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A New Deal for Wine

Kathryn S. Olmsted and Eric Rauchway

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In 1932, U.S. government inspectors certified as useless the holdings of the Napa Valley winery Chateau Montelena. In the cellar of the structure built to resemble the great Bordeaux house Chateau Lafite, a barrel holding a pre-Prohibition vintage fell prey to worms that ate their way through the staves, spilling the once-prized wine onto the floor, where it pooled and filled the storeroom with the odor of decay. Upon examination, men from the U.S. Treasury determined the liquid unfit for human consumption; possibly too rancid even to make into vinegar.¹ Although Prohibition had not ended wine-drinking in the United States—grape-growers continued to sell fruit to home vintners hoping to make something like wine, and a few commercial wine-makers continued supplying sacramental wine to religious establishments—the great experiment in temperance scuttled the ambitions of vintners like Chateau Montelena, who wanted to make wines fit for a connoisseur's palate, rivaling the greatest products of the Old World.

Yet just over forty years after worms spoiled Chateau Montelena's stock, a 1973 Chateau Montelena chardonnay won the international blind tasting test popularly known as the Judgment of Paris, proving—along with the other California winners—that the state's wines now ranked among the best in the world. After that 1976 tasting in Paris, and the media coverage that ensued, California wines competed with the top

¹Leonard Rhodes to Supervisor, Bureau of Industrial Alcohol, June 9, 1932, folder “Chapin F. Tubbs,” box 67, BATF Papers, UC Davis; “Inspection Report” (August 31, 1931), folder “Chapin F. Tubbs,” box 67, BATF Papers, UC Davis; “Assets: Inspector’s Report on Application” (March 5, 1924), folder “Chapin F. Tubbs,” box 67, BATF Papers, UC Davis. These notes use these abbreviations: BATF—Collection of United States Bureau of Alcohol, Tobacco, and Firearms Records On California Wineries, collection number D-140, Archives and Special Collections of the University of California, Davis; FDRL—Franklin D. Roosevelt Presidential Library and Museum, Hyde Park, New York; OF—The President's Official File.

Italian and French vintages. What once had been undrinkable was now, and for the foreseeable future would remain, highly desired.²

That swift rise of California wine got under way owing considerably to the actions of the state—policies of both the United States and California, often written in cooperation with, or at the request of, winemakers. The state destroyed winemakers' ambitions during Prohibition, and after repeal it was to the state that California's vintners turned, seeking aid from the New Deal of the 1930s, pursuing government intervention to stabilize prices, ensure quality, provide loans and grants, and build infrastructure. The New Deal for wine included policies much like those that characterized the New Deal generally, and it received the same welcome in wine country as the New Deal did nationwide—while also, like the national New Deal, benefiting some constituencies more than others. Wine had a unique place in the New Deal, at the intersection of domestic and international, agricultural and industrial, and even serving as a component of the administration's conception of a better life for Americans putting both Prohibition and Depression behind them. The recovery of the wine industry followed a similar pattern to that of overall economic recovery under the New Deal. Americans' legal consumption of wine increased rapidly after 1933, exceeding its pre-Prohibition level by the end of Roosevelt's first term, and continuing apace—with an interruption for the 1937-38 recession—up to the war, making possible the still more successful decades that followed.³

²George M. Taber, *Judgment of Paris: California vs. France and the Historic 1976 Paris Tasting that Revolutionized Wine* (New York: Scribner, 2005).

³See e.g. Kym Anderson and Vicente Pinilla (with the assistance of A.J. Holmes), "Annual Database of Global Wine Markets, 1835–2019," revised and updated August 2021, <https://economics.adelaide.edu.au/wine-economics/databases>. Here, U.S. consumption of all wine per capita was 1.4 liters in 1918, a level reached again in 1935; the peak pre-prohibition consumption was 2.2 liters per capita in 1914, a level reached again in 1939. These data, widely used in the field of wine economics, differ hardly at all from those compiled by the Wine Institute, which we use in the figure because they also show table wines separately. For the New Deal and postwar economic growth, see e.g. Alexander J. Field, *A Great Leap Forward: 1930s Depression and U.S. Economic Growth* (New Haven: Yale University Press, 2011), 40 and 72. On New Deal agricultural policies and recovery, see Joshua K. Hausman, Paul W. Rhode, and Johannes F. Wieland, "Recovery from the Great Depression: The Farm Channel in Spring 1933," *The American Economic Review* 109, no. 2 (2019): 427–72.

Scholars currently claim the state contributed to the success of the California wine industry by getting out of entrepreneurs' way; such federal involvement as remained after repeal only impeded progress. As one standard history has it, the Roosevelt administration “engaged in controlling the wine industry . . . largely in a nay-saying way,” and “had no interest in” the wine industry, “except as it might be made to pay taxes.”⁴ The historiography of U.S. winemaking focuses principally on individual wine- or taste-makers; even when considering the role of the state, it generally takes little notice of New Deal efforts beyond taxation.⁵

In this article we demonstrate instead that by regulating, promoting, and protecting the wine industry, the federal government provided a framework for California wine-makers to succeed and frequently did so at their request and with their cooperation. The state of California, like other states, implemented related policies. Vintners wanted what one lobbyist called a “new deal for wine consumers”—which entailed also a new deal for wine producers.⁶ Some New Deal policies, including taxation, tariffs, public

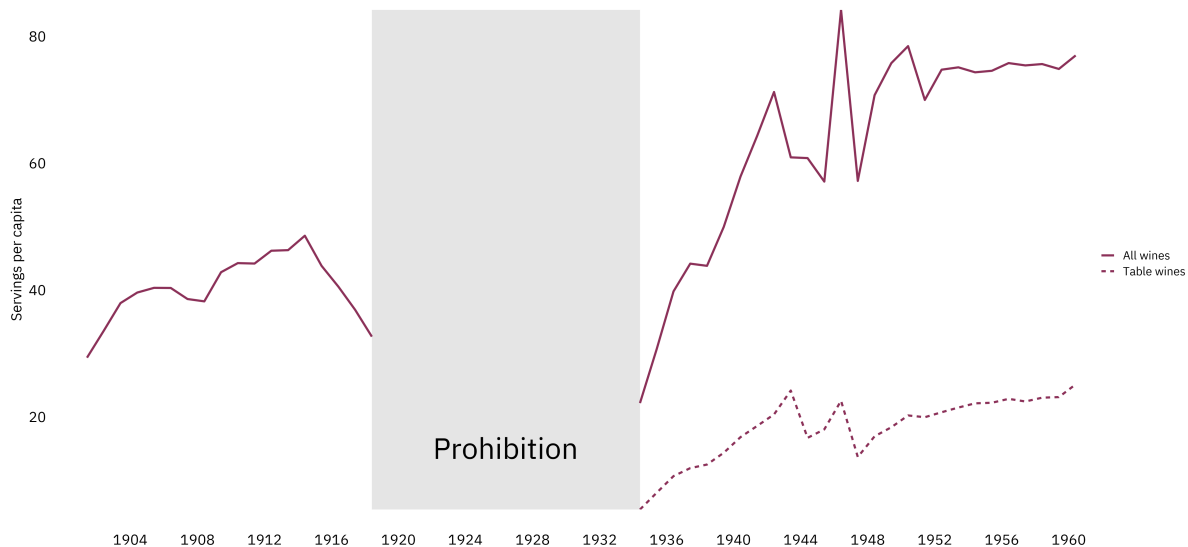
⁴Thomas Pinney, *A History of Wine in America: From Prohibition to the Present* (Berkeley: University of California Press, 2005); Tyler Colman, *Wine Politics: How Governments, Environmentalists, Mobsters, and Critics Influence the Wines We Drink* (Berkeley: University of California Press, 2008). This interpretation of the US government's role in the wine industry is a subspecies of a more general interpretation regarding the Roosevelt administration as harmful to U.S. business during both the Depression and the war, an interpretation repeatedly debunked by sound scholarship. On the role of the U.S. government in promoting economic recovery in the 1930s see e.g. Gauti B. Eggertsson, “Great Expectations and the End of the Depression,” *American Economic Review* 98, no. 4 (September 2008): 1476–1516.

