Chapter Two

The Establishment of the Sugar Industry in Utah and Idaho, 1851–1907

"[N]ow the inspiration of the Lord to me is to build this factory. Every time I think of abandoning it, there is darkness; and every time I think of building it, there is light. We will build the factory if it bursts the Church."

—Wilford Woodruff, 1891

“But for the inspiration of the Lord to Wilford Woodruff I doubt if we would have any sugar business in this state or in Idaho, today, that would amount to very much.”

—Heber J. Grant, 1919

In 1889, the Utah Sugar Company—a predecessor to the Utah-Idaho Sugar Company—incorporated in Utah, becoming one of the first successful beet sugar manufacturers in the United States. The organization of Utah Sugar was the culmination of several years of trial and error by Utah entrepreneurs, including Brigham Young and John Taylor, prominent Mormon leaders. Beginning with Young’s efforts to produce sugar in the 1850s and ending with Wilford
Woodruff pronouncing that God himself wanted Mormons to produce beet sugar, LDS leaders were key players in the industry’s growth. Birthed in this LDS cradle, church authorities took it upon themselves to ensure that the Utah Sugar Company was a success. Church capital could only go so far, however, and in 1902, the corporation sold 50 percent of its stock to the American Sugar Refining Company, an eastern concern known as the Sugar Trust. With the capital that this provided, the company expanded into Idaho, eventually merging several different corporations into the Utah-Idaho Sugar Company in 1907. This formative period of the corporation—which influenced both the way that the nation at large perceived the company and future corporation policies—highlighted why the church became involved in the industry and what Woodruff and other leaders hoped to accomplish with the business.

North Americans had produced sugar as early as colonial times. The first sugar refinery was established on Manhattan Island in 1730, and others were developed in Boston, Philadelphia, and Providence, Rhode Island. Most of these factories refined raw cane sugar imported from the West Indies. Reliance on cane sugar continued throughout the nineteenth century; entrepreneurs such as Robert L. and Alexander Stuart advanced the industry by developing new manufacturing techniques such as using steam to refine the product. In the 1850s, the number of cane refineries increased substantially, in part because burgeoning railroad networks in America allowed manufacturers to sell their product across wider markets. However, the industry encountered problems in the 1860s with the outbreak of the Civil War. Because of the conflict, the supply of Louisiana cane sugar disappeared and eastern refineries were forced to rely on imports from Cuba. In addition, the Union Congress doubled the tariff on raw sugar to three cents a pound in order to raise money.¹ When the war

¹. A revenue-producing tariff had existed on sugar since the 1790s and had increased to thirteen cents a pound by 1816. However, thereafter it decreased considerably until the Civil War forced it upwards again. Alfred S. Eichner, The Emergence of Oligopoly: Sugar Refining as a Case Study (Baltimore, Md., 1969), 95–96.
ended, the industry thrived once again, and numerous sugar refineries dotted the eastern United States by the 1870s.  

Competition between corporations meant that the price of sugar depended on whoever was willing to sell their supply the cheapest. The lowest rates were usually established by “marginal enterprises seeking to retain their foothold in the industry.” Thus, in 1880, several sugar firms decided to enter into agreements with each other to limit production and control prices. This established the base for further cooperation, and in 1887, these eastern refineries, led by John Searles, “duplicate[d] in sugar refining what John D. Rockefeller had so recently accomplished in the petroleum industry” by creating a trust. Although some of the larger corporations, such as Havemeyer and Elder, were wary of yielding control of their firms to the trust, Searles soon persuaded most of the eastern companies to unite. By October 1887, the trust had formed, thereby enabling sugar producers to sell their commodity at set prices and to manipulate the distribution of their product in order to raise rates. This was a true monopoly, as it supplied approximately 84 percent of the nation’s refined sugar from the eastern shores to the Rocky Mountains.

After the passage of the Sherman Antitrust Act in 1890 and a decision by the New York Supreme Court that the combination was illegal, the Sugar Trust realized that it had to change its organization in order to continue its operations. In 1891, it followed the lead of the American Cotton Oil Company and reconstituted itself under the liberal corporation laws of New Jersey. According to historian Alfred Eichner, these laws stated that “a company chartered under the state’s general laws” could “hold stock in another corporation” and even “purchase property outside the state with stock specially issued for that purpose.” On January 10, 1891, the Sugar Trust became the American Sugar Refining Company under a charter received from New Jersey. “Except for its new legal form,” Eichner explained, “the combination of sugar

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2. Eichner, The Emergence of Oligopoly, 26–43.
3. Eichner, The Emergence of Oligopoly, 63, 70, 84.
refineries remained unchanged” and eastern corporations, which mainly processed imported cane sugar, continued to control most of America’s sugar market.⁴

At the same time, several individuals, mostly in the American West, were working on manufacturing sugar from beets instead of cane, a technique common in several European nations, including France and Prussia. German chemist Andreas Maggraf successfully demonstrated that sucrose stored in the beet root could be extracted in 1747, but it was not until the 1780s that his student Franz Karl Achard planted beets extensively and obtained large amounts of sugar from them. Recognizing this success, Frederick William II, King of Prussia, funded the world’s first beet sugar factory in 1802, located at Cunern, Silesia. The French corresponded with Achard and on March 25, 1811, Napoleon Bonaparte issued a decree setting aside beet farmland, establishing schools to teach beet cultivation, and providing bounties for beet growers. This effectively established the world’s beet sugar industry.⁵

Although the French enterprise collapsed after Napoleon was defeated, government controls and encouragement reestablished it later. By the 1850s, both Prussia and France exported large amounts of beet sugar to the world.⁶

But the process of converting beets into sugar was a complicated, enigmatic, thirty-six-hour procedure. As one factory worker reminisced, “The whole process of beet sugar making was considered a mystery. Each operator was instructed only in the part he was to do.”⁷ The beets were first

⁴ Eichner, The Emergence of Oligopoly, 149–51.
⁶ United States Beet Sugar Association [USBSA], The Beet Sugar Story, 3 ed. (Washington, D.C., 1959), 8–13 (this book was originally published by the Association in 1936 under the title The Silver Wedge). See also Fred G. Taylor, A Saga of Sugar: Being a Story of the Romance and Development of Beet Sugar in the Rocky Mountain West (Salt Lake City, 1944), 19–21.
transported into a factory by a wooden flume full of warm water. They were then conveyed into a washer by a large beet wheel. After being washed, the beets were transported to a cutter where they were sliced into long slivers, known as “cossettes.” A revolving chute dropped the cossettes into several diffusers that used hot water to cook the sliced beets in order to extract the sugar. As historian Leonard Arrington described it, “This was a continuous process of filling the cells [with water] and pumping out the sugar-exhausted pulp.” After the diffusers had extracted all of the raw beet juice containing the sugar, the liquid was pumped to carbonators where milk of lime and carbon dioxide filtered out impurities. The juice then arrived at an evaporator that extricated any excess water, leaving a type of molasses behind. Sulphur gas clarified the molasses and the substance entered a huge vacuum pan where centrifuges separated the molasses from the crystals. The molasses was boiled further to create brown sugar, while the crystals were packed into hand-sewn bags and prepared for shipment. 

