

Union Locks Horns With Coast Farmer

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BAKERSFIELD, Calif., June 30—The United Farm Workers of America (AFL-CIO) and Hollis B. Roberts, one of the nation's leading growers of wine grapes, tree fruits and nuts are locked in a legal battle here over the union's attempt to dissolve a picketing injunction, which for over a year has restricted the number of individuals the Farm Workers have stationed near Mr. Roberts' field.

The current dispute has an added dimension in that the Farm Workers are attempting to compel Mr. Roberts of McFarland, Calif. to reveal details about the complicated and obscure nature of major land and loan transactions he has consummated with C. Arnholt Smith, the San Diego businessman and patron of President Nixon, whose financial empire fell into eclipse last fall.

Specifically, Barbara Rhine, Farm Workers lawyer, contends that Mr. Roberts may no longer be entitled to the picketing injunctions because he may not be the true owner of all the lands on which there are injunctions.

She inferred that some of the lands may actually be owned by the Federal Deposit Insurance Corporation, which assumed receivership of \$100-million of dubious loans Mr. Smith's United States National Bank had made to Roberts' related firms when the bank failed last October.

Discovery Order Filed

Miss Rhine has filed a discovery order, asking Superior Court Judge John Jelletich to compel Mr. Roberts to produce land deeds, lease and management arrangements, records of bank loans and liens on Mr. Roberts' owned lands held by the E.D.I.C. or other regulatory agencies Bill Quinlan, one of Mr. Roberts' lawyers, has opposed

the request on the grounds that it is "an abuse of the discovery process and is simply a publicity-seeking device."

Miss Rhine contends that much of the land managed by F. Roberts Farms may be within the F.D.I.C.'s receivership in the U. S. National case, and therefore the F.D.I.C. must insure that these lands are administered according to Federal law pertaining to labor disputes, tions.

The battle has its genesis in its jurisdictional dispute between the Farm Workers and International Brotherhood of Teamsters to organize the nation's army of field hands.

The Farm Workers struck Mr. Roberts last April after he signed a contract with the Teamsters, a pact characterized as a "sweetheart contract" by Cesar Chavez, Farm Workers president. At the time, Mr. Roberts said he was dissatisfied with the way the Farm Workers had administered a contract he had with them the previous three years. Particularly, he said the union's hiring hall operated inefficiently.

Mr. Roberts, 61 years old, migrated to California from Texas during the Depression. He now apparently owns leases or manages 103,000 acres in five counties in the agriculturally rich San Joaquin Valley. He is one of the county's leading growers of almonds, walnuts, winegrapes, and persimmons and one of the west's leading orange growers.

He served on the seven-man Nixon-Agnew Agricultural Advisory Committee during the 1968 presidential campaign and was a presidential adviser during part of Mr. Nixon's first term.

Mr. Smith, who contributed \$250,000 to Mr. Nixon's 1968 campaign, engineered these appointments. He has also been crucial to Mr. Roberts' rise as a land baron. In 1965, Mr. Roberts had 9,000 acres which were so heavily mortgaged that its net worth was only \$40,000. When Hayden Stone incorporated and Mr.

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Smith put together the nation's first public syndication of farmland called Jasmine Groves, Inc. in 1968, Mr. Roberts was cut in on the deal. He owned over half the 5,280 acres, which were syndicated and made \$8-million initially on the sales. He was also made the syndicate's manager with a 10-year \$3-million profit contract.

Since then he has become a specialist in setting up and managing agricultural syndications, whose purpose is to shelter the non-agricultural income of wealthy investors by utilizing tax loopholes. He depends heavily on Mr. Smith's United States National Bank for the short-term financing which is crucial in getting a farmer through the growing season.

Mr. Roberts has also been helpful to Mr. Smith. In May he told the Federal Court in San Diego that he had acted as a front man for Mr. Smith in assuming the nominal ownership of Golden West Airlines three years ago.

The Farm Workers contend that there may have been a number of other transactions, between Mr. Smith and Mr. Roberts along the same lines. The 93,000 page record of a Securities Corporation as receiver.

and Exchange Commission fraud suit against Mr. Smith indicates there was a repeated transfer of ownership of lands among companies held by Mr. Smith, Michael J. Coen, a Kansas City associate of his, and Mr. Roberts, as an expeditious vehicle to generate paper profits and a steady flow of cash. An article in the Bakersfield Californian last January noted that one piece of Mr. Roberts' property changed hands 17 times in a single year.

The S.E.C. said the transactions were financed by U.S. National Bank loans at inflated values.

Last October the billion dollar bank failed. Its collapse was attributed largely to an excess of unsecured loans, authorized solely by Mr. Smith, either for his own interest or those of close business associates, such as Mr. Roberts.

Crocker National Bank of San Francisco took over U.S. National's \$940-million in deposits and its about \$65-million of "good assets." But it would not assume \$400-million of U.S. National loans that it considered dubious, including about \$100-million outstanding to Mr. Roberts-related concerns. These were assumed by the F.D.I.C.