⁵Exceptions can be found; see e.g. Ralph Burton Hutchinson, “The California Wine Industry” (PhD dissertation in economics, University of California Los Angeles, 1969), 198 or Jessie Schilling Blout, “A Brief Economic History of the California Wine-Growing Industry” (Bureau of Markets, California State Department of Agriculture, 1943), 17–18; compare Colman, 35. Scholarship on the nineteenth century places greater emphasis on the public sector; see e.g. Susana Iranzo, Alan L. Olmstead, and Paul Rhode, “Historical Perspectives on Exotic Pests and Diseases in California” in *Exotic Pests and Diseases: Biology and Economics for Biosecurity*, ed. Daniel A. Sumner (Ames: Iowa State Press, 2003), 55–67. For recent literature on makers of wines and tastes, see in addition to works cited above Thomas Pinney, *The Makers of American Wine: A Record of Two Hundred Years* (Berkeley: University of California Press, 2012); Elin McCoy, *The Emperor of Wine: The Rise of Robert M. Parker, Jr., and the Reign of American Taste* (New York: HarperCollins, 2005); Ellen Hawkes, *Blood and Wine: The Unauthorized Story of the Gallo Wine Empire* (New York: Simon & Schuster, 1993); James T. Lapsley, *Bottled Poetry: Napa Winemaking from Prohibition to the Modern Era* (Berkeley: University of California Press, 1996). Scholars have engaged more closely with the efforts of the state of California through its viticultural and enological experts, as in the case of James Lapsley and Daniel Sumner, “‘We Are Both Hosts’: Napa Valley, UC Davis, and the Search for Quality,” *Public Universities and Regional Growth: Insights from the University of California*, ed. Martin Kenney and David C. Mowery (Stanford: Stanford University Press, 2014), 180–209.

⁶H.A. Caddow, “Advertising California Wines,” *Wines and Vines*, November 1938, 3.

works, scientific research, and image promotion, helped many different groups within the wine industry: workers and employers, small producers and major corporate wineries alike. On the other hand, some policies helped bigger companies at the expense of smaller ones, or business owners and industrial laborers at the expense of farm workers. The New Deal for wine provides a useful case study in how the Roosevelt administration balanced priorities—industry against agriculture, domestic against foreign policy, recovery against reform—in charting a path out of the Depression. Overall, although New Deal policies did not benefit all stakeholders equally, they did contribute to economic recovery for an industry suffering from both Prohibition and Depression, and established a basis for still more improvement later. With repeal in 1933, the long-shackled Bacchus of California winemaking was unbound: but it took public assistance to get him up on his feet.

U.S. Consumption of Wine, 1901–1960



Data for all wines from Kym Anderson and Vicente Pinilla (with the assistance of A.J. Holmes), "Annual Database of Global Wine Markets, 1835–2019," August 2021; data for table wines from the Wine Institute, which does not keep pre-Prohibition statistics. Servings defined as 1.5 ounces. "All wines" includes dessert wines, vermouth, sparkling, and table wines; "table wines" refers to still wines not exceeding 14% alcohol by volume. Figures reflect only the recorded, i.e., legal, market.

Repeal

Most Americans greeted Franklin Roosevelt's victory in the presidential election of 1932 with hope, but no business group had greater expectations of the nascent New Deal than the alcoholic beverage industry. The Democratic Party platform of 1932 promised the unqualified repeal of Prohibition. Because it would take months for three-quarters of the states to ratify a constitutional amendment, the platform also proposed immediate modification of the Volstead Act—the federal law enabling enforcement of Prohibition—to permit production and sale of lightly alcoholic drinks. Roosevelt campaigned on this pledge as part of the New Deal; repeal, his campaign flyers told voters, would “give back jobs to thousands.” The Democrats swept the elections, and the new Congress sent the twenty-first amendment to the states at the end of February. Nothing further could be done so long as the dry Herbert Hoover remained in the White House, but once the new president took office in March, while the nation's drinkers awaited ratification of repeal, Congress revised the law to permit the sale of beer at 3.2 percent alcohol by volume.⁷

Alcohol manufacturers praised the new president and his program. According to one survey of industry leaders, the spirits, wine, and beer makers felt grateful to the Democrats and shared “a sense of obligation toward this political party and this administration who put them back in business.”⁸ One hopeful winemaker, Sophus Federspiel, president of the Grape Growers League of California, told his colleagues: “No industry should respond more readily to [Roosevelt's] appeal for cooperation in reemployment, increased wages, and restoration of national prosperity. . . . Grape

⁷The administration also legalized the sale of wine at 3.2 percent, but it is difficult if not impossible to make a beverage plausibly resembling wine with that limitation. “Cullen–Harrison Act,” 48 Stat. 16 § (1933); also Eric Rauchway, *Winter War: Hoover, Roosevelt, and the First Clash over the New Deal* (New York: Basic Books, 2018), 144–45 and 154–55; Roosevelt personally intervened to ensure repeal would pass without qualification.

⁸Report to the Secretary of the Treasury of Findings of Fact and Law of the Inter-Departmental Committee Studying the Taxation and Control of Alcoholic Beverages” (October 27, 1933), 51, OF 761, “Liquor—Mar—Oct 1933”.

growers and wine makers alike are already getting the benefits of the New Deal and bright days are ahead.”⁹

Anticipation provided the first vital spur to recovery, inspiring new applicants for wine-making permits to join the wineries that had clung to business during Prohibition by making still-legal sacramental or medicinal wine and industrial alcohol. By the time Utah provided the last vote needed to rescind the eighteenth amendment on December 5, 1933, California held 380 bonded wineries—more than twice as many as had been operating at Roosevelt's inauguration.¹⁰ These California wineries constituted the vast majority of American wine producers. The Golden State made about 85 percent of the wine produced in the United States and grew 90 percent of the grapes.¹¹ The industry was central to the state's economy: about one in 25 Californians depended directly or indirectly on wines and grapes for a living.¹²

Yet most winemakers would not shift easily to the new era of alcohol control. For a start, Americans did not prefer wine over other intoxicating beverages, even when they could legally drink it. Before Prohibition, on a volume basis, beer represented approximately 90 percent of alcoholic beverages consumed from 1900 until Prohibition began; spirits accounted for 7 percent and wine trailed them both at 3 percent.¹³

Prohibition shaped the wine market in two ways that posed challenges to commercial winemakers following repeal. First, a loophole in the Volstead Act permitted Americans to make up to 200 gallons of wine for personal consumption. In consequence, a substantial market in home enology sprang up during Prohibition. Second, at the same time, Americans' tastes shifted decisively toward sweeter, higher-alcohol wines; under the ban on booze, drinkers sought bang for buck in their illicit intoxicants, not a

⁹“Wine Growers Hold Meet; Make Plans for Adoption of NRA Code,” *Napa Journal*, September 7, 1933.

¹⁰Ruth Teiser and Catherine Harroun, “The Volstead Act, Rebirth, and Boom,” in *The University of California/Sotheby Book of California Wine* (Berkeley: University of California Press/Sotheby Publications, 1984), 52, 68.

¹¹H.F. Stoll, “The Vintage Season,” *Wines and Vines*, September 1936, 3.

¹²Frederick J. Koster, “Problems of the Wine Industry,” *Wines and Vines*, January 1936, 12.

