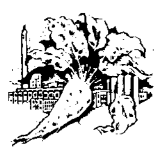
Story of The Amalgamated Sugar Company 1897-1961

By

J. R. BACHMAN
Secretary and Treasurer
of
THE AMALGAMATED SUGAR COMPANY



1962

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THE AMALGAMATED SUGAR COMPANY
OGDEN, UTAH

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Contents

Author's Foreword

FOR many years historical and statistical information about the company had been requested by and furnished to local civic groups and schools. This necessitated a search of company records and special preparation of information requested as there was no compilation of such information.

Early in 1961 the responsibilities of the offices of Secretary and Treasurer were assumed by Keith M. Orme, Assistant Secretary and Assistant Treasurer. This permitted the writer to devote full time to prepare for and write the STORY OF THE AMALGAMATED SUGAR COMPANY.

As an introduction to the story the writer feels that a little history of beet sugar will be of interest to the reader. About 1747, Andreas Marggraf, professor of physics in the Berlin Academy of Science, actually obtained sugar crystals from beets in his laboratory experiments. It was not until some fifty years later that Franz Karl Achard, a student of Marggraf, announced the discovery of the commercial possibilities of sugar production from beets. After an investigation, Frederick the Great, of Prussia, aided Achard in the establishment of the first beet sugar factory in the world on Achard's estate at Cunern, near Steinau in Silesia, between 1799 and 1801.

The establishment of the beet sugar industry on a permanent basis really came about under the stimulus of the Napoleonic Wars when France's cane sugar supply from the West Indies was cut off. On March 18, 1811, Napoleon ordered his Minister of the Interior to take "all steps" to encourage the growing of sugar beets and the erection of beet sugar factories. As a result of Napoleon's various decrees, 334 small beet sugar factories were erected in France in 1812 and 1813.

In the United States the first successful beet sugar factory was built by E. H. Dyer in 1879 at Alvarado, California. From that time on the beet sugar industry has grown to its present size of furnishing about 25 percent of the sugar consumed annually in the United States.

The beginning of The Amalgamated Sugar Company was in 1897 when the Ogden Sugar Company was organized. That company built a factory at Wilson Lane about four miles west of Ogden, Utah. Other companies were organized and consolidated until the emergence of The Amalgamated Sugar Company on January 15, 1915. Details of company organizations, consolidations and factory building are in the story that follows.

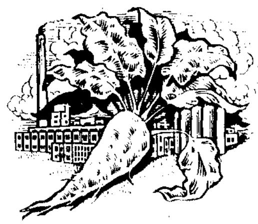
The Amalgamated Sugar Company is one of the top four of the largest companies in the domestic beet sugar industry and is continuing to grow.

The STORY OF THE AMALGAMATED SUGAR COMPANY has been written with the purpose of furnishing information in yearly chronological sequence from 1897 through 1961. The book is divided into sections rather than chapters and each has an introduction to its contents.

The writer expresses appreciation to A. E. Benning, Executive Vice President and General Manager, who honored him with this assignment and assisted him in many ways to complete it. Appreciation is also extended to all of those who furnished articles, pictures, biographies, information and encouragement, without which this story may not have been written.

J. R. BACHMAN

STORY
OF
THE AMALGAMATED SUGAR COMPANY
1897–1961



Section One

THE FORMATIVE YEARS
1897–1912

This section covers the years from the organization of the Ogden Sugar Company in 1897 by David Eccles through 1912, the year of the death of David Eccles.

The Formative Years

1897

Organization

On Monday, December 6, 1897, subscribers to the Ogden Sugar Company met in the office of the Weber Club at Ogden, Utah, and elected Thomas D. Dee, Chairman and Henry H. Rolapp, Secretary of the meeting. Secretary George H. Matson of the Weber Club reported to the meeting: "It affords me pleasure hereby to transmit to you the enclosed original subscription lists to the Sugar Factory, together with a full copy of the subscribers and the amounts subscribed, as the same has been prepared by the Committee appointed by the Weber Club."

Articles of Incorporation of the Ogden Sugar Company were adopted as was also the following resolution. "Be it resolved: That it is the sense of this meeting that the thanks of all the people of Weber County are due to the Weber Club and The Standard for their successful efforts in promoting the building of the Sugar Factory at Ogden."

Directors named in the Articles of Incorporation were: David Eccles, Thomas D. Dee, Hiram H. Spencer, Joseph Clark, George Q. Cannon, John R. Winder, John Scowcroft, Fred J. Kiesel, and Ephraim P. Ellison. Officers were David

Eccles, President; Thomas D. Dee, Vice President; Henry H. Rolapp, Secretary; James Pingree, Treasurer.

The Ogden Sugar Company became a legal entity with the filing of its Articles of Incorporation with the Secretary of the State of Utah on December 16, 1897. Excerpts from the Third Article of Incorporation state its business purpose was, "to grow, purchase and sell sugar root beets; to manufacture and refine the same into raw or refined sugar, and into all other articles containing or manufactured from saccharine substances; to sell or otherwise dispose of such sugar, etc.; to own, buy, sell or otherwise care for horses and livestock; to purchase, lease or acquire real estate and personal property as may be necessary to carry on its business."

At the first meeting of the Board of Directors held at the First National Bank in Ogden City on December 24th, 1897, Secretary Henry H. Rolapp reported that the Articles of Incorporation had been filed with the County Clerk of Weber County and with the Secretary of the State of Utah. Thus the company was officially launched on its business career.

General

At the subscribers meeting held on December 6, 1897, a motion was made and carried that Utah's Congressional delegation consisting of Senators Frank J. Cannon and Joseph L. Rawlins and Representative Wm. H. King be requested to oppose the annexation of the Hawaiian Islands to the United States. This same action was called to the attention of the Board of Directors at its first meeting and Secretary

Henry H. Rolapp was instructed to see that the aforementioned Congressional Delegation be properly advised of the action taken at the Subscribers' meeting. Whether or not such action was taken is not recorded, however, despite unfavorable action taken by various United States Mainland groups against Hawaii by reason of its sugar production, the Islands were annexed to the United States by Congressional action on August 12, 1898, and Hawaii became a territory in 1900.

The Articles of Incorporation list 433 subscribers who subscribed for 2,798 shares of the 5,000 shares of the authorized capital stock of the par value of $100.00 per share. Subscribers were expected to have paid 10 percent of their subscriptions before the Articles of Incorporation were filed. There were some who did not pay and were dropped and there were others who were dilatory and from whom payments were demanded and collected. At the December 24th, 1897, meeting of the Board of Directors, Secretary Henry H. Rolapp reported "that up to December 16th he had collected from the subscribers upon the first 10 percent installment, the sum of $28,750.00, and upon the second and third and other installments, the sum of $22,080.00, making a total amount actually paid into the treasury of the company prior to the filing of the Articles of Incorporation of $50,830.00."

1898

Ogden Factory

At the first meeting of the Board of Directors held on December 24, 1897, David Eccles was authorized to select another director to go with him to inspect the sugar factory at Los Alamitos, California. David Eccles selected Joseph Clark and they made the trip and the inspection, which they reported to the board on January 29, 1898. They also reported that while at Los Alamitos they had contracted with E. H. Dyer & Co., of Cleveland, Ohio, for the "erection and furnishing of certain machinery and structural material for the sugar factory at Ogden." Other contracts were let: a factory site consisting of 131¾ acres costing $10,074.37 was purchased, rights of way and water rights were also acquired and foundation stakes were set on February 22, 1898. On February 28, 1898, the laying of "foundation rock" commenced and work went forward on the Ogden factory to a point of completion sufficient to permit the beginning of operations in early October of 1898 and continuing until 35,716 hundred weight of sugar had been produced from 15,205 tons of beets purchased.