In the early 1800s, many American entrepreneurs spent considerable time in France and Germany observing these operations, and some decided to try their hand at the industry in the United States. James Ronaldson undertook the first significant effort in Philadelphia in 1830. Serving as the first president of the Franklin Institute, Ronaldson organized the Beet Sugar Society with some acquaintances and sent James Pedders to Europe to study the industry. Pedders reported that America was well suited for the growing of beets, but the crop the society planted failed to produce any sugar.

8. Quotation in Leonard J. Arrington, Beet Sugar in the West: A History of the Utah-Idaho Sugar Company, 1891–1966 (Seattle, 1966), 28–31; see also Richard S. Van Wagoner, “The Lehi Sugar Factory—100 Years in Retrospect,” Utah Historical Quarterly 59 (Spring 1991): 197–199; Charles L. Schmalz, “The Failure of Utah’s First Sugar Factory,” Utah Historical Quarterly 56 (Winter 1988): 50–52; “Walter L. Webb’s Memoirs,” 17. Arrington stated that a vacuum pan was necessary for crystallization because “if syrup is boiled in the open air it will burn, rather than produce sugar. . . . When placed in a vacuum, the syrup can be boiled at a low temperature until it is heavy enough for crystals to form.”

Church and David Lee Child of Northampton, Massachusetts, made the next attempt. Church and Child, both of whom had studied at beet sugar factories in France for a year and a half, produced 1,300 pounds of sugar in 1838, but a dearth of skill doomed their attempt.¹⁰

Undaunted by these failures, Brigham Young, president of the Mormon church, decided in the 1850s that the church needed to establish a beet sugar enterprise in the Great Basin in order to make his people more self-sufficient. Mormons had moved into the region that became Utah Territory in 1847 after being driven out of other locations in New York, Ohio, Missouri, and Illinois. In order to maintain necessary food supplies in this remote location, the organization encouraged its people to grow or produce foodstuffs and resources. The only way the community could get sugar was by importing it from the Missouri River Valley by team, an operation that cost Utah consumers between forty cents and a dollar a pound. Such prices convinced Young that Mormons must develop their own sweeteners, and he began asking prospective emigrants to Salt Lake City to bring sugar beet seed with them.¹¹

In December 1850, Young contacted John Taylor, one of the church’s governing Twelve Apostles who was serving a mission in France, and told him to find enterprises in Europe that could be exported to Utah. Taylor subsequently journeyed to Arras, France, accompanied by Philip De LaMare, a blacksmith and builder who had recently converted to Mormonism, to study France’s beet sugar industry. After consulting with experts in


Arras, Taylor and De LaMare decided that Utah was an ideal location for the growing of sugar beets, and they organized the Deseret Manufacturing Company (DMC) to establish the beet sugar industry in Utah. With financing from the company, Taylor and De LaMare, assisted by Elias Morris, a mechanic from England, ordered equipment and seed and shipped it back to Utah. Along the way, they encountered several problems. First, when the equipment landed at New Orleans, Morris was informed that he owed a $4,056 duty on it. Not having the money personally, he had to use church funds for the payment. Second, when De LaMare and Joseph Russell, the majority stockholder in the DMC, loaded the machinery onto fifty-two wagons to transport it from Fort Leavenworth, Kansas, to Salt Lake City, they discovered that the transports were not sturdy enough to convey the equipment, forcing them to buy forty Santa Fe prairie schooners. In addition, since the expedition did not leave Fort Leavenworth until July 1852, it got caught in heavy snows near the Sweetwater River, two hundred miles east of Salt Lake. When the group finally began moving again, it had to abandon some of the heavier pieces of equipment, such as the vacuum pan, near the Bear River because they could not be transported over the mountains. After finally reaching the Salt Lake Valley and proceeding with the establishment of the factory, the DMC had no more money. Such tribulations convinced some that DMC must stand for “Damn Miserable Company.”

Because of such difficulties, Brigham Young decided to take over the enterprise himself on behalf of the church. Part of the problem, he declared, was that Taylor was not much of a businessman; the apostle was “as wild in [his] calculations as a man can be” and “knew nothing about transacting business.” Although Young admitted that he had no knowledge of the sugar industry himself, he decided that his own business acumen, initiative, hard work, and faith in God would enable

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him to succeed where Taylor had not. Unfortunately, his predictions were premature, and several obstacles arose which prevented the production of beet sugar at this time.

13. Quotations in “Meeting of the Sugar Co. in the Lower Room of the Council House, March 17, 1853, 10 A.M.,” Arrington Papers, Series 9: Mormon History Topics, box 12, folder 7; see also Woodger, “Bittersweet,” 256–58.
One problem was the Mormons’ complete lack of knowledge about sugar making and the construction of sugar factories; another was the fact that the vacuum pan, a necessary piece of equipment, was still by the Bear River. When the church finally retrieved the pan in 1854, its employees were unable to get it to work properly. Because of this, according to Thomas R. Cutler, a later player in the establishment of Utah’s beet sugar industry, the church could only produce an inedible “mascuite” which “would take the end of your tongue off.” So the Mormons abandoned their efforts at producing beet sugar for the next thirty years.

Other Americans continued to try to perfect the commodity. According to one account, entrepreneurs constructed fourteen beet sugar factories in the United States between 1838 and 1879, but all fourteen, scattered throughout Maine, Massachusetts, Delaware, Michigan, New Jersey, Pennsylvania, Illinois, Wisconsin, and California, failed, mostly because of a lack of technical knowledge. A breakthrough finally came in 1879 when E. H. Dyer, operating under the auspices of the Standard Sugar Refining Company, took over a factory at Alvarado, California. After making an intensive study of the industry in France and Germany, Dyer and his son, Edward F., installed new equipment in the factory and subsequently produced 1,574,233 pounds of sugar in 1880. More importantly, with the exception of one year, the company continued its production for the next thirty-five years, making it “the first solid demonstration in the United States that sugar could be extracted from beets successfully and profitably.”