¹³“Report to the Secretary of the Treasury of Findings of Fact and Law of the Inter-Departmental Committee Studying the Taxation and Control of Alcoholic Beverages,” 7–8.

tasteful complement to their main course. As one wine industry executive explained, “My generation was the Prohibition era, so all we drank was bootleg whiskey and bathtub gin and things of this nature. That's what took so long, to educate *our* generation to the use of wines, because our generation had completely escaped that.”¹⁴ After repeal, commercial winemakers hoped to reverse both trends, luring home winemakers back into the commercial market and persuading wine drinkers to return to commercially made dry table wines (which, tellingly, they had come to refer to as “sour”). The New Deal helped with both: the commercial market for wine expanded rapidly during Roosevelt's first two terms, and table wines constituted an increasing share of that market (see figure 1).¹⁵

On the production side, as the mass of Americans forgot how to drink quality wine, the mass of vintners neglected the craft of making it. Many of the nation's best enologists left the business or the country during Prohibition. Some, like those at Chateau Montelena, let their equipment deteriorate; others uprooted their vines and replanted their fields with grapes that would produce the hardy, sweet wines preferred by America's new generation of home winemakers. U.S. vintners stopped tracking European technological or scientific innovations in viticulture and enology: there was no profit in improving the product. The 1930s saw the beginning of substantial public investment in the science of winemaking.¹⁶

Beyond the challenges of re-training American palates and relearning enological skills, post-repeal winemakers faced the diverse regulatory and tax environments that

¹⁴Jefferson E. Peyser, “Oral History” (n.d.), 7, California Wine Industry Oral History Project, Bancroft Library, UC Berkeley. Emphasis in original.

¹⁵Teiser and Harroun, “Volstead Act,” 51. The shift to sweet wines had begun before the adoption of the eighteenth amendment, in the late nineteenth century: Alan L. Olmstead and Paul W. Rhode, “Quantitative Indices on the Early Growth of the California Wine Industry” (Robert Mondavi Institute Center for Wine Economics Working Paper 0901, May 8, 2009); also S. W. Shear and Gerald G. Pearce, “Supply and Price Trends in the California Wine-Grape Industry” (Giannini Foundation Mimeograph Report 34, June 1934). The New Deal years saw a shift back, as table wine increased from about 24% of U.S. wine consumption at repeal to about 29% at the end of Roosevelt's second term (see figure and associated sources). Per capita consumption of dry table wines would amount to about a third of all wines in 1960.

¹⁶Lapsley, *Bottled Poetry*, 4, 39–40.

sprang up after Prohibition. Some states remained dry after repeal. Interstate transporters of alcohol had to skirt their borders, and commercial airlines stopped serving when flying over dry territory. States that did allow alcohol sales followed different models. Some imposed a publicly owned monopoly on the alcohol trade, allowing only state-run retailers to sell intoxicating beverages; others established a licensing regime with regulations and taxes for private vendors. Each state made its own decisions respecting the time, place, and manner of alcohol sales. California winemakers thus faced a series of challenges as the age of alcohol control dawned—and they looked to Washington, DC, and to Sacramento for help.

Regulation

Winemakers wanted government first and foremost to regulate, however counterintuitive it may seem. Most established vintners wanted government officials to police their industry and expel tax cheats, adulterators, and fraudsters. They hoped federal and state governments could thus help reestablish public trust in the health and safety of their product.

The National Recovery Administration, or NRA, set up by the National Industrial Recovery Act (NIRA) of June, 1933, set up the first rules for the reborn wine industry. The NRA established government-sponsored, industry-wide cartels that brought regulators, management, and—at least in theory—labor and consumers together to draft codes determining basic conditions of manufacture and sale, aiming to restore prices and wages to levels that would maximize employment.¹⁷ Alcoholic beverages came under the Federal Alcohol Control Administration (FACA), established by executive order a day before nationwide repeal, December 4, 1933, to oversee implementation of

¹⁷On the NRA generally see Meg Jacobs, *Pocketbook Politics: Economic Citizenship in Twentieth-Century America* (Princeton: Princeton University Press, 2005).

these codes for the alcoholic beverage industry.¹⁸ The code for the wine industry followed shortly afterward, upon application by the Wine Producers Association, and was approved by the president on December 27, 1933. Drafted in haste, the code included no labor provisions beyond the bare minimum required by law—the NIRA mandated recognition of workers' right to organize and bargain collectively. Provisions for maximum working hours or days would come later. The initial code reflected industry priorities: a rigorous division of makers from sellers, regulation of prices, and a ban on false or misleading advertisement, or branding of wine to mislead the purchaser as to its identity and quality. The federal government would issue permits to make wine and inspect facilities to determine their compliance with standards of safety, quality, and hygiene—as it did those at Chateau Montelena.¹⁹

Far from objecting to these new standards, the alcoholic beverage industry urged them on the Roosevelt administration. As the chief of the federal Beverages Code Section wrote, industry leaders wanted Washington to “hold in check any irresponsible or too-aggressive member or members who might otherwise seriously and permanently hurt their industry by rushing madly into intense competitive methods to get distribution and sales, regardless of the public welfare or the good of their own industry.”²⁰ These producers did not want a free marketplace; they wanted stability, imposed by the federal government.

The California vintners' trade association, the Wine Institute, organized in 1934, frequently expressed its members' appreciation for the New Deal's role in stabilizing and standardizing their industry. In December 1934, Harry Caddow, secretary of the Wine Institute, reported to readers of the California Chamber of Commerce journal that the

¹⁸“The Establishment of the Federal Alcohol Control Administration, Executive Order No. 6474,” in *The Public Papers and Addresses of Franklin D. Roosevelt*, vol. 2, *The Year of Crisis* (New York: Random House, 1938), 508–9.

¹⁹U.S. Department of Agriculture, Agricultural Adjustment Administration, “Code of Fair Competition for the Wine Industry,” Code of Fair Competition Series (Washington, D.C.: Government Printing Office, December 27, 1933).

²⁰Harris Willingham, “Personal and Confidential,” September 15, 1933, 2, OF 761, “Liquor—Mar—Oct 1933”, FDRL.

FACA administrator had “surrounded himself with able official personnel,” and understood from the start “the necessity of minimizing the amount of governmental red tape in dealing with wine.” Caddow further noted, “it is everywhere evident that the chaos in which the hastily revived wine industry found itself immediately following repeal has already been transformed to a large extent into a condition of order and understanding. . . . The entire wine industry is grateful to President Franklin D. Roosevelt . . . for the opportunities for advancement which have been afforded by the assistance of the Government.”²¹ Two years later, Caddow maintained that FACA and the code of fair competition had saved the industry money and time. “The wine industry owes much of its advancement during the past year to this governmental cooperation,” he wrote.²²

FACA, along with the rest of the NRA, ended abruptly in May 1935 when the Supreme Court declared the program unconstitutional. The Roosevelt administration quickly set up a successor agency for the alcohol industry, the Federal Alcohol Administration (FAA), within the Treasury Department. Like its predecessor, the new agency required alcohol manufacturers to obtain permits and refrain from unfair trade practices. Starting in 1936, the FAA also regulated the wine industry's labeling and, particularly, the names it used to describe its wines. Place names had value: wine from a recognized viticultural area fetched a higher price. As the Wine Institute's Caddow noted, some winemakers disliked the new labeling requirements, which they found burdensome—that is, they found it inconvenient or less profitable to give a truer description of their wine's place of origin. But the industry generally welcomed the government's step toward creating “a permanent system of nomenclature and a permanent standardization as to identity and quality.”²³

Moreover, rather than impose these names on districts, the FAA solicited local growers' assistance in drawing viticultural boundaries. Writing to John Columbero of the

²¹Harry A. Caddow, “Code of Fair Competition and What It Means to the Wine Industry,” *California Journal of Development* 24 (December 1934): 18, 51.

