rationalize, but not disturb market functions.

Progressives placed solid faith in the ability of agri-business cooperatives to solve the ills of the market and create social harmony and cohesion. Indeed, for the agricultural progressives, this was the very definition of “progress and civilization,” something that must be attained or else it would lead to the “defeat of its own ends.”⁵¹ With a firm belief in their system, Weinstock, Sapiro, and others tried to implement it through the State Market Commission.

A Sacramento Sensation: The End of the Market Commission

Although the 1915 State Commission Market Act passed rather easily through the legislature, by 1920 there was a growing chorus of discontent with the market director, evidenced in calls for his ouster by consumer groups, and a fierce political row characterized as “a Sacramento Sensation” by the press.⁵² Consumer groups lined up in opposition to the commission and demanded action to halt any further increases in the cost of living. The first phase of opposition came in early 1917 when Weinstock was maneuvering to pass his amended version of the market law. Although they were unsuccessful in stopping the passage of the revised law, the opposition worked for three years to remove Weinstock from office and return the market agency to its original intent. State commission markets were never implemented in California, but public pressure seems to have forced Weinstock out in early 1920.

Weinstock's bill passed in 1917 because he had significant support from farmers' organizations and leading state politicians. Undoubtedly, support also came from Governor Hiram Johnson's office. The two had met closely before Weinstock's appointment in 1915 in order for Weinstock to report his recommendations on what to do with the State Commission Market Act. Weinstock later detailed that in those conversations they both expressed doubt regarding “carrying out the provisions

⁵¹ Sapiro, *Your American Farmer*, 14.

⁵² *Los Angeles Times*, 14 January 1917.

of the act literally.” They sought the growth of the cooperative movement as the only “remedy” to the market crisis.⁵³ And as noted above, cooperation was a remedy Weinstock had “in mind for years.”⁵⁴ Governor Johnson could not have been unaware that Weinstock would use his office to organize cooperatives and would not implement the central provision of the bill.

Support also came from a majority of farmers’ organizations. Weinstock had included a provision in his revised bill that would have allowed him to establish municipal markets should he see fit. Interestingly, the clause was removed by the state House Agricultural Committee apparently under pressure from the Farmers Protective League (FPL) and other agricultural and cooperative interest groups. The league was a lobby group that opposed commission markets on the grounds that they restricted market freedoms and co-op control to sell their products as they saw fit. The president of the FPL, Mr. F. B. McKeivitt, explained that the league “could not stand for this bill as it was first written, although we feared that farmers were not in full sympathy with us.”⁵⁵ His comment reveals an interesting division within the farm constituency. Farm leadership, dominated by large growers and cooperatives, favored legislation that strictly focused on supporting the cooperative movement without a hint of state control of prices or markets, but the everyday farmers that the FPL nominally represented “were not in full sympathy” with the league’s agenda. Whether the farmers’ ambivalence was a result of opposition to state facilitated cooperatives or support for the municipal market clause is unclear. What is clear is that there was at least some division within their ranks; the business-dominated Sacramento lobby supported revising Weinstock’s bill while regular farmers seemed apprehensive.

One small farmer was strongly opposed to the cooperative program of the agricultural progressives. John P. Irish, an onion farmer from Watsonville, followed the implementation of the Commission Market in its first year and the plans to organize market cooperatives. He wrote numerous letters to the *Pacific Rural Press* and other outlets condemning the progressive’s cooperative system. The crux of his opposition was that, as proposed, cooperative schemes would disempower farmers and leave their fate in the hands of “political machines.” Irish wrote:

The proposition of Mr. Weinstock, [that] the farm products shall be officially handled, sorted, shipped, stored and sold is one that also

⁵³ *Market Director Report*, 7.

⁵⁴ Weinstock, “Address to 48th Fruit Growers Convention,” 93 n. 226.

⁵⁵ *Napa Journal*, 28 March 1917.

treats the farmer as a poor dependent creature incapable of attending to his own business. It has been shown that producers are entirely capable of cooperation, shipping, routing and selling and all classes of rural producers should be encouraged to follow this example rather than to use Abraham's bosom for a pillow and let the most important part of their business be attended to by any one of many political machines.⁵⁶

However one interprets Irish's "political machines," it is clear that he mistrusted the progressive view of farmers and the limited role farmers were permitted in the progressive cooperative program. A key element of this mistrust was the progressives' restriction of democratic participation and popular control of marketing and distribution. It is entirely possible that many small farmers shared this view. Covered in the agricultural press, reports of nightriders and terror campaigns by the CARC were undoubtedly disseminated in rural communities.⁵⁷ If this was the type of cooperation advocated by the agricultural progressives, it is no wonder that small farmers were apprehensive.