Two other endeavors were equally as important in the history of the industry before 1890. Claus Spreckels, a
German immigrant who had been involved in Hawaiian sugar refining since 1863, decided that beet sugar had a great future in California after he witnessed the success of the Dyers’ Alvarado factory. In 1888, Spreckels constructed a $400,000 factory at Watsonville, California, which became America’s second prosperous beet sugar factory. In 1898, Spreckels built another huge plant at Salinas, fifteen miles from Watsonville, and continued his sugar operations there.¹⁸

Meanwhile, the Oxnard brothers—Robert, Benjamin, Henry T., and James G.—who had previously operated cane sugar refineries in New York and Louisiana for the Sugar Trust, decided to enter the beet sugar trade, in part because

they believed “it was both a profitable and patriotic thing” to do. “I saw that every year [America] was sending away a lot of money to buy something which we could just as well produce at home,” Henry Oxnard later recollected.  

Henry traveled to France, from where his family had immigrated, to consult with producers, purchase machinery, and induce laborers to work in America. He and his brothers then organized the Oxnard Beet Sugar Company and established factories at Grand Island and Norfolk, Nebraska, and at Chino, California. In the years that followed, the three factories acted as manufacturing schools for those who were interested in the beet trade. By the 1900s, according to one scholar, “there was hardly a beet sugar factory in America that did not employ operators who had been trained in the ‘Oxnard school.'”

By 1890, then, a few beet sugar fabrications were operating successfully in the American West. Although Utah had failed in its initial beet sugar attempt, the quest to develop edible sweeteners had continued in the territory. Arthur Stayner, a Utah horticulturist from England, made several attempts in the 1870s and 1880s to produce sugar from sorghum cane, sugar cane, and beets. In 1887, Utah’s territorial legislature even granted him a $5,000 bounty, payable upon the production of 7,000 pounds of marketable sugar. Stayner realized, however, that he did not have sufficient funding to carry out the necessary research or to buy the essential equipment, so he approached leaders of the LDS church and asked for their financial help. 

To Stayner’s good fortune, Wilford Woodruff, who succeeded John Taylor as president of the church, quickly


became convinced that beet sugar was an important industry for Utah and the Latter-day Saints. Woodruff, who was born in 1807 in Connecticut, had joined the church in 1832 and had become an apostle in 1838. He was noted for his success in bringing people into the church, and had also served in Utah’s territorial legislature.22 Stayner had originally approached Woodruff about financing in 1887, but the church’s poor financial condition at that time, coupled with a negative report on the industry from a committee of businessmen affiliated with Zion’s Cooperative Mercantile Institute, a church-run enterprise, made him reluctant to grant financial aid. In 1888 and 1889, however, Woodruff seemed to reconsider, allowing Stayner and Elias Morris, one of the original participants in the DMC, to speak at priesthood meetings about the establishment of the beet sugar industry. According to several of his close associates, including Heber J. Grant, one of the Twelve Apostles who would later become president of the church, the change of heart came after Woodruff obtained a revelation from God telling him to establish the beet sugar industry in Utah. As Grant related, Woodruff told church leaders “that the Lord would like the great business of manufacturing sugar established in our midst.” He therefore reconsidered his earlier reluctance, discounting the opinion of Mormon businessmen and the negative attitudes of Francis M. Lyman, John Henry Smith, and Moses Thatcher, members of the Quorum of the Twelve Apostles, in the process. “Never mind the report[s],” Woodruff told Grant. “The inspiration to me is to establish the sugar industry.”23

Upon Woodruff’s insistence, the First Presidency and Quorum of the Twelve Apostles published a circular in the spring of 1889 announcing the “feasibility and practicability of establishing the industry of making sugar in this Territory” and calling on Mormon businessmen to support the enterprise. If

22. For more information about Woodruff, see Thomas G. Alexander, Things in Heaven and Earth: The Life and Times of Wilford Woodruff, a Mormon Prophet (Salt Lake City, Utah: Signature Books, 1991).
23. As quoted by Grant in Eighty-Ninth Annual Conference of the Church of Jesus Christ of Latter-day Saints (Salt Lake City: Deseret News, 1919), 8; see also Alexander, Things in Heaven and Earth, 284.
the industry could be made viable, the circular stated, church members could stop paying high prices for imported sugar and could become more independent and self-sufficient. The First Presidency and Twelve Apostles also foresaw the industry as supplying jobs for incoming immigrants to Utah, especially since the territory was running out of land for these newcomers.\textsuperscript{24}

At this time, the LDS people were just emerging from a period of over twenty years when church authorities had preached the importance of cooperation among themselves in order to increase self-sufficiency and to maintain money supplies in Utah. This move to cooperation had begun in the late 1850s and early 1860s when Brigham Young began disparaging non-Mormon merchants as trying to gouge the LDS people. In 1866, he even counseled church members to boycott “gentile” businesses. As the transcontinental railroad edged closer to Utah in the late 1860s, Young took this boycott a step further and advocated the establishment of community cooperatives in Utah, as well as a central cooperative in Salt Lake City—known as Zion’s Cooperative Mercantile Institution (ZCMI)—which would sell goods to the Mormons at reasonable prices. For the next several years, Latter-day Saints pooled together their resources to produce needed manufactured goods, be it lumber or textiles, rather than purchasing those items. In the 1870s, some of these cooperatives morphed into full-fledged communes known as the United Order, again at the encouragement of Young, who was applying his interpretation of the Law of Consecration advocated as a heavenly doctrine by Joseph Smith in the 1830s. As Apostle George A. Smith counseled one congregation, “I advise the Saints to form cooperative societies and associations all over the Territory, . . . and not to pay their money to men who use it to buy bayonets to slay them with, and to stir up the indignation of our fellow men against us.”\textsuperscript{25}

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\textsuperscript{25} Leonard J. Arrington, Feramorz Y. Fox, and Dean L. May, \textit{Building the City of God: Community & Cooperation Among the Mormons} (Salt Lake City, Utah: Deseret Book Company, 1976), 79–110 (George A. Smith quotation on p. 90).
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After Young died in 1877, John Taylor assumed the presidency. Taylor was not as enthusiastic about cooperatives and the United Order, but he still believed that Latter-day Saints needed to support each other in their economic endeavors. He gradually moved Latter-day Saints away from cooperatives through means of boards of trade, organized in each Mormon stake to centralize the marketing of LDS goods, with Zion’s Central Board of Trade in Salt Lake City serving as the governing entity. Those who ran the boards of trade, Taylor explained, deserved LDS support as they were Mormon business leaders who “acted honorably in their dealing, paid their tithing and donations, were willing to be
counseled and advised, and had at heart the interest of the work of God.”