²²Harry Caddow, “Permanent Wine Labeling Regulations,” *Wines and Vines*, February 1936, 23.

²³Caddow, “Code of Fair Competition,” 18.

Etiwanda Grape Products company—makers of Fountain of Youth wines—an FAA official requested “a statement of your opinion of the boundaries of the ‘Cucamonga District,’ describing such boundaries by rivers, mountain ranges, railways, highways or other easily identified features of topography, or preferably, by submitting a map.” Columbero responded with a map, noting “Cucamonga wine has established a very good name on the market and at present demands a premium.” The FAA officials were meanwhile, like the growers, much more relaxed about protecting the integrity of French wine names: FAA expressly allowed Columbero to call his wines “burgundy,” or “claret,” so long as “you will bring out the word ‘California’ in a more conspicuous color so as to be substantially as conspicuous and emphatic as the geographical wine names you have employed.” In defining American viticultural areas, while less conscientiously respecting French viticultural areas, the FAA sought to please California winemakers.²⁴

In much of the New Deal, implementation of novel programs to revitalize and modernize U.S. industry fell to state governments, and the New Deal for wine was no exception. The state of California responded even more eagerly than Washington to the wine industry's desire for more government regulation. The state department of public health worked with the Wine Institute to establish quality standards for wine made in the state, and to prosecute violators of those standards.²⁵ Once again, the Wine Institute was thrilled with government intervention. “These regulations,” the Institute declared, “will work no hardship on any bona-fide producer who has been making sound, wholesome California or American wines, but it will make it more uncomfortable for those who have been imposing on the public since repeal.”²⁶ Hugh Adams, the vice president and general sales manager of Fruit Industries, one of the largest wine producers, called

²⁴W.W. Barron to John B. Columbero, July 5, 1939, folder “FAA W-157,” box 81, BATF Papers, UC Davis; John B. Columbero and W.W. Barron, August 5, 1939, folder “FAA W-157,” box 81, BATF Papers, UC Davis; R.W. Janney to Etiwanda Grape Products, November 18, 1936, folder “FAA W-157,” box 81, BATF Papers, UC Davis.

²⁵Milton P. Duffy (chief, Bureau of Food and Drug Inspection, State Department of Public Health), “Enforcing Standards of Wine Purity,” *Wines and Vines*, July 1935, 20.

²⁶“The New Regulations,” *Wines and Vines*, May 1935, 18.

the new rules “the outstanding accomplishment of the united wine industry” and took partial credit for their passage. “Our company,” he said, “has, by intensive educational campaign among the *better class of national dealers*, been able to prove definitely that the traffic of wines of good standard is the only sure method of conducting a profitable wine business.”²⁷ According to this wine manufacturer, the “better class of national leaders” fought for more government regulation, not less. The largest wineries particularly embraced regulation because, often, they helped write it. The Institute's counsel, Jefferson Peyser, boasted that the wine industry initiated nine out of ten laws regulating its product.²⁸

In 1938 the Wine Institute won a two-year fight to make the California regulations, which they had helped author, into a nationwide code. California winemakers worried that out-of-state vintners marketed substandard, adulterated beverages as “California wine,” and sought federal protection of their brand. New federal regulations of 1938 effectively required that any product sold as “California wine” in the United States would have to conform to the state's rigorous public health standards.²⁹

The Wine Institute pressed for and welcomed these rules because they benefited its members. The Institute lobbied on behalf of big growers and producers who wanted to create a stable, predictable, profitable market. They understood that government standardization of processes and ingredients could help them do it. Consequently, individual large-scale manufacturers echoed the Institute's praise for government regulation. J.B. Cella, the president of Roma Wine (which was, as its advertisements said, “America's Largest Winery”) told one official in 1939 that the entire industry knew that federal regulators “have been extremely cooperative with us in our steps forward and we appreciate that help.” Cella concluded that “it goes without saying” that the regulators

²⁷Harry Cadow, “Quality Enforcement Extended into the Winery,” *Wines and Vines*, August 1935, 12. Emphasis added.

²⁸Peyser, “Oral History,” 13.

²⁹“Title 27, Section 4.25,” in *1938 Supplement to the Code of Federal Regulations of the United States of America* (Washington, D.C.: Government Printing Office, 1940), 1090; Harry Cadow, “FAA Regulations and Amendments,” *Wines and Vines*, September 1938, 3.

“have been credited in the eyes of the industry.”³⁰

Some smaller-scale producers, many of them poorer, took a different view; they often could not afford to meet the new government requirements for better equipment and superior hygiene, or hire experts to help them understand the system. John and Costanzo Chiesa of Gilroy, for example, applied in 1934 for a license to make wine from the grapes of their 40-acre vineyard, but could not understand all the regulations because, they wrote, of their “not being able to read the English language intelligently.” Their winery closed in 1937.³¹ Eligio Piccioni of Montecito, a former small-time bootlegger, applied for a permit to make wine legally from his ten-acre vineyard, but he did not have enough money to afford federally mandated equipment..³² “The winery and retail has [sic] been a continued loss to me,” he said in a letter asking regulators to help him terminate his permit. “Small producers cannot compete with the larger concerns.”³³

Still, not all immigrant winemakers working to a smaller scale found the system impossible to navigate. John Columbero, who would help define the Cucamonga district for the regulators, moved to the United States from Italy before the Great War, became a naturalized citizen in 1927, and applied to start a winery promptly upon repeal in 1933 on a hundred acres where he had been growing wine grapes through Prohibition for “the drug trade and sacramental purposes.” With borrowed money secured on the new crop, and few assets save his Ford truck, he built his own fermenting tanks, telling regulators, “It was a case of have to.” He established a reputation as a rule-abiding vintner with the FAA, and remained in business through the Second World War.³⁴

³⁰J.B. Cella to District Supervisor, May 17, 1939, folder “Santa Lucia Wineries, 2,” box 79, BATF Papers, UC Davis.

³¹“Abstract and Statement of Compromise Case” (August 7, 1936), folder “John Chiesa and Costanzo Chiesa,” box 87, BATF Papers, UC Davis; “Notification of Release of Bond” (December 27, 1937), folder “John Chiesa and Costanzo Chiesa,” box 87, BATF Papers, UC Davis.

³²George R. Grotewohl and J.H. Maloney, March 7, 1936, folder “Elegio Piccione,” [sic] box 40, BATF Papers, UC Davis.

³³Elegio Piccioni and J.H. Maloney, January 8, 1936, folder “Elegio Piccione,” [sic] box 40, BATF Papers, UC Davis.

³⁴“Report on Application (Treasury Form 80)” (August 25, 1933), folder “Etiwanda Grape Company,

The rules and regulations the winemakers helped to write served important purposes in legitimizing their recently illicit product—they prevented fraud and illegal sales, as well as tax evasion, and they established the industry as one on which consumers could now rely. They also posed less of an impediment to larger producers, who could more readily afford compliance. By the end of the 1930s, the United States did not yet have a national market in wine—as indeed it still does not, well into the twenty-first century. But these steps toward regulation, largely taken at the behest of industry, contributed considerably to the increased consumption of California wine around the country.³⁵

Labor

The largest wineries and grape growers also benefited from New Deal labor policies, which helped contain the grievances of industrial workers while permitting vintners to break farm-worker unions, sometimes with violence. As in the rest of the nation, New Deal labor law encouraged the unionization of factory and warehouse workers in the wine industry while excluding from its protection the grape pickers who most needed its assistance.