Oregon Sugar Company

Articles of Incorporation of the Oregon Sugar Company were filed in Baker County, Oregon on February 12, 1898. The incorporators were David Eccles, C. W. Nibley and George Stoddard. The objects and purposes of the company as stated in Article Four are essentially: "to buy and sell real estate, to erect, construct and operate a factory to make and manufacture sugar at or near the town of La Grande, Oregon, to promote or encourage the raising of beets or other material from which sugar can be manufactured, and to generally do anything or everything which may be necessary or required in and to the operation of a complete sugar plant, and to have any and all power and authority which may be necessary or required to encourage, promote or foster such industry." Thus the beet sugar industry was launched in another state. Unfortunately, detailed records of the first year's operation are not available, however, the La Grande, Oregon, factory was built and operated. More information on construction and operation will follow, but before that is given it is interesting to know that a meeting of the stockholders of the Oregon Sugar Company was held on February 26, 1898, in Baker City, Oregon. There were present at that meeting the three incorporators: David Eccles, C. W. Nibley and George Stoddard, who among them represented 1300 shares of the 5,000 shares of stock of the par value of $100.00 per share, authorized by the Articles of Incorporation. Other stockholders represented an additional 800 shares. This was probably all of the stock that had been subscribed.

By-laws were adopted covering requirements and procedures of the company, its officers and directors. A Board of Directors was elected consisting of David Eccles, Thomas R. Cutler, C. W. Nibley, George Stoddard and William Eccles. By reason of his activity in promoting and organizing the Oregon Sugar Company it is presumed that David Eccles became president thereof.

At the March 15, 1899, Directors' meeting of the Ogden Sugar Company David Eccles stated he had saved money on contracts and purchases in connection with the construction of the Ogden sugar factory. He said, "of course many of these cuts resulted from the fact that I was at the same time controlling all the contracts and machinery purchases and shipments for the La Grande factory which fact was used as a lever in securing advantages for this factory."

La Grande, Oregon, Factory

In the absence of specific information as to the starting and finishing dates of factory construction it is known that a factory site and rights of way were acquired; contracts were let and a factory was built at La Grande, Oregon.

Construction was completed in time for the factory to produce 18,336 cwt. of sugar from 8,151 tons of beets purchased. This was a very disappointing operation, however, it was softened somewhat by the fact that most of the sugar was sold in nearby towns.

This factory was no doubt built by the E. H. Dyer Construction Company of Cleveland, Ohio. The general layout including machinery and equipment was almost identical to the Ogden factory.

General

The year 1898 saw the actual beginning of a company to be later known as The Amalgamated Sugar Company. In this year both the Ogden, Utah, factory of the Ogden Sugar Company and the La Grande, Oregon, factory of the Oregon Sugar Company, were completed to a point where sugar was manufactured. Ogden factory produced 25,716, 100-lb. bags of sugar from 15,205 tons of beets and the La Grande factory produced 18,336, 100-lb. bags of sugar from 8,151 tons of beets.

Contracting with farmers for the growing of sugar beets for the Ogden factory proved to be a more difficult job than had been anticipated. Minutes of a Directors' meeting of the Ogden Sugar Company held July 11, 1898, contain this statement: "all the beet contracts have been made and we have received contracts for 1994½ acres of beets divided among 839 persons, of which amount Weber County has 955¼ acres, Cache County 822¾ acres, Box Elder County 139½ acres, Davis County 60 acres and Morgan County 17 acres." In later years sugar factories were located in each of the foregoing counties except Morgan. Average acres per grower were less than 2.38 and average tons of beets produced per acre contracted were 7.62. Sugar content of the beets was 15.18 percent. With the factory slicing approximately 300 tons per 24-hour day the total period of operation for the first year was approximately 50 days.

The first year's experience at the La Grande factory was worse than at Ogden, only 8,151 tons of beets were harvested and 18,336 100-lb. bags of sugar produced. Beets were contracted in Union County, in which La Grande is located. In the absence of accurate information for 1898 but based upon information available for subsequent years, it is estimated that there were about 100 beet growers who contracted for 2000 acres of beets from which 8,151 tons of beets were harvested, or an average of about 4 tons per acre. Factory slicing capacity of about 300 tons per 24-hour day would mean an operating period of less than 30 days. Sugar content of the beets was 15.6 percent.

While in the light of present day standards and accomplishments the first year results seem to be very poor, it must be realized that the organizers of the Ogden and Oregon Sugar Companies were inexperienced in the beet sugar business. A sugar factory of the Utah Sugar Company at Lehi, Utah, had been in operation since 1891 but its agricultural activities had been confined to the area contiguous to the factory and its overall operating results were not a matter of public information. Fred G. Taylor in his book, *A Saga of Sugar*, has this to say about the Lehi factory: "The building of the Lehi factory was a courageous experiment. The beets to be processed were the first to be grown on irrigated lands and the factory was being erected with the first American made beet sugar machinery. These and various other factors of uncertainty and hazard had to be explored before the project could be classified as other than an experiment. The Lehi factory supplied the opportunity of early educational experience for many ambitious young men who came to prominence in the beet sugar industry. It is a matter of sugar history that Lehi became a real success." It was, no doubt, the success attained at Lehi and the public knowledge thereof that motivated the building of the Ogden and La Grande factories.

Few if any of those who contracted to grow sugar beets were experienced, so the companies had to assume the undertaking of a program of education. Proper land preparation had to be stressed and as no sugar beet seed was for sale in the market places, the companies had to provide the seed and also plant it. Charges for seed and planting were made against the growers and collections were made when the beets were paid for. Lack of beet farming know-how was in a large measure responsible for the low tonnage per acre.

Contracts for the purchase of sugar beets were at a flat rate of $4.50 per ton and were on a take-it or leave-it basis. No contract negotiations were had as there was no organized group with which to negotiate.

The first factory campaign at both Ogden and La Grande left much to be desired as expressed by David Eccles in his first annual report to the Ogden Sugar Company stockholders, made on March 16, 1899, which was a forerunner of subsequent annual reports made in equally depressing language and which may be characterized as the beginning of lamentations by David Eccles. No definite information is available on the first annual report to stockholders of the Oregon Sugar Company but inasmuch as the same man, David Eccles, was also President of that company and the first campaign results were worse than at Ogden, it is almost certain that an equally bad if not more depressing report was made. Excerpts from the first annual report to stockholders of the Ogden Sugar Company follow. As to contracting for sugar beets: "On account of the fact that we were not prepared to go into the field and invite farmers to contract for raising beets until late in January or early in February we did not secure as large an acreage of beets as we could have wished or handled." As to the receiving of sugar beets: "The arrangements for receiving and storing beets were not as adequate as we should have liked and as a resulting consequence some dissatisfaction arose among the farmers." As to the issuance of receipts for beets delivered: "Another cause of trouble which will be removed this year was the delivery and acceptance of beets at the factory in the name of some person other than the contractor and the erroneous method (adopted from other factories) of not giving separate receipts for each load when delivered." As to labor: "We necessarily were obliged to accept men who had never seen a sugar factory before and consequently were not apt in doing their work." As to limerock: "We also had another serious difficulty to encounter and that was the fact that the limerock that we had secured from Ogden Canyon was composed of too many impurities to be of any use in purifying our sugar." As to sugar sales: "Considering the fact that the last year completed our initial run at the factory I think our output was quite satisfactory. We produced over 30,000 sacks of sugar, over half of which we still have on hand and all of which we estimated will bring in $50,000.00 after deducting freight, expense for marketing, etc." As to earnings: "At the present time I deem it imprudent to declare any dividend because we have no money in the treasury with which to pay such dividend. Besides we are heavily in debt with the positive knowledge that such debt will be immediately increased for improvements; and with more than half of our manufactured product on hand, the disposition of which is more or less uncertain both as to time of disposal and price to be obtained it would seem to be wise to wait until our indebtedness is liquidated and most of our output sold."

After such discouraging statements David Eccles evidently felt it advisable to forecast a more rosy future and concluded his report in a more optimistic tone. "I am convinced that the industry of producing sugar is as proportionably a profitable one as any other legitimate industry within this country and with the satisfactory assurance that we are not only directly benefitting the farming community but also indirectly every other enterprise in this vicinity. I see every reason for feeling satisfied with our investments, even if our profits for the first year or two should not be as large as we might wish."

A less courageous outlook could have stifled an industry while yet in the experimental stage. Future years, even though many would be difficult, would prove the soundness of the words of David Eccles.