When the federal government heightened its efforts to prosecute Mormon polygamists in 1884, however, Taylor and other LDS leaders were forced underground and the boards of trade died out. After the passage of the Edmunds Act in 1887, the federal government had the power to confiscate church property, leaving the church without a financial base and hindering the organization from acting as the central economic authority in Utah. Yet the church was still enmeshed financially in numerous industries by the time Wilford Woodruff assumed the presidency in 1889, including ZCMI, Zion’s Saving Bank and Trust Company, Consolidated Wagon and Machine, the Templeton Hotel, the Bullion, Beck, and Champion Mining Company, and several newspapers such as the *Deseret News*, the *Salt Lake Herald*, and the *Salt Lake Times*. Under Woodruff’s presidency, the church would aid several other endeavors as well, including the Inland Crystal Salt Company, the Saltair Beach Company, the Salt Lake & Los Angeles Railway Company, and the Union Light & Power Company. In many ways the church’s justification for its involvement in these industries was no different from its reasoning to begin cooperatives in the 1860s and 1870s: to provide more economic opportunities and employment to its members and to reduce the price of goods to Utah consumers. This was especially important because Utah’s land base was slowly shrinking as more and more people immigrated to the area, and the territory was undergoing increased urbanization. Although agriculture would continue to dominate Utah’s economy, fewer people could gain the land necessary to begin such enterprises, meaning that other economic avenues were necessary.

Such reasons probably helped convince Woodruff that God wanted Mormons to grow sugar beets. Because Woodruff believed that it was a directive from the Lord, it is not surprising that the First Presidency and the Quorum of the

Twelve Apostles asked for financial support for the beet sugar industry and framed these requests as a type of ecclesiastical responsibility. Because of Woodruff and other church leaders’ efforts, Stayner and his fledgling company obtained $15,000 in capital stock, enough to incorporate itself on September 4, 1889, as the Utah Sugar Company. Elias Morris was elected president and Stayner was appointed secretary and general manager. Woodruff and George Q. Cannon, one of Woodruff’s counselors in the First Presidency, purchased significant amounts of stock in the company, although the church itself took no actual stock at that time.\(^{28}\)

When the Utah Sugar Company was formed, its stockholders believed it would be more profitable to produce sugar from sorghum cane than from beets. The subscribers established a committee, consisting of Morris, Stayner, Francis Armstrong, Amos Howe, and George W. Thatcher, to investigate the manufacture of sugar from sorghum cane at Fort Scott, Kansas. In Kansas, the committee members discovered that the sorghum factory was failing because of several factors, including adverse weather, convincing them that beets would work better than sorghum for sugar production.\(^{29}\)

The Utah Sugar Company’s board of directors accepted the committee’s findings and decided to focus completely on the production of sugar from beets. Therefore, in 1890, it issued a call for bids to build a factory. On November 5, 1890, the board awarded a contract to E. H. Dyer and Company, a corporation operating out of Cleveland, Ohio, which had submitted a proposal of $400,000. In order to obtain the money, the company increased its capital stock to $1 million and placed an issue of $400,000 on the market. Although the company failed to sell the issue, a group of investors in Lehi, Utah, a small community approximately thirty miles south of Salt Lake City, provided a substantial amount of

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\(^{29}\) “Testimony of Mr. Thomas R. Cutler,” June 22, 1911, American Sugar Refining Company Hearings, 768. According to Arrington, Stayner had previously visited the Fort Scott factory before advocating the establishment of the company. Arrington, *Beet Sugar in the West*, 6.
funding. This, coupled with the fact that the Lehi community offered a bounty of $7,000 to the corporation to construct the factory there, convinced the Utah Sugar Company to establish its enterprise in Lehi. On December 26, 1890, Wilford Woodruff dedicated the cornerstone of the factory before two thousand people.30

Soon after, the enterprise encountered financial difficulty, paving the way for the LDS church to become more directly involved in the corporation. Several $50,000 payments to the Dyer Company became due, but Utah Sugar did not have enough money to pay the installments. According to Thomas Cutler, who had taken over as general manager of the corporation after Arthur Stayner resigned to take a position elsewhere, many of the stockholders had run into monetary problems of their own and were unable to make their stock

payments. In order to keep the corporation afloat, seventeen Utah businessmen, Cutler included, formed an unlimited liability company to back up Utah Sugar. Unfortunately, eight of the seventeen went bankrupt soon after, forcing the others to sell their securities at half of their value. Just when Utah Sugar seemed in danger of going under, Cutler appealed to Wilford Woodruff.31

Enthusiastic about the jobs and economic benefits that Utah Sugar could provide to Utah’s citizens, Woodruff took several measures.32 First, he and his two counselors in the First Presidency—Cannon and Joseph F. Smith—sent a letter to all stake presidents and bishops in Utah, asking them to support the Utah Sugar Company and explaining that the sugar industry would be “a great benefit to our Territory.” The letter noted that “we are very desirous to have this enterprise meet with the success which it deserves,” and the First Presidency expressed “no doubt” that its appeal “will be met by a cordial response from yourselves and the people.”33 In addition, Woodruff told Smith, Grant, and other high-ranking church leaders to encourage members to provide their support when they visited stakes and wards throughout Utah. Following this counsel, apostle Francis M. Lyman told a congregation in Salt Lake City that the Utah Sugar Company was “the greatest material enterprise ever undertaken . . . and will be the means whereby a vast amount of money will be saved annually to

32. Joseph F. Smith, one of the LDS church’s Twelve Apostles who would later become president of both the religion and the Utah-Idaho Sugar Company, stated in 1893 that one of the reasons the church became involved in the sugar industry was “because when we came to reflect about it we saw that we had reached a point in our history where there was not a single enterprise of a public character that was calculated to give employment to our people. . . . We began to feel that there was a responsibility resting upon us which required something to be done, in a small way at least, in the direction of giving employment to our people.” Smith, “True Economy,” Deseret Evening News, December 16, 1893. See also “Testimony of Mr. Joseph F. Smith,” June 27, 1911, American Sugar Refining Company Hearings, 1068–69.
33. Wilford Woodruff, George A. Cannon, and Joseph F. Smith to the Presidency of the several Stakes and the Bishops and Counselors of the different Wards, November 14, 1890, in Taylor, A Saga of Sugar, 78–79.
the people of this Territory.” Likewise, Marriner W. Merrill, another apostle, was instructed to travel throughout Cache Valley in northern Utah on behalf of the corporation.34

Woodruff also told Utah Sugar’s directors that the church would underwrite the first $50,000 payment to the Dyer Company. According to one of Cutler’s sons, Woodruff then sent Cutler to New York City in order to secure the necessary bank note. Several days later, Cutler telegraphed Woodruff, stating he was leaving for Utah on the next train. Woodruff was mystified as to what was going on, for he had received no draft of the note and had no idea whether Cutler had been

34. Arrington, “Development of Manufacturing: Sugar.”
successful in the endeavor. When Woodruff and a couple of other church leaders met Cutler at the train station, however, Cutler informed them that he had the money in his traveling case. Dumbfounded, they

all went to the station rest room, put a chair against the door and [John Henry Smith] sat on the chair while they dumped [Cutler’s] traveling bag in the middle of the floor and counted the money. . . . President Woodruff asked, ‘What were you thinking of, coming from Chicago in these perilous times with this money in your bag?’ [Cutler] answered, ‘What good would a draft have been? If I had sent it, we couldn’t have cashed it in all the banks in Utah, and we need the money.’