The NIRA, and after 1935 the National Labor Relations Act (or Wagner Act), protected the rights of industrial workers to form unions, bargain collectively, and earn a minimum wage. These new federal protections for labor led to a surge of unionization and labor action throughout the country, including in 1934 a dockworkers' strike in San Francisco that turned into a general strike.³⁶

Some workers in the wineries, defined as industrial workers and thus protected by these New Deal labor laws, organized successfully. In the northern San Joaquin Val-

Basic File,” box 81, BATF Papers, UC Davis.

³⁵Hutchinson, 198.

³⁶Kathryn S. Olmsted, *Right out of California: The 1930s and the Big Business Roots of Modern Conservatism* (New York: The New Press, 2015), 165.

ley, many laborers at the biggest wine companies joined the International Longshore and Warehouse Union, which employers despised for leading the San Francisco general strike. The ILWU and its leader, the Australian immigrant (and Communist) Harry Bridges, terrified the wine growers. When other workers threatened to join Bridges's union, employers suddenly began encouraging unionization—so long as it happened under the auspices of the more conservative American Federation of Labor (AFL) instead of the ILWU or the Congress of Industrial Organizations (CIO), also active in the California fields at the time. The AFL subsequently organized several local affiliates of the Distillery, Rectifying and Wine Workers International Union of America, which after consolidating into one statewide local, negotiated contracts with the state's biggest wineries. By 1952, the AFL had succeeded in organizing workers at thirty of the sixty-nine wineries in the San Joaquin Valley, while the ILWU represented workers at just one, Petri. Together the two unions organized all the largest wineries, which collectively produced more than 88 percent of the valley's wine. Over the years, the unions won benefits and pay raises for their members.³⁷

Grape pickers also benefited from a New Deal program: the Farm Security Administration (FSA) of the New Deal built sixteen labor camps for migrant pickers in California, providing housing with flush toilets, showers, community centers, and health care. The camps dramatically improved the lives of the workers who could find places in them.³⁸ In *The Grapes of Wrath*, John Steinbeck portrayed the FSA camps as a sanctuary from the dehumanizing conditions of California fields. But the camps never received enough funding to house all who needed them.³⁹

Aside from the underfunded FSA camps, though, the New Deal did little to improve the lives of farm workers. Many California agricultural workers wanted to think, early on,

³⁷Stanley M. Bennett, "Collective Bargaining in the Wine Industry of the Central San Joaquin Valley, 1937–1953" (MA Thesis, Fresno State, 1953), 2–4, 10–18, 28.

³⁸Verónica Martínez-Matsuda, *Migrant Citizenship: Race, Rights, and Reform in the U.S. Farm Labor Camp Program*, (Philadelphia: University of Pennsylvania Press, 2020).

³⁹Carey McWilliams, *Factories in the Field: The Story of Migratory Farm Labor in California* (Berkeley: University of California Press, 1935), 303.

that the New Deal would protect their efforts at organization; one federal commission reported that pickers "have heard of the N.R.A., they believe that the Federal Government is going to protect them and improve their economic status, but they do not know that the N.R.A. does not apply to agricultural pursuits."⁴⁰ Hoping to trigger federal intervention, more than a thousand grape pickers went on strike up and down the San Joaquin Valley in 1933: in Fresno, Visalia, and Lodi—where hundreds of vigilantes attacked strikers with sticks and clubs while law enforcement officers routed the workers with tear gas and fire hoses.⁴¹ Neither federal nor state regulators intervened, because the new labor laws did not protect the pickers' right to organize. As with many other New Deal measures, including old-age pensions, unemployment insurance, and the minimum wage, farm workers found themselves excluded from the federal protections extended to industrial workers.⁴²

Market stabilization

As the National Industrial Recovery Act of 1933 sought to revive the manufacturing economy by stabilizing prices and wages, the Agricultural Adjustment Act of 1933 and its successor legislation aimed to solve similar problems for farm-owners. Its best-known instrument was an agreement among commodity producers to reduce their production in return for federal subsidies. The AAA also provided for marketing agreements, signed by associations of farmers, to set prices and trade practices for farm produce. Although the original draft of the AAA offered these agreements only to "basic" commodities—wheat, cotton, corn, hogs, rice, tobacco, and dairy products—the California Farm Bureau Federation successfully lobbied to extend the program to all agri-

⁴⁰United States Senate, Subcommittee of the Committee on Education and Labor, "Federal Imperial Valley Commission Report," in *Violations of Free Speech and Rights of Labor*, 76th Cong, 3d Sess., part 54 (Washington: Government Printing Office, 1941), 20041.

⁴¹Cletus E. Daniel, *Bitter Harvest, a History of California Farmworkers, 1870-1941* (Ithaca, N.Y.: Cornell University Press, 1981), 160–65.

⁴²See also Gareth Davies and Martha Derthick, "Race and Social Welfare Policy: The Social Security Act of 1935," *Political Science Quarterly* 112, no. 2 (Summer 1997), 217–235.

cultural goods. In consequence, within the first year of AAA operation, the wine-grape variety known as Tokay joined other California produce as a crop governed by a AAA marketing agreement.⁴³

The wine industry also persuaded the California and US governments to use other programs beyond the AAA to help grape growers cooperate to raise prices. Once again, as with labor and regulatory policies, the New Deal benefited some growers at the expense of others.

Grape prices began to fall to unprofitable levels in the middle 1930s, as growers harvested bumper crops of raisin grapes. Though quality winemakers did not use raisin or table grapes like Thompson seedless in their products, the largest Central Valley vintners did, and the low prices for raisin grapes affected all grape growers, bringing down the price of wine as well. The state offered a solution.⁴⁴ The California Prorate Act of 1938 permitted growers of agricultural commodities to vote on whether to create a marketing plan for their product; if 65 percent agreed, then all growers had to abide by the plan. The state's grape growers took advantage of the act immediately and voted to create a commission, which compelled all California grape growers to turn 45 percent of their crop into brandy. The goal was to keep grape produce in this easily stored form—casks of high-proof alcohol—until the price for grapes went up. In return for converting almost half their harvest, the grape growers received a state-mandated minimum price for the rest of their crop. The state established and enforced the program, while private banks and the federal Reconstruction Finance Corporation funded it. Large Central Valley grape growers benefited enormously from the program, but premium wine grape growers—who did not suffer from a surplus—hated the prorate plan, which had them wasting their subtly flavored produce on brandy production. This con-

⁴³J.W. Tapp and E.W. Braun, "Marketing Agreements under the Agricultural Adjustment Administration," *Journal of Farm Economics* 16, no. 1 (January 1934): 99, 107.

⁴⁴The New Deal produced an increase of state government power in many cases, owing to necessity—time was short and federal budgets too small to do everything New Dealers wanted. James T. Patterson, "The New Deal and the States," *American Historical Review* 73, no. 1 (October 1967): 70–84.

flict helped ensure the program ended after just a single year.⁴⁵

Winery owners then turned to another state law, the Marketing Act, which permitted farmers, under the direction of the state Department of Agriculture, to tax themselves to fund advertising and marketing campaigns for their products.⁴⁶ Many winemakers, including some leaders in the Wine Institute, wanted to participate. But the law limited the program to producers of agricultural commodities—that is, while grapes might be covered, the finished product of wine would not. Jefferson Peyser, the Wine Institute's counsel, successfully persuaded state officials that wine itself should be considered an agricultural product and that its producers were in fact “wine growers,” a term for which Peyser took credit despite ridicule from his peers. “You could have heard the laughter all the way to Los Angeles” from San Francisco, he said, when he first suggested it. Although the term long pre-dated the New Deal, Peyser and his colleagues gave it regulatory and marketing force. Not only did the term “wine grower” allow the industry to benefit from the Marketing Act, it also helped the owners of wine factories to sell an image of themselves as humble tillers of the soil.⁴⁷

As with the Prorate Act, some winery owners disliked the mandatory marketing tax and claimed that their business should not be covered by the Marketing Act. Disputing Peyser's preferred terminology, they insisted that wine could not be grown. The Wine Institute responded by successfully lobbying the state legislature to amend state law to define wine henceforth as an agricultural product. Under the authority of the Marketing Act, which now clearly applied to “wine growers,” the director of the state agriculture department appointed a Wine Advisory Board, which used marketing taxes to hire the J. Walter Thompson advertising agency to devise its publicity campaign. And for publicity, the board hired the longtime champion of “wine growers,” the Wine Institute.⁴⁸

⁴⁵Teiser and Harroun, “Volstead Act,” 77; Pinney, *History of Wine*, 110–12.