Despite the adverse report a dividend of 10 percent was declared on May 22, 1899. This amounted to approximately $30,000.00. At a Directors' meeting held about two months before the dividend was declared David Eccles gave the Directors some financial information after which he stated: "I think that these figures and results should be kept absolutely and alone within the knowledge of the members of this Board. Of course as Directors you are entitled to this information but absolutely nothing can be gained to have it known outside of this Board. A noiselessly declared dividend is always more acceptable than one which being promised long in advance is usually discounted and absorbed by the stockholder prior to its actual receipt. Besides, various financial interests of the company would be injuriously affected by a public knowledge of the facts, or by information as to the actual profit made in manufacturing sugar." The dividend was paid on June 1, 1899.

David Eccles has been copiously quoted for the purpose of bringing into focus his business philosophy which was also that of the last part of the nineteenth and the early part of the twentieth centuries.

1899

The second year of operations dawned hopeful. Additions to the factories and facilities were completed to bring the properties nearer to satisfactory performance possibilities. Acres contracted for the growing of sugar beets exceeded those of the previous year. Maintenance was completed at factories and facilities and the second year's operations at Ogden produced 58,348 100-lb. bags of sugar from 30,163 tons of beets purchased. Sugar content of 13.9 percent and purity of 81.8 percent were below those of the first year. At La Grande 22,536 100-lb. bags of sugar were produced from 11,298 tons of beets purchased. Sugar content of 13.8 percent and purity of 83.2 percent were below those of the first year.

The results attained were below the expectations of David Eccles, whose dissatisfaction was expressed to the Ogden Sugar Company stockholders as well as to the Oregon Sugar Company stockholders. Excerpts from his report to the Ogden Sugar Company stockholders given on February 5, 1900, show how he felt. He had this to say about sugar beets: "The average crop raised per acre was between ten and eleven tons. As a rule the planting should have commenced from one to three weeks earlier. Over irrigation, the use of inferior soil, or soil unfit for beet growing purposes, coupled with indifferent cultivation were the chief causes not only of small crop but also of the existence of inferior beets. I am also inclined to think that in view of our experience of the past year the superintendent should be instructed to look to the quality as well as the quantity of the beets to be contracted for, and that it would be preferable to contract for a smaller acreage and be assured that we will obtain better beets."

Factory operations as affected by the quality of sugar beets were reported thus: "Immature and badly topped beets produced second growths after the beets had been deposited in the sheds, which in turn caused such a large inversion of sugar in the beets that it was almost impossible to keep impurities caused by fermentation sufficiently low to enable the syrup to run through the factory at all. The abstraction of sugar from the beets has been very low, amounting on the average to only a trifle over 9½ percent."

As to profits, the report has this to say: "Under these circumstances, it must be expected that net profits of the company would be limited. At present we are indebted in the sum of nearly $70,000.00, so that we shall not be able to pay any dividend until practically our entire output of sugar has been disposed of."

Most of the sugar was disposed of during the first quarter of 1900 so that it was possible for a dividend of 10 percent to be declared on May 30, 1900. This dividend was paid on June 6, 1900 and amounted to about $30,000.00.

1900

During the year 1900 sugar beets purchased for Ogden totaled 27,331 tons, which was 2,832 tons less than for 1899, however sugar production of 59,126 100-lb. bags exceeded the 1899 production by 778 100-lb. bags. David Eccles' report to stockholders under date of February 4, 1901, contains this comment: "I regret to inform you that the extreme drought experienced during the past year materially reduced the tonnage we might otherwise have expected; but knowing beforehand that such shortage would likely result, we used every effort to secure the greatest possible extraction; and to that end we sliced but a small amount of beets per day, which consequently extended the season's run, and which of course also increased the cost of production. It is quite evident that in order to make the institution profitable we must exert ourselves to secure a larger amount of better beets."

Results of the year's operations at La Grande were worse than for the prior year. Only 9,097 tons of beets were purchased, which was 2,201 tons less than for 1899. Sugar produced was 19,898 100-lb. bags, or 2,638 bags less than for 1899. It is apparent that costs at La Grande must have greatly increased and that strenuous efforts must be exerted for that operation to become profitable.

A new element of cost was introduced, that of depreciation. David Eccles reported: "In former years we have deducted nothing for wear and tear of the factory and machinery, and knowing that such depreciation does exist, our Executive Committee have concluded this year to deduct 17 percent from the original cost of the plant, which amounts to a little over $60,000.00."

Sugar sales were a matter of concern about which David Eccles said: "The increased erections of sugar plants by the Utah Sugar Company, and the consequently increased production of sugar in this state, has caused the sugar market in this intermountain region to be more than fully supplied, and we have during the past season been compelled to market a part of our sugar at the Missouri River in competition with eastern sugar factories."

The American Beet Sugar Association is mentioned in the report and from the context it is deduced that the organization's primary purpose was public relations.

The Internal Revenue Department is also mentioned as having imposed a prohibitory tax on any factory refining yard molasses not of its own production.

1901

Organization of Logan Sugar Company

A new sugar company came into existence on December 5, 1901, when David Eccles, Thomas D. Dee, Hiram H. Spencer and Henry H. Rolapp of Ogden, Utah; Charles W. Nibley and George Stoddard of Baker City, Oregon, and William Eccles of La Grande, Oregon, incorporated the Logan Sugar Company under the laws of the state of Utah. Article 3 states: "The business and pursuit of the corporation shall be to grow, purchase and sell sugar root beets; to manufacture and refine the same into raw or refined sugar, and into all other articles containing or manufactured from saccharine substances; to purchase, sell and otherwise dispose of such sugar and articles containing and manufactured from saccharine substances; etc."

The principal place of business and general offices of the company were at Logan, Utah.

The company was capitalized at $500,000.00 with 5,000 shares of capital stock at $100.00 per share. David Eccles subscribed for 4,940 shares and each of the other incorporators for 10 shares. David Eccles was elected President.

General

Beet growing was taking hold with the farmers in Utah and a larger tonnage was produced in 1901 than in 1900. Tons of beets purchased totaled 64,767 and a total of 126,682 100-lb. bags of sugar were produced. The price at which sugar was being sold was of considerable concern to the company. It was reported that the price of sugar had ranged very low all year and at the close of the year was $4.05 per cwt. at San Francisco.

At La Grande, Oregon, 12,719 tons of beets were purchased and 32,140 100-lb. bags of sugar produced. This was an increase over 1900 but it appears that the beet sugar industry was making little progress at La Grande.

1902

Consolidation, etc.

On July 3, 1902, special meetings were held by stockholders of the Ogden Sugar Company and the Logan Sugar Company at which it was agreed that the two companies would consolidate and thereafter be known as Amalgamated Sugar Company. Articles of Incorporation were adopted and the new company commenced operations as a continuation of the predecessor companies. Business purposes were the same as those of the predecessor companies. Directors of Amalgamated Sugar Company were David Eccles, Thomas D. Dee, Charles W. Nibley, Joseph F. Smith, Fred J. Kiesel, Hiram H. Spencer, Ephraim P. Ellison, Joseph Scowcroft, Adam Patterson, Joseph Clark and George Stoddard. Officers were David Eccles, President; Thomas D. Dee, Vice

President; Henry H. Rolapp, Secretary and Charles W. Nibley, Treasurer.

At a Directors' meeting, held on July 7, 1902, David Eccles informed the meeting that he had in his possession or under his control practically all of the stock of the Oregon Sugar Company and offered to sell it to the Amalgamated Sugar Company ("According to a general understanding"), upon the basis of one share of preferred and one half share of common stock of Amalgamated for each one share of stock of the Oregon Sugar Company.

This offer was accepted and the necessary machinery was set into motion to complete the transaction.

Amalgamated Sugar Company now had three factories; one at Wilson Lane about four miles west of Ogden, Utah, and known as Ogden Factory, one located about two miles south and west of Logan, Utah, and known as Logan Factory and one at La Grande, Oregon, and known as La Grande Factory.

This was an auspicious beginning of a multi-unit company and bespoke the confidence of those responsible for its establishment.