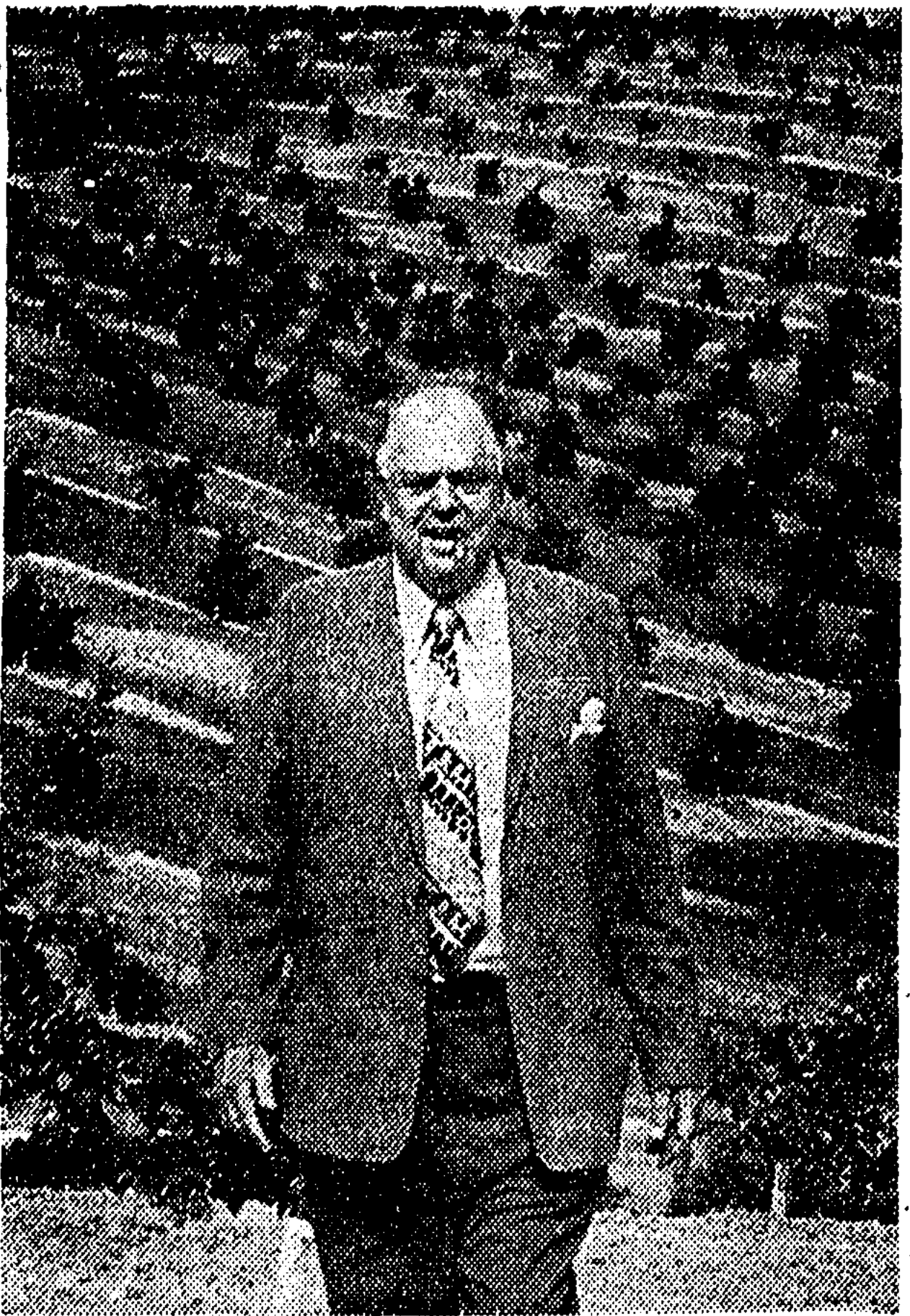
Last October, Mr. Smith surrendered control of his

\$190-million Westgate-California conglomerate (80 per cent owned by U.S. National) and resigned from its board to avoid going to trial on S.E.C. civil charges, that he engineered "massive frauds" with the help of several associates and bilked stockholders of both Westgate and U.S. National bank of millions of dollars.

There is also a Federal grand jury convened in San Diego investigating criminal violations in these matters currently.

Federal investigators have established that the questionable loans to Mr. Roberts were on assets formerly owned by Westgate, leading them to suspect that Mr. Roberts may have served only as a "nominee" with most of the loan proceeds going to Mr. Smith or Smith-related interests, similar to the Golden West Airlines deal.

Moreover, the Justice Department and the Internal Revenue Service are looking into whether Mr. Roberts may have been involved in a large-scale evasion of Federal income taxes charged to Mr. Smith. The IRS has filed a \$22.8-million jeopardy assessment against Mr. Smith for 1969 alone, the largest such assessment in IRS history.



Leonard Nadel, *Business Week*

Hollis B. Roberts inspecting his citrus grove in California

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