

# 9

## CHANGING WEATHER

### THE BIG GET BIGGER

For many years after the war, the number of wineries in California continued its steady decline: there were 414 in 1945, 374 in 1950; not until 1970 was the decline arrested, then turned around.<sup>1</sup> Over the same period, there was a gradual but steady increase in production. California produced 116 million gallons of wine in 1945; ten years later the figure was 147 million. In these conditions, as the fish grew fewer and the pond grew larger, some of the fish became very large indeed.<sup>2</sup> The combinations put together during the war years by the distillers were still intact in the early '50s: National Distillers had Italian Swiss Colony and Lejon; Schenley had Roma and Cresta Blanca. But the co-ops dominated the production of California wine. The fact is a testimony to the continuing insecurity of the trade, for co-ops flourish when the market is troubled and tend to fade when it grows strong. Twenty-nine were operating in 1952, with a combined capacity of nearly 82 million gallons. Throughout the decade of the '50s, fresh mergers or talk of mergers went on among the co-ops and among the regular commercial wineries, as though bigness in itself were the only safe way to go.<sup>3</sup> The wine trade in California seemed headed toward oligopoly, if it was not already there.

During these years, the most sensational growth was shown by two enterprises that both reached astonishing proportions: the Allied Growers–United Vintners combination and the Gallo Winery. The competition between these giants for growth and market dominance makes the most obviously dramatic, if not perhaps the most significant, of the