The incorporators specified that the first members of the Board of Directors should hold office until the first Monday in March of 1907 and that beginning with the first Monday of March, 1907, and annually thereafter a meeting of stockholders should be held. The setting of the first annual meeting of stockholders at a date five years in the future is rather unusual but even more unusual was the fact that no stockholders appeared at a meeting called for March 4, 1907.

General

A report of the year's operations was made to the Board of Directors on January 2, 1903. The following statements have been taken from the report made by David Eccles.

"This company is now in the possession and operation of all of the property formerly belonging to the Oregon Sugar Company."

"The three factories of our company have now all ended their season's run, and I hereby submit the following figures as a substantially correct showing of the results of this campaign's work. Beets purchased 97,119 tons, sugar produced 212,514 100-lb. bags."

The tons of beets purchased exceeded those of the prior year by approximately 20,000 tons and sugar produced was approximately 54,000 bags over that of the prior year. Sugar from the Utah production was sold in ten states, mostly in Utah, Idaho, Wyoming and Montana with a small quantity going into Kansas, Nebraska, Iowa, Illinois, Minnesota and Wisconsin. Sugar from the La Grande, Oregon, factory was sold in Oregon, Washington and Idaho.

Sugar beet growing was not taking hold in Oregon as all of the acreage was in Union County in which La Grande is situated and about 25 percent of the acres were on dry land.

Net earnings for the year were $202,593 after provision for payment of $51,030 dividends on preferred stock.

This year marked the end of the lamentations of David Eccles and a more optimistic attitude prevailed regarding future prospects.

1903

Lewiston Sugar Company

On June 4, 1903, the Boards of Directors of the Utah Sugar Company and the Amalgamated Sugar Company met in the Deseret News Building in Salt Lake City, Utah, to consider the question of the proposed Lewiston Sugar Company. It was known that on June 2, 1903, C. W. Nibley of Baker City, Oregon, together with a group of Utah and Idaho associates had organized and incorporated the Lewiston Sugar Company with its principal place of business at Lewiston, Utah. The purpose of this company was to produce, manufacture, refine, buy, sell and deal in sugar and syrups and to conduct a general corporate business almost unlimited as to its activities. The company's directors were C. W. Nibley, Wm. H. Lewis, George C. Parkinson, Abraham O. Woodruff, Joseph Morrell, Rudger Clawson, Wm. B. Preston, Joseph Howell and Brigham A. Hendricks, who were appointed to act until the election and qualification of their successors. The first election of directors was to be at an annual meeting of stockholders which was set for the first Monday of June in 1908. Officers of the company were C. W. Nibley, President; Wm. H. Lewis, Vice President; C. W. Nibley, Jr., Secretary and Joseph Nelson, Treasurer. It was provided in the Articles of Incorporation that: "There shall be a meeting of stockholders of this corporation, for the hearing of reports and for the transaction of any other business that may come before it, on the first Monday of June, 1904, and annually thereafter at such place in Lewiston and at such hour as may be designated in the call for the meeting. Directors shall be elected at the annual meeting of the stockholders held as aforesaid in 1908 and at the expiration of five years thereafter."

At the June 4, 1903, meeting, after discussing the fear that "the establishment of the Lewiston factory in our judgment will be unquestionably disastrous to the commercial and agricultural interests of the state," a resolution to that effect was adopted and a committee of five was appointed to submit such resolution to C. W. Nibley and his associates. A second meeting was held on July 10, 1903, at which the report of the committee appointed on June 4, 1903, was discussed but no formal action was taken. It is assumed that the resolution was delivered to C. W. Nibley and his associates by the committee, but it had little effect on the Nibley group. Negotiations were carried on for the location of a factory site and for financing the company whose capital stock was set by the Articles of Incorporation at 100,000 shares of the par value of $10.00 each. The incorporators subscribed for 19,400 shares and agreed to pay 20 percent of the par value of their subscriptions before the date of incorporation and to pay the remainder in installments as called for by the Board of Directors.

Late in the year David Eccles appeared on the scene as a financial negotiator between the Lewiston Sugar Company and H. O. Havemeyer of New York City, President of the American Sugar Refinery Company. This, however, was only after the Lewiston Sugar Company stockholders had agreed to limit the total stock to be issued to 50,000 shares, reduce their holdings by 50 percent and to sell 37,500 shares to David Eccles and his associates. David Eccles then sold 25,000 shares to The American Sugar Refinery

Company, and the other 12,500 shares to the Amalgamated Sugar Company, thereby giving the Amalgamated Sugar Company a 25 percent equity in the Lewiston Sugar Company and placing Amalgamated in a position to direct Lewiston's operations. The American Sugar Refinery Company later to become characterized as the "Sugar Trust" made its wishes known through David Eccles.

This same "Sugar Trust" acquired a 50 percent interest in the Amalgamated Sugar Company, and in future years it was to become the nationally dominating factor in the sugar business, so much so that the Congress passed legislation requiring the "Trust" to divest itself of its stock holdings in other sugar companies.

General

On March 22, 1904, a "condensed statement of the operation of the factories during the past campaign and a financial statement of the company" for the year ended December 31, 1903, were presented to the Board of Directors. This report showed that 97,875 tons of beets had been purchased; from which 231,210 bags of sugar had been produced. Sugar production represented an increase of about 9 percent while the increase in beet tonnage was less than 1 percent. Higher sugar content and better factory operations were responsible for the increased sugar production. Profits for the year were $146,634. Dividends on preferred stock amounted to $102,060 and the surplus at the year end was $247,168. The Board of Directors declared a 10 percent dividend on common stock payable on April 1, 1904.

At La Grande, Oregon, difficulty was being experienced in getting sufficient beets for a satisfactory factory operation. In this, the sixth year of operations only 12,021 tons of beets were purchased and but 28,077 bags of sugar produced. In the 1903 statistical report for La Grande is this statement: "Outside of the 95 farmers contracting with us, the company either by itself or in conjunction with crop or cash tenants, operated 19 farms, containing a total of 1,700 acres. Sixteen of these farms, containing 1,220 acres, were rented by us. We harvested from these farms 4,707 tons of beets. The total farm operating expenses were $37,396 and total income was $25,796, leaving a deficit of $11,600. The scarcity of farmers in the valley in which the factory is located compels us to handle this large area of land. For the coming campaign we expect to increase the acreage." It was becoming very evident that the beet sugar business in the La Grande, Oregon, area was fighting for its life against odds which would overcome it at a later date.

In the marketing of sugar, competitive difficulties were being experienced which necessitated expansion of the sales area. South Dakota was added to the list of states in which Utah sugar was being sold.

1904

Greater difficulties than those heretofore experienced at La Grande, Oregon, were confronting the company in its attempt to keep the factory running. The few farmers who were there were not interested in growing sugar beets, and many of the farms which had been rented and operated by the company were unfit for beet farming. It therefore seemed expedient for the company to purchase land and go extensively into farming operations which as time went on proved to be a very expensive venture. The first farm purchased was 1,182 acres in the Grande Ronde Valley near Union, Oregon. This purchase was made in 1904. Due to extensive company farming operations there was an increase in beet tonnage: 20,872 tons were purchased and 52,664 bags of sugar were manufactured.

At Ogden and Logan steady progress was being made. During the seven years of operations at Ogden beet tonnage had increased from 15,205 tons in 1898 to 51,326 tons in 1904 and sugar produced from 35,716 bags to 121,327 bags. Progress was also being made at Logan; in four years beet tonnage had increased from 23,306 tons to 49,846 tons and sugar from 44,673 bags to 124,181 bags.

From a total sugar production of 54,052 bags in 1898 to a production of 298,172 bags in 1904 was an increase of 244,120 bags or 452 percent. The increase came gradually but it created sales as well as managerial problems. The best evidence that these problems were judiciously handled is the fact that dividends were regularly paid each year beginning with 1899. For the fiscal year ended January 31, 1905, cash dividends of $272,140 were paid and provision was made for payment of $170,092 in the year 1905.

One of the first changes in reports was made by the "Sugar Trust" in this year when a fiscal year basis was established. All prior reports had been on a calendar year basis. Uniform financial and statistical reports were annually required by the "Sugar Trust" and such report forms were used long after the "Trust" was dissolved.

