

FINANCIAL CRISIS IS SEEN AS THREAT TO FARM UNION CHAVEZ FOUNDED

By ROBERT LINDSEY, SPECIAL TO THE NEW YORK TIMES

Published: April 27, 1987

LEAD: The farm workers' union founded by Cesar Chavez, already bedeviled by membership losses, a fall from political favor and organizing difficulties, is facing what its lawyers say is a financial crisis that could bring its operations to a halt.

The farm workers' union founded by Cesar Chavez, already bedeviled by membership losses, a fall from political favor and organizing difficulties, is facing what its lawyers say is a financial crisis that could bring its operations to a halt.

In January, a Superior Court judge in rural Imperial County near the Mexican border ordered the union, the United Farm Workers of America, to pay almost \$1.7 million in damages to a lettuce grower. The court had ruled that the union had sanctioned violence against replacement workers hired by the grower in a 1979 strike.

The union, which contends the judge was biased, has said it will appeal the decision. But the union asserts that it cannot afford to post a bond of more than \$3 million that is required under California law in order to appeal.

Union officials declined to comment on the litigation last week. But in a court document declaring the union's intention to ask for a waiver of the requirement, they asserted if the union is forced to post the bond, it would be so strapped that "for all practical purposes" the United Farm Workers would have to "cease operating."

The union says the wife of Judge William Lehnhardt was among hundreds of local residents who volunteered to help harvest the area's lettuce crop in the 1979 strike and contends this proves bias, a contention the judge denies. *Texaco Case Invoked*

Ronald Barsamian, a lawyer for Maggio Inc., the produce grower that won the court settlement, said his client would resist efforts by the union to avoid posting the bond. He said a decision this month by the United States Supreme Court, in the multibillion-dollar antitrust case involving Texaco Inc. and the Pennzoil Company, had established the principle that losing litigants can be required to post appeal bonds even though they claim financial hardship.

Mr. Barsamian also disputed the union's contention that posting the bond would make it insolvent. He said that according to a report it submitted to the Department of Labor last fall the union collected about \$2 million a year in dues and its net assets then totaled more than \$4.8 million.

For Mr. Chavez, the court ruling was the latest in a series of major setbacks.

In 1982 George Deukmejian, a Republican, was elected Governor of California, succeeding Edmund G. Brown Jr., a Democrat who in 1975 won passage of the nation's first collective bargaining act for farm workers and was a staunch supporter of Mr. Chavez. Since then, the state agency that administers the law has often decided against the union in disputes with growers.

But even before 1982, some farm labor experts say that more serious problems were building for the union.

To trim rising labor costs, growers had begun switching to mechanical harvesting systems, eliminating thousands of jobs. Mexico and other foreign countries, meanwhile, were increasing exports of lower-priced fruit and vegetables to this country, cutting more union jobs.

At the same time, the union's public support was undermined by reports of violence in the unsuccessful 1979 strike, an action that was at odds with the Gandhi-like image cultivated by Mr. Chavez.

Perhaps most significantly, say some farm labor specialists, was the failure of Mr. Chavez to translate his early public relations and political victories into a well-functioning labor union. Less Than 10% Belong to Union

Although growers' fears of unionization are credited with raising farm workers' wages throughout the state, the United Farm Workers has less than 30,000 farm workers under contract in California, less than 10 percent of the total, and it has no significant contracts in other states.

Some 25 years after Mr. Chavez and two friends, Gilbert Padilla and the Rev. James Drake, founded the union to help beleaguered table grape workers in the Central California town of Delano and went on to persuade millions of Americans to boycott the grapes, virtually no table grape workers have a union contract.

Several former officers, asserting that the union has done little organizing of farm workers since 1981, blame Mr. Chavez himself for many of the union's problems, saying he refused to share authority and, as his fame grew, thought of himself and the union as synonymous.

"Basically, I guess we created a monster," Mr. Padilla, who said he was among several union leaders asked by Mr. Chavez to resign in the early 1980's, said last week. "I think he believed the propaganda." Mr. Padilla is now an insurance man in Fresno.

Mr. Chavez, who labels as untrue and unfair such criticism by his former associates and attributes the union's current problems principally to Mr. Deukmejian's election, began a new campaign in 1984 to persuade Americans to boycott grapes.

Instead of soliciting support through marches and the other public demonstrations that generated support in the era of social ferment in the 1960's, it uses direct-mail generated by a computer program that tries to pinpoint potential supporters by using ethnicity, income, education and other demographic criteria. Opinions differ on the success of the boycott.