After Cutler presented the money, Woodruff informed him that the church would call apostle Heber J. Grant on a mission as a financial agent to raise additional funds. Grant, along with Cutler, subsequently contacted banks and businessmen in Salt Lake City, Chicago, New York, and Boston, and finally obtained $200,000 from Utah citizens and $150,000 from Salt Lake City banks (on an endorsement from the church), to go along with an additional $180,000 provided by the church.

Yet in order to pay all of the bills, an additional $100,000 was needed. Grant thus contacted Wells, Fargo and Company in San Francisco, but was told “that it would be impossible to lend money, a thousand miles away, on local security.” Grant, who had managed the Wells-Fargo Salt Lake City branch earlier in his life, told the head of the bank that if

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35. “Life Sketch of Joseph Albert Cutler as Told to R. Dilworth Rust,” 2–3, copy in Arrington Papers, Series 9: Mormon History Topics, box 87, folder 10. See also Jesse R. Smith to Dr. Leonard Arrington, July 31, 1979, ibid. Because this story has no corroboration, it is difficult to determine whether or not it is true.

36. Arrington, “Utah’s Pioneer Beet Sugar Plant,” 101–2; Arrington, Great Basin Kingdom, 390; Van Wagoner, “The Lehi Sugar Factory,” 192. Joseph F. Smith also claimed that he had been sent out by Woodruff to try and get Mormons “to subscribe their money to the building of [the Lehi] factory.” “Testimony of Mr. Joseph F. Smith,” June 27, 1911, American Sugar Refining Company Hearings, 1057.
the manager would write down the names of twenty-five of the strongest Mormon businessmen in Utah, Grant would get twenty of them to guarantee the church’s promissory notes. Not believing him, the manager wrote down thirty names, and Grant returned to Salt Lake City where he successfully obtained twenty-five signatures, including that of David Eccles, a Mormon lumberman and banker, who told him that “it would be a pleasure to endorse the Church’s notes.” With such backing, the loan was secured and construction of the factory continued. As Cutler later declared, the church had “rescued” the Utah Sugar Company.

To many, these fundraising efforts constituted divine intervention, further proof that God really was behind the formation of the Utah Sugar Company. George Q. Cannon, for example, relayed to church members that a mysterious man approached him one day, asking him if he needed any money. The man then gave Cannon $25,000, which was exactly the amount that the Utah Sugar Company needed to keep it afloat. Certainly, Cannon concluded, God’s hand was in the sugar works.

In October 1891, the outlook for Utah Sugar improved further. Having completed the erection of the factory, the time had come to discover whether the company could really manufacture sugar successfully, something that neither Brigham Young nor John Taylor had been able to do. A crowd gathered in Lehi on October 15, 1891, to observe the initial efforts. When the amazed onlookers saw the first batch of beets transform into white sugar, they shouted out “hurrahs” and “hosannahs.” By the next morning, twenty thousand pounds of beet sugar lay in a railroad car and forty years of effort had finally paid off.

37. Quotations in Heber J. Grant, The Strength of the Mormon Church (Salt Lake City, 1921), 16–20; see also “The Beet Sugar Industry and the Church: Excerpts from the 51st Anniversary Report of the Utah-Idaho Sugar Company”; Arrington, Beet Sugar in the West, 11–12; Arrington, Great Basin Kingdom, 388.
Indeed, it was no small thing that the factory had succeeded, for raising beets in the arid land of Utah was still a shaky proposition. Although farmers could use irrigation to compensate for the lack of natural water in the Great Basin region, as they did with most of their crops, it was unclear whether irrigated lands could produce healthy sugar beets. In California, the only place where beets had successfully been grown for a number of years before 1890, irrigation was not necessary. According to this “California method,” beets needed less water at the beginning of the growing season to ensure the development of a sufficiently long taproot. Farmers should also use less water at the end of the season, the California method stated, in order to secure a high sugar content in the beet. Utah farmers, however, had been raised on the counsel that frequent irrigation of all crops was a necessity and thus “did not give too much heed” to the California method. Although many observers predicted disaster, Utah agriculturists soon proved that its method not only worked, but in many ways bettered the California approach. As a U.S. Department of Agriculture report later declared, “methods of cultivation, irrigation, drainage, and fertilization were superior” in Utah “to those prevailing in ordinary farm districts in other parts of the country,” and Utah eventually became “the ideal beet-sugar state.”

But, as farmers soon discovered, raising beets required a great deal of intensive labor. First, seeds had to be planted in rows twenty inches apart. Because the seeds were multigerm, and because beets would not mature if they were too close together, farmers had to thin out the plants once they sprouted until only one remained in each seed area. In order to do this, Utah agriculturists typically employed “beet gangs” consisting of two groups of young males. The first group, usually young men over the age of fifteen known

41. Walter L. Webb, untitled manuscript, 2–3, in Arrington Papers, Series 12: The Writings of Leonard J. Arrington, box 8, folder 3. Webb was the editor of the *Lehi Banner* when the Lehi beet sugar enterprise started and later became an agriculturist with the Utah-Idaho Sugar Company.

as “thinners,” would block the beets off, and the second, consisting of younger boys known as “crawlers,” would thin each block into one plant. As one observer recalled, every crawler dreamed about becoming a thinner because “the hoers [sic] job is more dignified.” Most of the thinning took place over a ten-hour day, and the boys typically received fifty cents per day for their work.43

After thinning, the most arduous job was harvesting the plant, something that typically occurred in late September or early October. A plow first loosened the beets and then a worker would “top” the beets by lifting them out of the soil and “clipping off the crown and leaves with a long knife.” The beets were then thrown into piles and transported to the factory by wagon. Harvesters and elevators significantly reduced the amount of labor used in the harvest, but not until the turn of the century.44 Because of the intensity of the labor requirements, most sugar beet growers in the American West used hired help, mainly from Mexico or Japan, since few white workers would accept that type of employment. But in Utah, “the members of farm and village families capable of working in the fields were more numerous,” and families or the aforementioned groups of young men performed most of the labor, at least until the 1910s and 1920s.45

After the beets arrived at the factory, they were stored in sheds to prevent freezing. Then the complicated procedure of converting the vegetable into sugar began. When all of these processes finally produced sugar in October 1891, it is no wonder that those present shouted for joy. As the amount of beet sugar it produced increased, the Utah Sugar Company slowly began to work its way out of debt, largely because of the financial backing of the LDS church, the state government (which provided a one-cent per pound bounty for sugar production), and the federal government (which

43. Webb, untitled manuscript, 3.
44. USDA, Progress of the Beet-Sugar Industry in the United States in 1909, 14.
The Establishment of the Sugar Industry in Utah and Idaho

gave a two-cent per pound bounty under the 1890 Dingley Tariff). However, financial difficulties continued to plague the corporation throughout the 1890s.