David Eccles and his associates had acquired control of the Lewiston Sugar Company, therefore Lewiston will be included in this narrative in the future as though it had lost its corporate identity in 1904. This, however, did not actually happen until 1914. Lewiston Directors on December 24, 1904, authorized the erection of a 350-ton factory in 1905.

1905

Lewiston Factory

Lewiston Sugar Company was organized in 1903 and expected to build a factory in the Lewiston, Utah, area in the near future. Difficulties were experienced in the selling of sufficient stock to the original incorporators to finance the building of a factory. David Eccles entered the picture in 1904 and arranged the sale of enough additional stock to finance construction of a factory. A contract was let to E. H. Dyer of Cleveland, Ohio, to construct a factory. The factory was built on its present site which is about two miles east of Lewiston on the banks of the Cub River. It was completed to a point where operations commenced on November 14, and ended on December 13, 1905. The results of the first campaign were very poor, as only 11,732 bags of sugar were produced from 13,312 tons of beets purchased. Results of the first year's operations showed a deficit of over $10,000.

General

There was a precipitous drop in production as compared with 1904 for Amalgamated. This was caused by a short beet crop brought about by bad weather and an invasion of the beet leaf hopper in the Ogden and Logan districts and by bad weather and rodents in the La Grande area. In all, 13,910 acres were planted and only 10,840 acres harvested. The record had this to say: "This year we had a large acreage replanted because of severe spring winds and storm; (hail in the Logan area), late planted beets were attacked by the beet leaf hopper and the blight." This is the first reference to the beet leaf hopper and its effect on sugar beets. This same insect pest, whose native hibitat is the uncultivated desert area, was to be the cause of almost complete beet crop failures in future years. Many beet sugar factories in California, Idaho and Utah were forced to cease operations. The owning companies suffered severe financial losses. Research on control of the effects of the sting of the beet leaf hopper were commenced at a later date. More will be said about this later in the story. Amalgamated's sugar production was 206,571 bags or 91,601 bags less than the 298,172 bags produced in 1904. This was a reduction of more than 30 percent. Earnings were reduced as were dividends. The dividend of $170,092, declared in 1904 for payment in 1905, was paid and the same amount was declared for payment in 1906. The year end balance in the surplus account was but $13,666.53.

Results of Lewiston's first year operations have already been shown.

1906

Lewiston

Lewiston ended its first fiscal year, on January 31, 1906, with a current indebtedness of over $150,000. There was no cash on hand and the merchantable inventory was valued at less than $50,000. This was a grave financial crisis which the Board of Directors solved by authorizing the sale of $150,000 of treasury stock, however, only $101,030 worth of treasury stock was sold.

The second year's operations, which ended on January 31, 1907, were more successful and the working capital at the year end was about $78,000.

General

Amalgamated's operations for the fiscal year ended January 31, 1907, were a great improvement over the previous year even though major difficulties were being experienced at La Grande. There were 133,608 tons of beets purchased from which 292,384 bags of sugar were produced. This production almost equaled that of 1904, which was before the Lewiston factory was built. The Cache Valley area, including Lewiston was developing much faster than the Ogden area.

The two companies, Amalgamated and Lewiston purchased 178,825 tons of beets and produced 388,956 bags of sugar.

On April 15, 1907, President David Eccles made a report to the Board of Directors covering the immediate past year as well as for the five years of the existence of the Amalgamated Sugar Company. Among other things the report contained these pertinent statements: "I desire to say that, all things considered, we did fairly well last year. The past season has proven to be the poorest in La Grande. But taking it all together the five years just ended have been fairly successful for the Amalgamated Sugar Company. The coming year promises very well. We have been compelled to refuse contracts for beets and prospects seem good for a bounteous harvest."

The compelling reason for refusal of beet contracts was the limited capacity of the various factories. At a future date this situation would be remedied. Better understanding of the sugar business, in general, together with better trained employees seem to be setting a pattern of expansion in all areas except at La Grande, where soil and climate appear to be against successful agricultural and factory operations.

1907

The influence of the Sugar Trust in the financial control of the companies became more evident in 1907 when, for the first time, audits were made by a certified public accountant for the fiscal year ended January 31, 1907, and a new fiscal year date of February 28 was commenced as at February 28, 1908. The new fiscal year was to bring the production year closely within a fiscal year, as factories had at times operated into February. This February 28 fiscal year was to carry on until a future date when it would again be changed.

Results for the year were not quite as rosy as had been forecast, but despite the fact that fewer tons of beets were purchased by Amalgamated (126,275 tons against 133,608 tons for 1906), more sugar was produced (323,821 bags against 292,384 bags for 1906). Lewiston had a sizeable increase in sugar production (151,398 bags against 96,572 bags for 1906). The total production of over 475,000 bags of sugar together with the 1907 national financial panic which made sales slow brought the companies some storage problems. They were serious enough to merit comment in the annual report to Directors, which states: "Sugar has been quite slow during the past year and because of the panicky conditions of the financial world during the last months of the past year we were unable to dispose of our sugar, and consequently we were obliged to overcrowd our warehouses and store at different points along the Missouri River."

Beet storage facilities had been improved sufficiently to elicit this comment in the annual report: "We have been quite successful in storing our beets during the past year, at the various stations, with a very small amount of loss."

Conditions at La Grande, Oregon, were getting progressively worse so that closing of the factory was being seriously considered, but as a last resort an agricultural specialist was employed to make a complete detailed survey of the entire area. This was done and a very voluminous report was made. In essence the report confirmed the ideas of the regular personnel that the productive life of the beet sugar business, in the La Grande area, was rapidly drawing to a close.

1908

Operations for the year 1908 were adversely affected by weather conditions, which went from a cold dry spring to a very wet fall in all areas except La Grande, where a late cold spring was followed by a hot dry summer. The resulting beet crop was generally less in tonnage per acre and sugar content than was the 1907 crop. Conditions were particularly bad at La Grande where the factory operated only 26 days. The management was sufficiently concerned about this to request that the Board of Directors authorize the appointment of a special committee to consider the matter of removing the factory. Such a committee was appointed and set about to find a suitable place.

The growing of sugar beets in other areas was rapidly becoming a part of the farmers' crop planning, with resultant necessary improvements in factory operations. The company had launched on a program of replacements, improvements and refinements in factory operations.

A new position, that of General Superintendent, was created and was occupied by L. R. Eccles, the second son of David and Bertha Jensen Eccles. L. R. Eccles had been schooled in the sugar business and was advanced from Superintendent at the Lewiston factory. He spent much time with Dr. Samuel C. Hooker, technical representative of the "Sugar Trust" in the refinement of factory operations. L. R. Eccles was in later years to leave his field of successful factory operations for managerial pursuits in which he was a dismal failure.

1909

Enthusiasm and optimism in 1909 replaced the pessimism of 1908. A bumper crop of sugar beets was harvested. Even La Grande showed a slight improvement. Beets purchased by both companies totaled 222,135 tons and sugar produced was 490,412 bags. By reason of the heavy beet tonnage at Ogden and the limited slicing capacity of the factory (482 tons per day), it was necessary to ship over 31,000 tons to Logan and Lewiston. This was expensive and prompted an improvement program for Ogden to increase the daily slicing capacity to about 550 tons. Logan factory slicing capacity had been increased from the original 350 tons to about 550 tons per day and Lewiston had gone from 400 tons to over 635 tons per day. La Grande had gone in reverse from 307 tons in 1898 to 229 tons per day in 1909. The pattern of the companies' productions had now been well established.

Operating personnel changes during the year transferred Fred G. Taylor from Superintendent at La Grande to Superintendent at Lewiston. In Taylor's report for the year he made some very pointed and caustic remarks about the conditions he inherited from his predecessor, named Geddes. In the case of Fred G. Taylor it is interesting to note that he started at Ogden Factory as a laborer in 1898. On January 22, 1902, H. T. Dyer, then Superintendent at the Ogden Factory, recommended Fred G. Taylor, among others, for permanent employment. Mr. Taylor later became General Manager. He had a long and illustrious career in the sugar business which he topped off by writing *A Saga of Sugar* which was published in 1944.