⁴⁶Caddow, “Advertising California Wines,” 3.

⁴⁷Peyser, “Oral History,” 11.

⁴⁸Pinney, *History of Wine*, 115; also Hutchinson, 205–212

Spending and lending

A variety of New Deal programs involved federal spending to employ Americans in the depths of the Depression on public works that improved the transportation and other infrastructure of the nation, and wine country benefited from these programs. Particularly, the construction and improvement of farm-to-market roads was a major part of New Deal public work, and these thoroughfares rendered the grape-growing and wine-making regions of California more accessible to their urban consumers. Major improvements included those made to US 99, then the “central arterial of the California State Highway System,” running the length of the Central Valley and with New Deal modifications that made it “safer, faster, and . . . shorter than the old road.” The state reported that the most improved highway led from Los Angeles into the Central Valley: “Prior to 1933, the motorist traveling from Castaic [in northwestern Los Angeles County] northerly to the floor of the San Joaquin Valley labored and fretted through 48 miles of narrow, tortuous mountain grades. . . . Today he travels only 38 miles between the same points, speedily and safely.”⁴⁹

Throughout the New Deal, the federal government promoted borrowing, or lent money itself, often specifically to benefit farm-owners. As A. Setrakian, president of the California Growers Wineries, noted in a speech of 1938, “We California grape growers feel very appreciative and most grateful for what our President and our Congress have done for us. . . . Through different Federal lending agencies we were enabled to secure funds to take care of our farms properly.” The Farm Credit Administration of 1933 promoted the refinancing of agricultural properties otherwise under threat of foreclosure, and without such aid, Setrakian said, “I don't know what would have become of our grape industry.”⁵⁰

Nor was federal assistance limited to emergency aid; the National Housing Act, as

⁴⁹*California Highways and Public Works, Centennial Edition* (Sacramento: California Division of Highways, 1950), 97–98, 104; also Field, 72.

⁵⁰A. Setrakian, “Future of the California Grape Grower,” *Wines and Vines*, July 1938, 7.

amended in 1935, created a class of loans insured by the Federal Housing Administration (FHA) and usable for modernizing any property not a single-family dwelling, including “business or other commercial buildings” and “manufacturing or industrial plants.” This provision, one FHA official in California pointed out, “could not have been fashioned to fit more perfectly the particular problems of vineyardists contributing to California's major output of fine wines.” The loans of up to \$50,000 financed structural changes, and also purchase and installation of any permanently attached machinery and equipment—including the large storage and blending tanks essential to winemaking.⁵¹ Whereas the FHA's mortgage loans mainly supported home-buyers in cities, the agency's modernization loans were more evenly distributed throughout California, which reflected their appeal to rural borrowers like vintners who seized on the opportunity to improve their establishments.⁵²

Tariffs

Though workers and employers might differ on the merits of government regulation of the workplace, they could agree on what they wanted from federal trade policies. Americans involved in the wine industry were unified in their conviction that the Roosevelt administration needed to shed its commitment to freer trade, at least so far as wine went.

Wine tariffs presented New Dealers with difficulties. The Democratic party had long preferred free trade, and Roosevelt did too. Moreover, after Adolf Hitler came to power in Germany, Roosevelt especially wanted to establish closer commercial relations with France and Britain, to serve as a bulwark against Nazism. As the president elect told the French ambassador, Paul Claudel, in a meeting of February 1933, “the fate of Western civilization is at stake if there is not effective cooperation established in the near

⁵¹Jay Keegan, *Wines and Vines*, August 1935, 23.

⁵²United States Office of Government Reports, “County Reports of Federal Expenditures, March 1933–June 1939,” n.d.

future between the United States, France, and Britain.” Claudel agreed, taking the opportunity of his conversations with Roosevelt to add that one of the best ways to ensure such cooperation would be to reverse the trend of the 1920s by lowering tariffs, expressing “the hope of seeing the American market largely open to our products and especially our wines. On this latter point M. Roosevelt agreed with me,” the ambassador wrote.⁵³ So Roosevelt had not only a general commitment to freer trade, but a specific concern to forge closer ties with France.

At the same time, while Roosevelt did tell Claudel that he would seek “favorable treatment” for French goods, it would be difficult to do so for anything “in competition with important American products.”⁵⁴ And California vintners wanted to make sure Roosevelt put California wine on the list of those important American products. As one wrote to the president, “wine makers have suffered immensely during [Prohibition] and now they have the only opportunity of their lives to get a market which is rightfully theirs.” But they could not succeed if they had to compete with established foreign—especially French—wines. So they asked the president to impose a ban, or at least a restrictive tariff, on imported wines.⁵⁵

He did: before Prohibition expired, using the power that remained to him until repeal, Roosevelt declared a temporary embargo on imported wines and liquors, saying that any such goods coming into the country would amount to defiance of the still-existing law.⁵⁶ After repeal caused that temporary embargo to expire, the administration set up a permitting system with quotas capping wine imports at 1.63 million gallons total, of which 784,000 gallons could come from France—pending a reciprocal trade agreement to ease trade. Roosevelt would use these restrictions to exact concessions from France,

⁵³Paul Claudel to Joseph Paul-Boncour, February 23, 1933, *Documents Diplomatiques Français 1932–1939*, vol. 2, 686; Paul Claudel to Joseph Paul-Boncour, February 18, 1933, *Documents Diplomatiques Français 1932–1939*, vol. 2, 651.

⁵⁴Claudel to Paul-Boncour, February 18, 1933.

⁵⁵Bisceglia brothers to Franklin D. Roosevelt, October 6, 1933, “Mar–Oct 1933,” OF 761 Liquor, FDRL. See also Marion DeVries, “The Problems of the Wine Producers Association” (n.d.), folder “1933–1935,” OF 369 Wines, FDRL.

⁵⁶“Liquor Embargo Held Temporary,” *New York Times*, October 29, 1933.

raising the quota slightly in later years. But he had established his willingness to use New Deal agencies to protect the California wine industry from overseas competition while it recovered from Prohibition.⁵⁷

In addition to the temporary embargo and quotas, the federal government levied a much higher tax on foreign table wines than on domestic wine, imposing a surcharge of \$1.25 per gallon right after repeal, as against 10 cents for U.S. wine. Still, the administration's harsh treatment of its ally France did not last. In 1936 it reduced the tariff on bottled French wine to 75 cents; no other nation received such a concession until 1941, when the import duties on Argentine wine were similarly reduced.⁵⁸ Like the rest of the New Deal, the Roosevelt program for wine became more internationalist over time.⁵⁹

Taxation

While successfully lobbying the president to increase taxes on imports, the wine industry also lobbied him to do what he could to reduce taxes on their own products. U.S. vintners acknowledged that much of the nation had only grudgingly accepted legalization of their product, and would therefore insist on taxing it as a deterrent to its consumption. Industry advocates therefore sought to make the case that wine was more virtuous than distilled spirits, and ought to be taxed less to encourage sobriety. Among the most prominent proponents of this argument was the administration's chief alcohol regulator, Joseph H. Choate Jr., the director of the Federal Alcohol Control Administration. After leaving his post in 1935, Choate used his new prominence to promote

⁵⁷“Liquor Imports 5,595,137 Gallons,” *New York Times*, December 14, 1933; “France Ends Deadlock,” *New York Times*, December 22, 1933; also “\$2 a Gallon Tax Fixed for Spirits,” *New York Times*, December 23, 1933.