In 1893, an economic depression hit the United States, adversely affecting businesses across the country, including the Utah Sugar Company. Because the depression made it expensive for the corporation to renew its many loans, Utah Sugar tried to fund its debt through the issuance of $400,000 in first mortgage bonds. When these bonds failed to sell, the LDS church—despite its own financial problems stemming from the 1893 panic—decided to purchase and resell them at a discounted price to Joseph Banigan, a Rhode Island businessman who had liked the “integrity, industry, and thrift” that he saw in the Mormon people. The church took a loss on the deal, but the Utah Sugar Company benefited greatly from it. Finally out of debt, the corporation was able to pay its first cash dividend in January 1896. Reeling from its own financial problems, the LDS church continued to make it a priority to support Utah Sugar, as Woodruff directed the organization to purchase 8,520 shares of stock, an investment totaling $85,200.46

In addition, church leaders continued to brainstorm for the Utah Sugar Company. Aware that many Mormons themselves faced financial setbacks from the Panic of 1893, church leaders still emphasized the necessity of supporting Utah Sugar. Several talks in the church’s October 1893 general conference, for example, addressed the sugar industry, with President George Q. Cannon relating that the First Presidency and the Quorum of the Twelve Apostles had assumed “very heavy burdens in order to carry this project out.” The only reason why they subjected themselves to such loads, Cannon continued, was because of “the manifestations of the Spirit of God through our President and to each one of us” that the Lord wanted the sugar industry established.47 Cannon elaborated at another LDS gathering, telling members that “some of the Twelve

46. Arrington, Great Basin Kingdom, 390–91; Van Wagoner, “The Lehi Sugar Factory,” 196. Banigan was apparently the only individual the church could find who would purchase the bonds.

47. Deseret Evening News, October 21, 1893.
were doubtful about” the industry’s success, until they “met
together, . . . prayed and sought to know the mind of the Lord
about it.” According to Cannon, “the Lord revealed in great
plainness that it was our duty to say to the Latter-day Saints,
‘Go to work and build up a sugar factory, and seek to produce
sugar in the land.’”48 Woodruff was no less effusive, telling
the church that he was willing to stand before God after he
died “to bear my part of the responsibility” for establishing
the beet sugar industry because “if there is anything on earth
that I was ever moved upon by the Spirit to do it was to unite
in that enterprise with my brethren.”49

Joseph F. Smith even went further. He criticized Latter-day
Saints for not supporting Utah Sugar, stating that members
frequently purchased imported sugar above “Lehi sugar”
because importers “cut down the price, in order to undersell
the home product.” Smith shamed any Latter-day Saint that
did not buy Lehi sugar, saying that whoever refused the
product might be a Mormon, but was not a Latter-day Saint.
“We ask the people to patronize home industries—patronize
the Lehi sugar factory . . . [in] a spirit of patriotism, a spirit of
home interest, and of wisdom,” he concluded. Accordingly,
after Smith’s address, leaders of wards in Utah had their
members pass resolutions stating that they would “sustain the
Utah sugar factory by demanding Utah sugar as long as the
supply lasted.”50

As the 1890s came to a close, then, the Utah Sugar
Company found itself on firmer financial ground and blessed
by church authorities who continually informed members that
the industry was in divine hands and deserved their support.
With this financial and ecclesiastical backing, the Lehi factory
processed more and more beets, going through 36,000 tons
in 1899. Because of the increased production and because
it now had the money to do so, the Utah Sugar Company
expanded the Lehi factory in 1899 and 1900, enabling it to
process a thousand tons of beets per day.51

50. All citations in Arrington, “Development of Manufacturing: Sugar.”
With the success of the Lehi plant, farmers across Utah began petitioning the Utah Sugar Company to build factories in other areas. At the same time, sugar company officials tried to convince farmers of the benefits of growing beets, and Thomas Cutler even served as a “sugar beet missionary” to various parts of Utah for that purpose. On a request from George Q. Cannon, Cutler, carrying a blackboard, showed “the farmers how to raise beets, and what profits there would be in them.” Since the cultivation of sugar beets required so much work, Cutler had to convince farmers of the value of growing beets in order to ensure that agriculturists would continue to raise the product. Cutler thus focused on the numerous benefits that beet cultivation provided, following the example of the United States Beet Sugar Association. One of this organization’s publications, for example, stated that if farmers grew sugar beets, they would discover that the product promoted “soil fertility and sound farming practices.” Because the beet’s root system extended six or seven feet below the ground, it was a good plant to use in a crop rotation system, as it could reach nutrients that other crops could not. In addition, after the beet had been harvested, most of the root system remained in the ground where it served as “green manure” and increased the fertility of the soil.

Beet sugar companies claimed that the beet was “literally two crops in one.” Not only did it produce sugar for human consumption, but its byproducts, such as the tops, pulp, and molasses, were “highly nutritious feeds for livestock, and thus provide[d] additional food and fiber for human beings as meat, milk and wool.” Combined with grain and alfalfa hay, the beet’s byproducts could “produce beef and mutton or lamb at lower cost than any other ration available in the United States.” Farmers could not only grow beets for sale to a factory, but could also use them to feed their livestock. However, according to most beet sugar publications, the greatest reason for farmers

52. “Testimony of Mr. Thomas R. Cutler,” June 22, 1911, American Sugar Refining Company Hearings, 773.
to grow beets was that it was “a dependable and highly valuable cash crop.” Companies could contract with farmers before every growing season as to the amount of money they would receive for each ton of beets, giving agriculturists “an assured market . . . even before the seed [was] in the ground.” Whatever income farmers gained from their beets could then be used “as a basis for the financial planning of [their] operations.” As one publication concluded, “The banker looks with favor upon the farmer who grows beets.”

The information provided by Cutler convinced many Utah agriculturists to grow beets. At the same time, the Utah Sugar Company’s directors were increasingly convinced that the Intermountain West was an ideal place for beet sugar production. The soil was rich, the growing season had warm days and cool nights, and sunshine and water (from irrigation) abounded. Moreover, Mormon families, instilled with a strong work ethic, provided a sufficient labor force for the crop. Therefore, the Utah Sugar Company, with the encouragement of Mormon church leaders, gradually began to expand its operations from Lehi into other territories. This corresponded to a general trend in Utah’s economy, whereby enterprises enlarged their vision from local markets to larger territories.

But funding was necessary for such expansions, and by 1900, the LDS church was not in a position to provide it. When Lorenzo Snow assumed the presidency from Wilford Woodruff in 1898, he established a financial committee to investigate the church’s economic affairs. The report was disquieting. The church had faced a difficult time trying to regain its property and assets confiscated in the late 1880s.