1910

It has been wisely said that "certain coming events cast their shadows before them" and in this year of 1910 there were certain events which cast long shadows before them.

In the Lewiston Sugar Company there had been little change in the elected officers since the organization of the company in 1903. C. W. Nibley had been its President and from 1904 David Eccles had been its General Manager. Nibley had been President in name only as David Eccles had managed the affairs of the Company. Eccles evidently felt somewhat restrained in a secondary capacity and arranged for a change to be made in the officer set-up. This was done at a Directors' meeting held on April 13, 1910, immediately following a stockholders' meeting, when David Eccles was elected President and C. W. Nibley was elected Vice President. This is the first recorded evidence of a breach between Eccles and Nibley, which would widen and at a later date cause grave concern to certain members of the Eccles family.

Management of the Amalgamated Sugar Company had been of such a caliber as to enhance the value of its stock to a point where the common stock which was in the minority was getting somewhat dissatisfied with the amount of the quarterly dividends. It was therefore proposed by the Board of Directors, at a meeting held on October 12, 1910, that a special stockholders' meeting be called to be held at the company's office in Ogden, Utah, at 11:00 o'clock, A.M., November 5, 1910, for the purpose of "Determining the advisability of changing the Articles of Incorporation in conformity with motions made at this meeting." The motions were (1) to call the common stock and issue preferred in lieu thereof; (2) to amend article V "to provide for 40,000 shares of preferred stock of the par value of $100 per share and to provide for the payment of four equal quarterly dividends which shall be paid on the first day of April, July, October and January of each year, commencing with the first such day succeeding the directors' meeting at which such dividend is declared;" (3) to amend article XII regarding corporate procedure; and (4) to amend article XI to provide for "eleven directors and for the offices of a President, two Vice Presidents, a Secretary and a Treasurer." Two other motions were made and carried which would become effective upon approval by the stockholders of proposed amendments to the Articles of Incorporation. These motions were (1) to authorize the Secretary to issue one share of preferred stock plus $100.00 cash for each share of common stock surrendered and (2) pending the holding of the stockholders' meeting the Secretary was authorized to loan $100.00 per share on any common stock left with him as security or for cancellation in the event of approval of proposed amendments to the Articles of Incorporation.

The Stockholders meeting scheduled for November 5, 1910, was finally held on March 14 and 15, 1911, after several postponements due to lack of a quorum. All of the proposed amendments were approved.

There was a considerable reduction in sugar production between 1909 when 490,412 bags were produced and 1910 when only 364,206 bags were produced. This was caused by reduced beet acreage and tonnage. For 1910 only 147,268 tons were purchased as compared with 222,135 tons in 1909.

One of the chief causes for reduced beet acreage was the dispute between the companies and the growers regarding the price per ton of beets. Growers had been paid at a flat rate of $4.50 per ton, they demanded $5.00 per ton and compromised at $4.75 per ton but it was late in the season when agreement was reached and little or no planting was done prior to the compromise. Spring weather conditions were unfavorable which together with a water shortage and an early frost reduced the tons per acre.

1911

Following approval by the stockholders, on March 14 and 15 of this year, of amendments to the Articles of Incorporation of Amalgamated, all of the common stock (8504 shares) was exchanged for an equal number of shares of preferred stock and retired. Total preferred stock outstanding at the year end was 25,514 shares of the par value of $100.00 per share. In the stock exchange each holder of common stock received for each one share held by him one share of preferred stock and $100.00 in cash. This cash payment more than made up for any deficiency which may have existed by the failure of Amalgamated to pay higher dividends in the past.

Financial affairs of the Lewiston Sugar Company were in good shape and that company's stockholders were not satisfied with the rate of dividend which had been paid for the past several years. On June 16, 1911, David Eccles advised the Board of Directors that the company had undivided profits of $466,047.42 as of February 28, 1911, and that there were 39,357 shares of unissued stock in the treasury and recommended the pro-rata issuance of such stock to the holders of 60,642 shares already issued and outstanding. This recommendation was favorably acted upon and a 64.9 percent dividend was declared and made payable, in capital stock of the company, to all stockholders of record on June 15, 1911. Provision was made for the handling of fractional shares so that when the transaction was completed all of the capital stock (100,000 shares of the par value of $100.00 per share), had been issued. Provision was also made for the payment of an 8 percent dividend on the full 100,000 shares of stock.

On November 11, 1911, a fire destroyed the Utah Loan and Trust Building in Ogden in which building were the offices of the Amalgamated and Lewiston Sugar Companies. All of the companies' records, except those in a fireproof vault, were destroyed. Among the records saved were minute books of meetings of the Boards of Directors from the inception of the companies and financial and statistical reports for each of the prior operating and fiscal years. Such records are still in possession of the company in this year of 1961 and over the years they have proved to be of great value.

Crop and weather conditions were good in all areas, except La Grande, and a tone of optimism prevailed in managerial circles as evidenced by actions taken by both companies in the matter of stock exchanges, cash payments to stockholders and declarations of both stock and cash dividends as hereinbefore stated. Sugar beets purchased totaled 207,022 tons from which 507,164 bags of sugar were produced. This was a milestone in sugar production, the first time that more than 500,000 bags had been produced.

This was the final year of operation of the La Grande Factory.

1912

The year of 1912 saw the end of an era and the beginning of the end of a dynasty. David Eccles died on December 5, 1912, at the age of 63. He had been the driving force and the real power behind the formation and the development of the Amalgamated and Lewiston Sugar Companies. Almost immediately after his death dissention arose within the official families of both companies which was later to cause resignations and separations.

In his book *Beckoning Frontiers,* Marriner S. Eccles, the eldest son of David and Ellen Stoddard Eccles has this to say about his father, "The very character of the inheritance he left summarized the economic capabilities of the nineteenth century. It was built through courage, hard work, self denial, and a clear view of the kind of economic development that could succeed in a new area. It was built by the development of lumber operations, sugar factories, coal mines, heavy construction, banking and utilities. He had built his works by himself, owned many of them outright and ran them all in a direct personal way."

At La Grande, Oregon, the campaign of 1911 was the final one for the factory at that location. During fourteen years of operation only losses had been experienced although many attempts had been made and much money spent in efforts to make the operations successful. La Grande factory was a mistake from the beginning and was soon recognized as such but there was no other known area suitable for beet growing and factory operations until the completion of the Minidoka Irrigation project of 120,000 acres in south central Idaho, with Rupert on the north side of the Snake River and Burley on the south side as the focal points. This project, with approximately 60,000 acres of land on each side of the Snake River was completed and water delivered in 1912. Prior to completion of the project many settlers from Utah beet areas and many others from the middle west purchased farms which would be irrigated. It was said of the settlers that they were Mormons and Missourians, the Mormons knew how to farm and irrigate and the Missourians how to boast and procrastinate. The settlers from the Utah beet growing areas were particularly vocal in expressing their desire for a beet sugar factory and with the help of the then Oregon Short Line Railroad Company were successful in interesting officials of The Amalgamated Sugar Company in the project. A tug of war developed between the north side (Rupert) and the south side (Burley) with Burley being the winner. Weekly newspapers were published in both Burley and Rupert and joyously entered into the controversy as to where the factory should be located. The *Rupert Pioneer Record* of November 30, 1911, reported: "The Company wants 5,000 acres of sugar beets. If the plant is installed it is understood that the one now located at La Grande, Oregon, and which has been idle for some time, will be moved to this section, but it is generally understood it is to be scheduled for Burley." On December 21, 1911, the same paper reported "acreage secured. Beet factory will be put in at Burley."