⁵⁸Donald M. Nelson and Annette A. Parisi, *U.S. Import Duties on Agricultural Products, 1968* (Washington, D.C.: U.S. Department of Agriculture, 1970), 155.

⁵⁹This is in contrast to, for example, the simultaneous Italian, but much more thoroughly nationalist program: see Brian J Griffith, “Bacchus among the Blackshirts: Wine Making, Consumerism and Identity in Fascist Italy, 1919–1937,” *Contemporary European History* 29, no. 4 (November 2020): 394–415.

wine over other forms of intoxicating drink. “Wine drinkers seem almost everywhere to be temperate,” he explained. Lower taxes on wine would teach Americans to “sip rather than to guzzle,” Choate said, and would lead to decreased alcohol consumption overall.⁶⁰

Wine boosters also anticipated the Laffer curve by arguing that lower taxes on wine would lead to higher tax revenues. Taxes so severely inhibited sales, they argued, that reduced tax rates would more than make up in volume what they lost in each assessment.⁶¹ Moreover, more wine drinking would stimulate the economy, creating more jobs for grape farmers and winery workers, and leading to a stronger recovery from the Depression. Frank Buck, Napa Valley's representative in the U.S. Congress, wrote Roosevelt to argue, “increased consumption of wine over hard liquors is not only justified on the ground of temperance, but is a positive aid to the tens of thousands of grape growing farmers throughout the country.”⁶² Choate went even further: if every American drank four glasses of wine per week, he predicted, “the country's unemployment would be sharply reduced and the whole agricultural problem would be solved.”⁶³

Napa's congressman Buck, a Democrat elected to Congress in 1932, reflected the Golden State's broader shift toward Roosevelt's party that year. Clarence Lea, the Democrat who represented the neighboring district including Sonoma, complemented Buck as a promoter of the wine growers' interests in the New Deal. But wine country did not need Democratic politicians to benefit from the New Deal. The grape growers of Fresno were represented in Congress by the staunch Republican conservative Bertrand Gearhart. The New Deal benefited wine regions irrespective of partisan tilt.⁶⁴

⁶⁰“Joseph H. Choate Jr. Praises Wine,” *Wines and Vines*, July 1936, 20.

⁶¹George M. Stout, “Taxation and Regulation of Wine,” *Wines and Vines*, May 1936, 21.

⁶²Frank Buck to Franklin D. Roosevelt, June 18, 1936, folder “Wines, 1936–1945,” OF 369, FDRL.

⁶³“Drinking for Prosperity,” *Montana Standard*, December 3, 1935.

⁶⁴Michael Paul Rogin and John L. Shover, *Political Change in California: Critical Elections and Social Movements, 1890-1966* (Westport: Greenwood, 1970), ch. 5; on the individual congressmen's ideological leanings see Jeffrey B. Lewis, Keith T. Poole, Howard Rosenthal, et al., voteview.com. On California's districts see Kenneth C. Martis, *The Historical Atlas of United States Congressional Districts, 1789–1983* (New York: Free Press, 1982), 220.

In domestic as in foreign taxation, the wine industry found a friend in Roosevelt who, as Buck noted, had long shown sympathy for the proponents of reduced wine taxation.⁶⁵ In 1936, with Roosevelt's support, Congress cut wine taxes in half, from 10 cents to 5 cents a gallon for table wine and from 20 cents to 10 cents a gallon for fortified wine.⁶⁶ By contrast, the federal government levied \$2 per taxable gallon of distilled spirits.⁶⁷

The state of California likewise heeded the requests of its wine lobbyists. At repeal, state taxes on wine ranged from California's 2 cents per gallon to Florida's punishing \$1.75 per gallon.⁶⁸ California soon cut its already low rate in half, to a penny per gallon, contributing to record wine consumption in the state. Californians consumed an average of 3.3 gallons of wine per capita annually, more than six times the national average.⁶⁹

Image

Choate was not the only member of the Roosevelt administration who believed wine had intrinsic virtues that deserved promotion. New Dealers more generally took what opportunities they could find to offer positive opinions of the grape.

To distinguish wine from liquor or beer, promoters told just-so stories about wine's traditionally sacramental and medicinal uses. Its very nature was more spiritual than spirituous, they said; it belonged at the family table rather than in the saloon and its vitamins and other non-alcoholic contents promoted health. The Wine Institute's trade publication, *Wines and Vines*, frequently ran articles claiming to prove, scientifically, the

⁶⁵Buck to Roosevelt, June 18, 1936.

⁶⁶Marion DeVries, "Congress Reduces Wine Taxes," *Wines and Vines*, July 1936, 4.

⁶⁷Charles F. Condon, "Taxation in the Alcoholic Beverage Field," *Law and Contemporary Problems* 7, no. 4 (1940): 728–48.

⁶⁸Colman, *Wine Politics*, 34.

⁶⁹"Apparent Consumption of All Wine in the United States, by States, 1934–37 (in Gallons)," *Wines and Vines*, March 1938, 6.

health-inducing qualities of wine, which allegedly provided nutrition and also killed any bacteria lurking in your meal. And of course, wine provided relaxation and good cheer, its boosters claimed. “A little wine will enable us to live longer and more useful lives,” wrote one viticulturist in *Wines and Vines*; “it will make us more pleasant to ourselves and to those with whom we come in contact.”⁷⁰

The administration reinforced this message. Undersecretary of Agriculture Rexford Tugwell, in a 1934 speech titled “Wine, Women, and the New Deal,” argued that wine fostered “contentment” as against “bathtub gin or three weeks' whisky,” which promoted more aggressive moods. Rehearsing the virtues of Mediterranean civilizations and their long histories of winemaking, he predicted that the development of wine-growing in the United States would “serve the broader purposes of the New Deal in making for a calmer and happier type of existence” as well as “help the American farmer find a better market for his produce.”⁷¹

Tugwell and many of his colleagues took this notion seriously. They sought to restructure agrarian America along sustainable and modernized lines, creating throughout the farm belt new, model cities which would serve as small manufacturing hubs close to the rural producers that fed them raw materials. This idea gave rise to the Tennessee Valley Authority and the Resettlement Administration, which built new communities with affordable housing, schools, and small processing facilities, and moved farm families into them. These developments were supposed to foster democratic self-government and economic independence. And often, as in Pine Mountain, Georgia—close to Roosevelt's winter home in Warm Springs—they were to grow grapes for winemaking, as part of this better rural life. New Dealers' efforts to improve the countryside through viticulture met with substantial Congressional opposition that thwarted their ambitions for broader, national application, much as their hopes to duplicate the TVA around the nation had done: but the contracts negotiated with

⁷⁰F. de Castella, “The Value of Wine,” *Wines and Vines*, January 1936, 5–6.