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55. Quotations in USBSA, *The Beet Sugar Story*, 25, 30; see also “Testimony of Mr. Joseph F. Smith,” June 27, 1911, American Sugar Refining Company Hearings, 1042.


57. Lorenzo Snow, the fifth president of the LDS church, became the first president to also serve as president of the Utah Sugar Company. After George Q. Cannon, one of his counselors who was president of the corporation from 1898 to 1901, died in 1901, Snow assumed leadership of the corporation. Snow himself died on October 10, 1901. Arrington, *Beet Sugar in the West*, 177.

by the federal government, and Woodruff’s investments in various enterprises, as well as in educational pursuits, had further drained church coffers, as had loans provided to high-ranking church leaders who suffered setbacks in the Panic of 1893. Because of this situation, the church was perilously close to bankruptcy in 1898. To correct the situation, Snow proclaimed the necessity of curbing church expenditures and of increasing church members’ dedication to the principle of tithing (a donation of 10 percent of a person’s annual increase). Clearly, the church had little means to support the industries in which it had invested.59

Therefore, in the early 1900s, many Utah corporations looked to outside capital for funding.60 Sugar was no different; the Utah Sugar Company and its leaders turned to Henry O. Havemeyer, president of the American Sugar Refining Company, which, as we have seen, was an eastern cane sugar manufacturer known as the “Sugar Trust” for its monopolistic practices, for the capital necessary to enlarge its territory. Not all LDS authorities were comfortable with this development. Apostle Anthon H. Lund, who would become a member of the First Presidency in 1902, told Utah Sugar leaders that he considered it “so much better for us if we could continue as we are and build up this industry with home capital.”61 He was especially worried about giving up control of the corporation to outside interests. Regardless of Lund’s reservations, Havemeyer purchased 50 percent of the Utah Sugar Company’s stock in 1902. According to Cutler, the directors were willing to sell to Havemeyer because they “wanted capital,” and Havemeyer promised that he would supply them “with one-half the capital that [they] required at any time.”62

62. “Testimony of Mr. Thomas R. Cutler,” June 22, 1911, American Sugar Refining Company Hearings, 774. The following chapter will analyze more fully the reasons for American Sugar’s interest in Utah-Idaho Sugar and the effects that this had on the company.
With Havemeyer’s financial backing and leadership, the Utah Sugar Company enlarged its operations at the same time that the beet sugar industry was exploding throughout America. From 1898 to 1903, over forty new factories were built in the United States, representing an investment of about $80 million, and Utah Sugar rode this wave of expansion. In 1903, for example, the corporation constructed a facility at Garland, Utah, a small town about ninety miles north of Lehi, with the capacity to process six hundred tons of beets per day. That same year, members of the board of the Utah Sugar Company formed the Idaho Sugar Company in order to begin construction of factories in Idaho. According to Cutler, the Utah Sugar Company created a new corporation so that “the people [of both Utah and Idaho] could speculate a little on the stock.” No one wanted stock in the Utah company, Cutler claimed, because it used “an old factory.” Yet people were enthusiastic about climbing aboard a new enterprise, so the Idaho Sugar Company was formed on January 23, 1903. Havemeyer claimed half of the stock of the company and provided half of the capital for the building of the corporation’s first factory at Lincoln, Idaho, which was near Idaho Falls, while the LDS church took 5,625 of the 75,000 shares. Aside from the fact that the principal stockholders and officers were the same in the Utah Sugar Company and the Idaho Sugar Company, other similarities existed as well. For one thing, the Idaho Legislature passed a law on March 11, 1903, stating that it would provide a bounty of one cent on each pound of sugar manufactured in 1903. Unfortunately, unlike Utah, the legislature never actually paid

65. Quotations in “Testimony of Mr. Thomas R. Cutler,” June 22, 1911, American Sugar Refining Company Hearings, 771–72; see also Arrington, Beet Sugar in the West, 56–58.
the bounty because the law was ruled unconstitutional. In addition, several Utah Sugar employees were transferred to the Idaho plants to ensure the success of the new enterprise. For example, Thomas Cutler sent Walter L. Webb, a chemist at the Lehi factory, to Idaho “to assist in building the factory and operating it.” The Dyer Company also constructed the Idaho mill, as it had the Lehi facility. Built under the auspices of the Idaho Sugar Company, the Idaho factory was really just an extension of the Utah Sugar Company.

Eight months after the formation of Idaho Sugar, its board of directors decided that a second factory was needed in Idaho. However, because the first plant had not yet succeeded financially, the company did not have the necessary capital for expansion. Therefore, the directors created a third corporation, the Fremont County Sugar Company. As with the other two firms, Fremont County had the same directors and management and also was capitalized with 75,000 shares of stock, of which Havemeyer owned half and LDS church authorities owned 18 percent. The company again employed E. H. Dyer and Company to construct a factory, located at Sugar City, roughly twenty miles north of Lincoln, and technical leaders from Lehi served as the main consultants for the initial sugar production. Because of the similarities between the Idaho and the Fremont companies, they merged in 1905 after the Fremont’s first campaign, and the new company—The Idaho Sugar Company—increased its capital stock to $5 million.

At the same time, Idaho Sugar bought out an independent enterprise, the Snake River Valley Sugar Company, which operated a factory in Blackfoot, Idaho. Later in the year, the Idaho Sugar Company discovered that representatives of W. D. Hoover, a Colorado businessman who had constructed a sugar mill at Eaton, Colorado, had contacted farmers in western Idaho and offered to build factories at Nampa and Payette.

Concerned about the arrival of another independent firm, Idaho Sugar’s directors, upon approval of Henry Havemeyer, agreed to form yet another corporation, the Western Idaho Sugar Company, which would then construct facilities at both Nampa and Payette.  

Western Idaho Sugar again had the same officers and leaders, but because it had to finance the construction of two factories, it was capitalized at $2 million and issued 200,000 shares of stock. Havemeyer again took half, with Joseph F. Smith (who had become president of both the LDS church and the Utah Sugar Company in 1901) and Thomas Cutler also purchasing shares. Thus, by the close of 1905, the Utah Sugar Company dominated most of Utah’s sugar industry, while the Idaho Sugar Company and the Western Idaho Sugar Company controlled Idaho’s production. Because the same officers and virtually the same stockholders formed each company, Utah Sugar and its leaders, many of whom were high-ranking church authorities, essentially had a monopoly over both states’ sugar production.

In 1906, Cutler and other directors decided that because of the similarities between the three companies, amalgamating them might prove beneficial. For one thing, it would bring “greater economy in operation,” as it would save on directors’ fees and the salaries of the president and the general manager, who

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70. Cutler later insisted before a House of Representatives committee that the only reason why the company was formed at this time was that after five years of investigation, the Idaho sugar men finally decided that the area could support the growing of sugar beets. However, because it prevented Hoover from operating his enterprise, it seems that Cutler was not as forthcoming as he pretended. “Testimony of Mr. Thomas R. Cutler,” June 23, 1911, American Sugar Refining Company Hearings, 780.