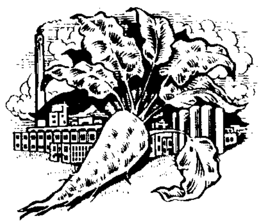
On December 1, 1911, the *Burley Bulletin* reported: "Sugar factory for Burley practically assured. Officials of the Amalgamated Sugar Company meet with people and make proposition which is enthusiastically received by business men and farmers. Committees were appointed to go out and get contracts from the farmers and the required acreage will be signed up as soon as possible, in order that work may begin on the factory." The same paper on February 16, 1912, said: "All doubt on location of plant is finally dispelled by action. L. R. Eccles and engineers here to lay-out grounds and make necessary surveys preliminary to beginning work on the factory on the site selected northwest of Burley. Field superintendent Job Pingree is here to assist in closing up the contracts for beets with the farmers and to look after after the acreage, generally. Machinery for the new factory has been ordered and will arrive in a short time. The factory will be pushed to completion as soon as possible." On October 11, 1912, the *Burley Bulletin* reported: "Sugar factory now complete. Has been tried out in every particular and made ready for operation. Will open campaign on October 15. Sixty days run will be required to handle beets grown in this territory." The November 15, 1912, issue of the *Burley Bulletin* reported: "Sugar factory proves success. Great future before this section of the Snake river valley as a producer of sugar. Farmers well pleased with seasons results. Company prepares to handle an increased tonnage of beets during 1913 campaign."

Most of the building steel and the machinery were shipped from La Grande, Oregon, to Burley and as each piece of steel and each machine had been marked before dismantlement, erection at Burley was greatly simplified. N. A. Lockwood, a mechanical engineer and a former factory superintendent was in charge of the project. No major difficulties were experienced. Building of the factory at Burley took seven months and the factory commenced operations on October 21 and finished December 18, 1912. 21,121 tons of beets were purchased and 62,539 bags of sugar were produced. This first year's production exceeded the highest production at La Grande during its fourteen years of operation. The cost of the move to Burley, as reported to the Board of Directors, was $290,000.

The two companies produced 566,562 bags of sugar from 221,664 tons of beets purchased. Crop conditions left much to be desired. At Burley a smaller crop was harvested than had been expected as the land was not prepared as it should have been. This was the first year for sugar beets in an area, which until 1912 had been mostly sagebrush covered land. In other areas a cold backward spring and a wet summer reduced the expected tonnage. Factory operations reflected the condition of the beets but overall were successful.

The author entered the employ of the Amalgamated Sugar Company on November 15, 1912, on a tryout basis in the General Office at Ogden, Utah, and at this writing in 1961 is Secretary and Treasurer. More about him together with his picture will be found in that section of this book entitled "People."

STORY
OF
THE AMALGAMATED SUGAR COMPANY
1897–1961



SECTION TWO

THE TURBULENT YEARS
1913–1929

This section covers the years of turbulence and changes for the period which began in 1913, immediately following the death of David Eccles, through 1929, the year of the final exit of the Ogden branch of the David Eccles Family.

The Turbulent Years

1913

Because of the death of David Eccles it was necessary to reorganize the official families of both companies. At a Directors' meeting of the Amalgamated on March 1, 1913, the following officers were elected: Henry H. Rolapp, President; L. R. Eccles, Vice President and General Manager; and Joseph Scowcroft, Secretary and Treasurer. Directors of Lewiston met on April 9, 1913, and elected Joseph Scowcroft, President; L. R. Eccles, Vice President and General Manager; H. B. Cramer, Secretary and John Pingree, Treasurer.

During the time David Eccles was President of both companies there were no designated General Managers. After his death it was recognized that, with the two companies being operated as one but with each company having a different President, it would be necessary to have one operating head so the same individual, L. R. Eccles, became General Manager of both companies.

The old practice of holding Directors' meetings at the call of the President was discontinued and Directors' meetings were scheduled to be held each month. Monthly reports were prepared for and made to the Directors.

The administration of Woodrow Wilson, President of the United States, was being pressured by "Free Traders" to permit free entry of foreign sugar into the United States. This matter was of great concern to the two companies as well as to the entire domestic sugar industry. Many protests were filed with the Wilson administration but despite these protests a 25 percent tariff reduction was made in 1913 under the provisions of the Underwood Tariff Act and sugar was to be placed on the free list in 1916. Such action would no doubt have destroyed the beet sugar industry had it not been nullified in effect by the coming of World War I on August 1, of 1914.

During the year 259,823 tons of beets were purchased and 601,385 bags of sugar were produced. Sugar continued to be sold in relatively the same states as it had been sold since the incorporation of Amalgamated, in 1902, with the exception of Oregon and Washington, which were served mainly by La Grande.

The American Sugar Refining Company, which had acquired control of the capital stock of both Amalgamated and Lewiston Sugar Companies during David Eccles' lifetime sold that stock to C. W. Nibley sometime during 1913. Mr. Nibley became a member of the Board of Directors and subsequently a vocal figure in matters of company policy.

1914

In perusing the records of both companies one is constrained to deduce that managerial deterioration had commenced within a year after the death of David Eccles and would continue until such time as those responsible therefor were no longer in managerial positions. Within three months after his father's death L. R. Eccles was elected Vice President and General Manager of both companies. He immediately set about to enforce his policies which in many instances were contrary to those under which the companies had been operating and under which they had been successful. The office and functions of the company President had been usurped by the Vice President and General Manager to such an extent as to make that office nominal and impotent. Henry H. Rolapp had been elected President of Amalgamated on March 1, 1913, and resigned that office on April 8, 1914. However, he had not functioned as chief executive officer during his tenure of office as L. R. Eccles was elected Vice President and General Manager on March 1, 1913, and immediately assumed control of all managerial functions. He forced Rolapp's resignation as President by offering him the position of General Counsel and Legal Advisor for both Amalgamated and Lewiston Sugar Companies. This offer was made on February 11, 1914, and was ratified by the Board of Directors on April 8, 1914, immediately after Rolapp's resignation as President of the Amalgamated had been accepted.

L. R. Eccles, with the backing of his older brother David C. Eccles who was the administrator of the David Eccles Estate, was now in command of both companies. Negotiations were gotten underway for the consolidation of Amalgamated and Lewiston into one company to be known as The Amalgamated Sugar Company. Stockholder meetings of both companies were called and adjourned seven times between April 15, 1914, and December 19, 1914, when the

Articles of Incorporation of The Amalgamated Sugar Company and Lewiston Sugar Company, corporations of the State of Utah, were approved by more than a majority of the outstanding shares of capital stock of both companies.

In setting up the new company the properties of the merged companies were appraised by a duly appointed appraisal committee and were valued at $6,054,670 in excess of all liabilities.

The Directors of the new company were Joseph F. Smith of Salt Lake City; L. R. Eccles, Joseph Scowcroft, Henry H. Rolapp of Ogden; C. W. Nibley of Salt Lake City; M. S. Browning, W. H. Wattis, D. C. Eccles, R. B. Porter, Adam Patterson and E. O. Wattis of Ogden. Officers were Henry H. Rolapp, Chairman of the Board of Directors; Joseph F. Smith, President; L. R. Eccles, Vice President and General Manager; Joseph Scowcroft, Vice President; Fred G. Taylor, Secretary and Treasurer.

Authorized capital stock was 60,000 shares of the par value of $100 per share; 58,271 shares of the capital stock together with $227,570 in cash were distributed to the stockholders of the predecessor companies. Amalgamated stockholders received 38,271 shares of stock and $127,570 in cash, and Lewiston stockholders received 20,000 shares of stock and $100,000 in cash.

By reason of the consolidation which took place before the close of the fiscal year all of the operations of both companies were reported, as at February 28, 1914, as those of The Amalgamated Sugar Company. Results for the year were an improvement over 1913. In his report to the Board of Directors the General Manager advised that 315,370 tons of beets had been purchased from which 817,275 bags of sugar had been produced. He further stated that "from all present indications we will have a strong (sugar) market for some time to come. The duration of it depends largely upon the time and manner in which the European war will conclude." He was enthusiastic over the advantages accruing to the company by reason of the consolidation of Amalgamated and Lewiston.

For reasons best known to itself the Board of Directors elected an Executive Committee from among its members. This committee functioned independently of the General Manager in matters of finance and later obtained Board approval of its actions. The committee consisted of Directors C. W. Nibley, M. S. Browning and W. H. Wattis. There was no designated Chairman and the minutes of meetings held by the committee are silent on the subject of a Chairman. Its meetings were attended by the members and also by company officials who were invited to furnish information but were without power to act. The company Secretary Fred G. Taylor acted as Secretary of the committee.