After Weinstock's bill passed in 1917, opposition groups began organizing a two-pronged attack on the Market Commission. First, urban groups started lobbying municipal governments to create local produce markets. In Los Angeles, Berkeley, Oakland, and San Francisco, housewives' leagues, women's city clubs, and urban consumers' leagues sprang up to implement what the original bill promised. They also created a public relations campaign and lobbied in Sacramento to oust Weinstock, while most major metropolitan papers slammed his tenure. He was characterized as an "autocrat in agriculture," a "failure," and "arrogant"; the *San Pedro Pilot* said Weinstock should be "muzzled." In Oakland, the *Tribune* editorialized, "every commodity the market commission has had anything to do with has increased in price. The success with which Colonel Weinstock has organized the producers and dealers against the consumer has been amazing."⁵⁸ Senator Brown again spearheaded the political movement against the market director, accusing Weinstock of creating "food trusts of the worst kinds."⁵⁹ Brown tried to hit Weinstock where it hurt most. In 1919, he organized a forum of dairymen and Modesto farmers who complained about Weinstock and spoke to their experience with failed cooperatives.⁶⁰

⁵⁶ *San Francisco Bulletin*, 2 February 1916.

⁵⁷ Woeste, 134.

⁵⁸ *San Francisco Chronicle*, 24 February 1917; *San Francisco Examiner*, 11 April 1917; *San Pedro Pilot*, 3 April 1919; *Oakland Tribune*, 24 January 1919.

⁵⁹ *Los Angeles Times*, 4 January 1917.

⁶⁰ *San Francisco Bulletin*, 13 March 1919.

Most damaging to the director, in December 1919, the Federal Trade Commission began hearings on the crown jewel of the cooperative movement, the California Associated Raisin Company. Following the end of wartime price controls, the CARC tried to double the price of raisins on the wholesale market, and by November, government lawyers were presenting their investigation. In the words of an FTC lawyer, the CARC sought to create an “air tight monopoly on the production of raisins and the marketing of the same.”⁶¹ Worse still, Weinstock flew to Washington to testify for the co-op’s defense. He argued that global markets, not manipulation, drove the cost of raisins up. His solution—strengthen the monopolistic control of selling by the cooperatives.⁶² In the political climate that had developed in 1919, with opposition to the director at a near constant roar, Weinstock’s voluntary defense of the “raisin trust” was political suicide.

When Weinstock returned from Washington, he contracted a bad case of bronchitis and was bedridden for three weeks. After recovering, he resigned from the State Market Commission on January 15, 1920. He was replaced by Gilbert Daniels, a bureaucrat from the Department of Motor Vehicles, who promised to protect consumers during his tenure. In fact, in his term as director of the commission, Daniels did little of anything, much to the relief of all concerned.⁶³ Aaron Sapiro continued to travel the country, writing pamphlets and guides to cooperative organizing throughout the 1920s. Only at the end of the decade, with the bankruptcy of several prominent cooperatives, including Sun-Maid Raisins (formerly the California Associated Raisin Company), did Sapiro’s star begin to fade.

Conclusion

The ideological justification for cooperative organization was distinctly progressive. It held that rationalization of the agricultural market system through “voluntary” business organization managed by experts could help small farmers and the rural community in general. It combined elements of business and economic theory with a desire for social betterment and harmony. A key component was a managerial class interest, distinct from workers or capitalists, and most importantly farmers. The progressive cooperative plan represented a sort of “expert”

⁶¹ Federal Trade Commission, *Investigation of the California Associated Raisin Company: Hearing before the Federal Trade Commission*, 20 November 1919.

⁶² *Fresno Republican*, 3 December 1919.

⁶³ *San Francisco Call*, 16 December 1919; *Pasadena Star News*, 15 January 1920; *San Francisco Chronicle*, 13 March 1920.

class interest. Their elaborate system, however, ultimately failed. For whatever reason, it could not justify outright control of production although, for years, overproduction had been the Achilles' heel of the agricultural industry.⁶⁴ The agricultural progressives then were trying to tame the lion from the tail end. Focusing on marketing solutions to address production problems left the system builders scrambling to keep pace with perpetually changing market conditions, and struggling to muster the monopolistic marketing control it would take to make their system work. Once the state became involved in agricultural markets through the State Commission Market Act, and later the State Market Commission Act, progressives recognized they could wield a powerful tool to help implement their system. But even with state power, their plans for cooperative-based social harmony floundered. Society, and the marketplace, just seemed too complicated.

As Victoria Saker Woeste has argued, cooperatives and progressive agricultural policies in general are much overlooked, but are significant elements of the Progressive legacy. However, unlike much of the historiography regarding the State Market Commission, progressive agricultural policies were neither enormous successes derived from the heads of "geniuses"—like Athena from the head of Zeus—nor were they essentially business-driven programs to further agribusiness interests at the expense of everyone else. Agricultural progressives put forward a cooperative program that would further their "expert" class interests, although they seemed incapable of recognizing that their "system building" projects represented a distinct class. Instead, their ideological justification for their programs created an almost utopian vision of social harmony and interclass solidarity through the successful functioning of their managed system. With regard to cooperative agricultural policy, at the base of those systems were the farmers themselves, mostly excluded from meaningful participation in the structure that was being erected for their benefit. Once that structure began to come crashing down following World War I, few options were left for farmers. The 1920s was a decade of severe depression for farmers. As cooperatives collapsed, farmers were left with few options to keep their hopes and family businesses alive. It would take the redistributive efforts of the New Deal to implement policies that directly addressed the production issues that had been central to the crisis of agricultural markets for decades.

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⁶⁴ Woeste, 188–189.