71. Because of unfavorable conditions, Western Idaho Sugar later decided to build only one factory, located at Nampa. It thus reduced its capitalization to $1 million. “Testimony of Mr. Thomas R. Cutler,” June 23, 1911, American Sugar Refining Company Hearings, 781.

72. “Testimony of Mr. Thomas R. Cutler,” June 23, 1911, American Sugar Refining Company Hearings, 777–80; Arrington, “Launching Idaho’s Sugar Beet Industry,” 24–26. In 1905, the Utah Sugar Company had some competition from two other beet sugar corporations, the Amalgamated Sugar Company, with factories in Ogden and Logan, and the Lewiston Sugar Company, which operated a factory in Lewiston, roughly twenty-five miles north of Logan. However, both of these companies had leaders of the LDS church on their boards of directors, assuring that little real competition existed between the three.
were all receiving three different wages from the three different corporations. In addition, a combination of the companies would lead to greater stock stability. Moreover, consolidating the corporations would make it easier to borrow money for sugar production. “The Utah Sugar Co. was known, but the other companies, having been organized of recent date, they did not have the credit that the original Utah Sugar Co. had,” Cutler stated, “and I found it very difficult to borrow money in the financial world.” In a similar way, consolidating the firms would increase their technical efficiency, as duplicate pieces of equipment could be stored at a general warehouse for later use. Finally, if the companies were combined, the board of directors would hear less criticism from stockholders in one corporation complaining that one firm was being promoted above their own. Armed with these reasons, Cutler approached Havemeyer about a combination. After “a great deal of argument,” Havemeyer finally agreed to the merger in June 1907.73

Cutler then presented the proposal to the stockholders of the different corporations, as two-thirds had to offer approval before the merger could occur. Some were unenthusiastic about the combination, especially those holding stock in the Western Idaho Sugar Company. Western Idaho had experienced an excellent campaign in 1906, and its stockholders believed that their stock was worth more than Idaho Sugar or Utah Sugar shares. To alleviate these concerns, Cutler declared that holders of Western Idaho stock would receive a 25 percent premium on their new certificates, while holders of Idaho stock would only receive a 10 percent premium. This convinced the necessary proportion of stockholders, and on July 31, 1907, the Utah-Idaho Sugar Company was officially incorporated under the laws of Utah.74

74. “Testimony of Mr. Thomas R. Cutler,” June 23, 1911, American Sugar Refining Company Hearings, 782–84; “Minutes of the Utah Sugar Company, March 5, 1907, May 21, 1907, July 3, 1907, July 18, 1907,” Arrington Papers, Series 12: The Writings of Leonard J. Arrington, box 10, folder 1; Arrington, Beet Sugar in the West, 71–72.
Utah-Idaho’s initial authorized capitalization was $13 million, with $10 million in preferred stock and $3 million in common stock, and it had control of six factories, two in Utah and four in Idaho. Although it did not approach the size of many eastern businesses, it was still a large beet sugar enterprise. The Great Western Sugar Company (located in Colorado) and the American Beet Sugar Company (formed by the Oxnard brothers), for example, were two of the biggest beet corporations in the United States, and their capitalization exceeded Utah-Idaho’s only by $7 million. Joseph F. Smith continued as president of the new corporation, with Thomas R. Cutler serving as vice president and general manager and Horace G. Whitney appointed as secretary and treasurer. As with the other companies, Henry Havemeyer held half of the corporation’s stock, and the LDS church, because of the consolidation of the stock held in the other firms, held 49,815 shares worth roughly $500,000, constituting one of the church’s largest business investments.

At the time of the consolidation, there was a sneaking suspicion among many observers that, despite its financial setbacks and the growing influence of non-Mormons in Salt Lake City’s economy, the LDS church was still dominating Utah’s economic affairs. When Reed Smoot, a Mormon apostle, was elected to the U.S. Senate in 1902, for example, hearings were held before that body to determine whether or not he was fit to serve as senator. The investigation was sometimes less about Smoot and more about the Mormon church, as the religion’s teachings and practices came under intense scrutiny. Joseph F. Smith, president of the church, testified at the hearings, as did other leaders. One of the charges leveled against Smith was that the church maintained economic control over its members and forced them to support church-sanctioned enterprises. Smith’s testimony of

75. Eichner, *The Emergence of Oligopoly*, 241, 244.
77. “Testimony of Mr. Joseph F. Smith,” June 27, 1911, American Sugar Refining Company Hearings, 1032, 1039. Smith claimed that the dividends on this stock were used “for the interest of the church... in a religious way.”
all the corporations in which he served either on the board or as president seemed to produce the necessary proof of this accusation.78

But church authorities contended that there was nothing unseemly in their involvement in Utah industries. Heber J. Grant told a Mr. Albert Wilson in 1905 that “while the Church is interested in its members and oftentimes has used Church funds to aid their frontier settlements in establishing industries, never has it interfered with the individual.” Grant admitted that the church had taken a large interest in the sugar industry, but he made no apologies for it. “I have no hesitancy in saying that this, the greatest of all the industrial businesses in Utah, would never have been established but for the financial aid of the Church,” he related, “and the active labors of the leading Church Officials in soliciting subscriptions.”79

Grant was probably correct in his assertions, but what he and other leaders failed to perceive was that church involvement in Utah-Idaho Sugar, a company whose whole purpose was to provide dividends to their stockholders and profits to their officers, would create problems for both the corporation and the church. In times when Utah was largely segregated economically from the rest of the nation, and when some central authority was essential to promote the developing economy, church economic domination was both accepted and necessary. Now that industries such as beet sugar were becoming more integrated into the larger national economy and capitalistic ideas had largely replaced those of cooperation and self-sufficiency, Mormon influence would not be tolerated.

Yet Smith, Grant, and others were reluctant to give up their control of the beet sugar industry. They and the church itself had provided financial support at great sacrifice in the 1890s, and had also invested time and energy into promoting

79. Heber J. Grant to Mr. Albert E. Wilson, n.d. [ca. October 1905], Kenney Collection, box 12, folder 22.
the industry. Now that the initial painful growing years had come to an end and Utah-Idaho Sugar was becoming profitable, they and the church could finally reap some benefits for their sacrifices. Besides, God had never told Smith that he was satisfied with the church’s efforts, so the divine requirement to promote the industry still remained. Unfortunately for both the church and Utah-Idaho Sugar, a nation convinced that big business—and especially the sugar industry—was inherently evil and that LDS leaders exercised unfair ecclesiastical influence in Utah was watching. A clash seemed inevitable.