⁷¹Rexford G. Tugwell, “Wine, Women, and the New Deal,” in *The Battle for Democracy* (New York: Columbia University Press, 1935), 178–86.

producers to ferment the product of these model towns attests to the sincerity of the New Dealers' belief that wine-growing should be integrated into the rural good life.⁷²

Nor was Tugwell the sole White House adviser to promote wine-drinking. Eleanor Roosevelt, though a nondrinker herself, added wine to the menu for White House dinners for the first time since 1920, announcing in a statement, "There will be no fixed rule as to the serving of wine, but when served there will be, of course, simple wines, preference being given to American wines."⁷³ The first lady's efforts made her a heroic figure to domestic wine producers. "My next vote goes to Mrs. Eleanor Roosevelt as Commander-in-Chief," joked one vintner in a letter to the president.⁷⁴

State

The federal government played far the larger role in helping the wine industry recover from Prohibition and Depression, but the California state government contributed substantially, often working closely with Washington. As noted already, the state oversaw the grape prorate plan of 1938, organized the marketing agreement for the wine industry, and led the nation in implementing high standards for hygienic wine production. But the state's more important contribution was a long-term commitment. By funding the viticulturists and enologists at the University of California, the state government subsidized wine and grape research and ensured the wine industry's attainment of world-class status in the 1960s.

The University of California began studying grape varieties and winemaking in 1880, through its Fruit Products laboratory at its original campus in Berkeley. After repeal, the research on wine and grapes moved fifty miles up the highway to the university farm in Davis, later to become the University of California, Davis.

⁷²Paul K. Conkin, "It All Happened in Pine Mountain Valley," *The Georgia Historical Quarterly* 47, no. 1 (1963): 9; on opposition to viticulture in model towns see Pinney, *History of Wine*, 37–38.

⁷³"Mrs. Roosevelt to Serve Wine In White House," *Chicago Tribune*, January 30, 1934.

⁷⁴Paul Garrett to Franklin D. Roosevelt, May 22, 1936, folder "Wines, 1936–1945," OF 369, FDRL.

The state's winemakers revered the work of the university scientists who tried to help wine growers conduct experiments that might not produce results for years. As the Wine Institute explained, the state university provided a perfect venue for addressing issues “that require fundamental research work which is too complicated or too general in nature for the industrial control or research laboratories.”⁷⁵

One such problem was how best to grow wine grapes in the vast vineyards of the state's inland valleys. A UC Davis geneticist, Harold Olmo, devoted his career to developing some two dozen new hybrid grape varieties that could both handle the heat of the Central Valley and produce decent table wines. This research took too long—roughly fifteen years, start to finish, for each new variety—for a winery to do itself.⁷⁶

As Olmo hand-pollinated and hybridized new grapes for the large producers of central California, two UC Davis enologists, Maynard Amerine and Albert Winkler, conducted extensive research on grape farming and winemaking. Their small-batch wines helped them understand which grapes grew best in different regions of the state. During the 1930s, they distributed their research to the state's winemakers by publishing their conclusions in wine journals, saying which varieties to plant where, when to harvest them, and how to make the best wine from them. In 1944, Amerine and Winkler compiled their research into a book that became the basic text for California winemakers.⁷⁷

In a characteristically effusive story about the enologists at Davis, *Wines and Vines* crowed that the University Farm laboratory in 1938 contained “sixteen hundred wine types!” The figure was “not a typographical error,” the magazine added; Amerine and Winkler's enological experiments made UC Davis the “most remarkable winery in

⁷⁵“The Division of Fruit Products at the University of California,” *Wines and Vines*, August 1935, 7.

⁷⁶Amand N. Kasimatis, “Grape Varieties,” in *The University of California/Sotheby Book of California Wine* (Berkeley: University of California Press/Sotheby Publications, 1984), 136.

⁷⁷Maynard Amerine and A.J. Winkler, *Composition and Quality of Musts and Wines of California Grapes* (Berkeley: University of California Press, 1944). On Amerine's influence on American wine drinking, see Steven Shapin, “A Taste of Science: Making the Subjective Objective in the California Wine World,” *Social Studies of Science* 46:3 (2016), 436-460.

the world today.” Though the university's research could “well win for California the position of a foremost wine producing region in the world,” it would require the state's wine-growers to take advantage of the knowledge the researchers had produced.⁷⁸

Eventually they did: the influence of Olmo, Amerine, and Winkler is visible in data compiled by federal and state agencies to aid the wine-growers. The New Deal's Agricultural Adjustment Administration, together with the Works Progress Administration and the California department of agriculture, collected data on acres planted to particular crops. By the 1960s, the Olmo varieties that had initially been planted to only a few experimental acres had become an essential part of the state's wine produce, as had older varieties of reds and whites—including the chardonnay and cabernet sauvignon that became the basis for Napa Valley's prize-winning wines in the 1970s—given a renaissance by the work of Amerine and Winkler.⁷⁹

Among the greatest enthusiasts of state-funded research at UC Davis were—in terms of the scale and profits of the business—some of the most successful winemakers in history. Ernest Gallo who, with his brother Julio, founded and led Gallo Wine, which became the world's largest wine producer by the 1960s, told in his memoir how a series of pamphlets published by UC enologists provided the information necessary for his first foray into legal winemaking after repeal. “They were exactly what we needed,” he wrote of the government pamphlets. “This was the beginning of our knowledge about making commercial wine, such as how to have a sound, clean fermentation, and how to clarify the wine. These old pamphlets probably saved us from going out of business our very first year.”⁸⁰ The Gallos continued to express gratitude to the UC winemakers throughout their long career; their only concern was that the university might be too generous in imparting its research to vintners outside the United States: “I think Davis

⁷⁸“Sixteen Hundred Wine Types! Marvelous Collection of Wines at University Farm,” *Wines and Vines*, June 1938, 22.

⁷⁹United States Agricultural Adjustment Administration et al., *California Fruit and Nut Acreage Survey, 1936*, Statistical Publication No. 1 (Washington: United States Government Printing Office, 1938); *Acreage Estimates, California Fruit and Nut Crops* (Sacramento: California Crop and Livestock Reporting Service, 1958).

⁸⁰Ernest Gallo, *Ernest and Julio: Our Story* (New York: Times Books, Random House, 1994), 56.

is sometimes too quick to share technology developed with money supplied by the taxpayers of California,” Ernest Gallo wrote. “Our taxpayers helped make [winemakers in other nations] stronger competitors to U.S. wines.”⁸¹

Gallo's nationalist complaint reflects the invaluable role of the state in the broader wine industry's recovery from Prohibition and Depression. The consumption figures show a rapid increase in both the quantity of wine consumed compared to the pre-Prohibition years and also a shift back to more quality wines. As the New Deal for wine, like the New Deal in general, became more internationalist, it helped create a global market. California winemakers' success in recovering from prohibition and assuming the status of global prize-winning wines owed much to the intervention and assistance of the US government during the Roosevelt administration.

The state's role in helping the wine industry after repeal has implications for the historiography of the New Deal, as well as for present-day policymaking. First, scholars often underrate the contribution of New Deal programs to the nation's economic recovery; the case of wine supports the observation that the national recovery was steady and rapid, with the exception of the 1937-38 recession.⁸² Second, the repeal of Prohibition played a key part in this story of success. The rebirth of the alcohol industry created jobs and markets that stimulated the national economy. Finally, this history gives us a window into the successes as well as the pitfalls of state promotion of economic recovery and development. The New Deal state helped the wine industry to recover, but sometimes at the expense of the most marginalized workers and businessmen, even as it held out an ideal of the good and prosperous life that would include them.

By building roads, lending money, regulating quality, promoting image, protecting industrial workers' rights and income, managing foreign competition, and reducing taxes on domestic products, the national New Deal worked with the state land grant

⁸¹ Gallo, *Ernest and Julio*, 237.

⁸² On the historiography of New Deal recovery, see Eric Rauchway, “The New Deal,” in *Myth America: Historians Take On the Biggest Lies and Legends About Our Past*, ed. Kevin M. Kruse and Julian E. Zelizer (New York: Basic Books, 2022), 141–153.

university and the California state government to nurture the reborn U.S. wine industry and to help it recover from Prohibition. Federal and state assistance made possible California wines' progression from banned substances to world-class, prize-winning chardonnays and cabernets in just a few decades.