1915

The Amalgamated Sugar Company became a legal corporate entity with the issuance of its charter by the Secretary of State of Utah on January 15, 1915. At the first meeting of the Board of Directors held on April 14, 1915, Joseph F. Smith resigned as Director and President. His resignation was accepted. He was one of the original incorporators and at the date of the incorporation, December 19, 1914, was named as Director and President. His successor as a Director and President of the Company was Anthon H. Lund. This particular change was engineered and executed by C. W. Nibley who had, in 1913, acquired the capital stock holdings of the American Sugar Refining Company in the Amalgamated and Lewiston Sugar Companies.

The United States District Attorney in Salt Lake City was threatening suit against The Amalgamated Sugar Company and the Utah-Idaho Sugar Company under the terms of the Sherman Antitrust Act of 1890 as amended by the Clayton Antitrust Act of 1914. This threat came by reason of the stock control of C. W. Nibley in both companies and the fact that the U.S. Government "Sugar Trust Case" had been filed in New York City. Company records are silent regarding any legal action beyond the threatened suit.

Actions taken by the Executive Committee were unanimously ratified by the Board of Directors, with the exception of authorization to invest $100,000 in Layton Sugar Company which was approved over the negative vote of L. R. Eccles. The investment was made and at a later date the stock in the Layton Sugar Company was sold. Functions of the Executive Committee were clarified by the following resolution which was unanimously adopted: "Resolved, that between meetings of the Board of Directors, the Executive Committee is hereby authorized and empowered to exercise all ordinary corporate powers incident to the general business of the corporation."

A dividend of 3 percent was declared payable on April 1, 1915, and quarterly dividends of 2 percent each were declared for July 1, and October 1, 1915, and January 1, 1916.

Minutes of an Executive Committee meeting held on August 6, 1915, carry the following comment: "Some discussion was had regarding the establishment of a factory in the Twin Falls territory, and it was finally concluded to proffer the establishment of a factory provided the residents of that community would guarantee to contract for 5000 acres of beets, and contribute a satisfactory site free of charge to the company."

The 1915 beet crop produced 373,906 tons from which 911,210 bags of sugar were produced. At the close of the fiscal year working capital was $4,313,367 and surplus was $1,789,757. Surplus and working capital were inflated by carrying the sugar inventory at $3.50 per bag instead of the cost of $3.03 per bag. This type of accounting was changed by the author a few years later as was the entire accounting system.

In the issuance of the capital stock of The Amalgamated Sugar Company 58,244 shares were issued as against 58,271 authorized to be issued. The difference of 27 shares was made up of fractional shares for which the owners received cash instead of stock. The $227,570 cash payments made to the stockholders of the predecessor companies at the organization of The Amalgamated Sugar Company was to become a bone of contention between the Company and the then Bureau of Internal Revenue in years to come. The issue was whether the payments represented a distribution of earnings or a purchase of assets. The Company claimed the latter and successfully defended its position.

Henry H. Rolapp, one of the original associates of David Eccles and successor to David Eccles as Company President, and who had been deposed by L. R. Eccles and his associates, terminated his connection with the company sometime between October 18, 1915, the date of the last Directors' meeting in 1915, and March 27, 1916, the date of the first Directors' meeting in 1916. There is no record of Rolapp having resigned so it is concluded that his services were no longer desired and he was terminated. He was to come back at a later date as President and General Manager.

An unsuccessful attempt was made by company officials to acquire the Layton Sugar Company in which The Amalgamated had $100,000 invested. A sugar factory was built at Layton and operated for many years.

Sufficient beet acreage had been contracted and promised so that a contract was let to the Larrowe Construction Company of Toledo, Ohio, to build a sugar factory at Twin Falls, Idaho.

1916

The year 1916 was to be one of great activity and of momentous changes the effect of which would be felt for many years in the future. A contract had been let to the Larrowe Construction Company, during the last part of December of 1915, to build a factory at Twin Falls, Idaho. Early in January of 1916 a site had been acquired about 4 miles south and east of the city of Twin Falls, Idaho, and arrangements had been made with the Railroad Company to run a spur track to the factory site. After the spur track was completed the contractor got on the job and the Twin Falls factory was built and ready for operation which commenced on October 22, 1916, and ended on January 20, 1917. Under the terms of the contract the contractor was responsible for the operation of the factory until such time as most of the "bugs" had been eliminated. This took about 30 days. The construction company's operator was Hal W. Taylor, who was succeeded as Superintendent by A. Thomas, who had been in the company service for several years.

The author who had been cashier at the Burley factory since August 13, 1913, was made Idaho District Cashier and asked to make Twin Falls his headquarters. This change became effective in the late summer of 1916. Upon arrival at Twin Falls and after observing the contractor at work on the factory it seemed to him that the construction of a sugar factory was organized confusion.

With the European war still in progress much difficulty was being experienced in procuring suitable sugar beet seed in quantities sufficient to take care of the beet growers' requirements. It was, therefore, decided to send someone to Europe to buy seed for The Amalgamated and the Utah-Idaho Sugar Companies. Joseph Quinney, Jr., manager at Logan and Lewiston was provided with a $500,000 letter of credit and sent to Russia to buy sugar beet seed for the two companies. He purchased 20,000 100-lb. bags which was a normal supply for 3 years. This seed, upon delivery, was divided between the two companies. Its cost was about three times that of the prewar cost of the same kind of seed.

C. W. Nibley, a Stockholder, Director and the dominating member of the Executive Committee castigated the management on what he termed the "low efficiency" of the general agricultural and sales methods, and particularly the handling of the eastern sales by the Geoghegan Brokerage

Company of Salt Lake City, joint brokers for The Amalgamated and Utah-Idaho Sugar Companies. He was authorized to make a change in the handling of the eastern sales which he did by engaging Stephen A. Love as General Sales Agent for The Amalgamated and Utah-Idaho Sugar Companies.

Failure to purchase the Layton Sugar Company and a successful drive to increase beet acreage in the Ogden and Cache Valley districts caused the management to make extensive improvements at Ogden and Lewiston.

Growing differences between L. R. Eccles and C. W. Nibley had prompted members of the David Eccles Company to organize the Eccles Sugar Company and to contract for several sugar factories to be built in already established and proved sugar beet growing areas. Information was at hand that there was considerable agitation for a sugar factory to be located on the west side of Cache Valley. A group headed by John Hendrickson, a Logan, Utah, businessman was active in promoting a factory for the Trenton, Utah, area. In order to protect its territory The Amalgamated announced that it would build a factory at Amalga, which is about four miles west of Smithfield, Utah. A contract was let to the Dyer Construction Company of Cleveland, Ohio, to build the factory to handle the 1917 crop of beets. In as much as there was no railroad at the proposed factory site The Amalgamated financed the building of a spur track from Kent to Amalga on the Ogden, Logan and Idaho Railroad. This spur was eleven miles long and cost about $400,000 to build. At a later date the spur was turned over to the railroad company for $200,000 par value of railroad company capital stock. About twenty-nine years later the entire railroad came into possession of The Amalgamated.

At a regular annual meeting of stockholders held on April 12, 1916, Marriner S. Eccles was elected to the Board of Directors. He is the eldest son of David and Ellen Stoddard Eccles and at the time of this writing in 1961 is a Director and Chairman of the Board of Directors of The Amalgamated. His name will appear frequently in this narrative and more information about him together with his picture will be found in that section of this book entitled "People." Other Directors elected were Anthon H. Lund, L. R. Eccles, Joseph Scowcroft, C. W. Nibley, W. H. Wattis, M. S. Browning, E. O. Wattis, Adam Patterson, R. B. Porter and Royal Eccles. Officers were Anthon H. Lund, President; L. R. Eccles, Vice President and General Manager; Joseph Scowcroft, Vice President; Fred G. Taylor, Secretary and Treasurer, and an Executive Committee consisting of C. W. Nibley, M. S. Browning and W. H. Wattis. On October 20, 1916, W. H. Wattis resigned as a member of the Executive Committee. This vacancy was not filled. At the same directors meeting, held on October 20, 1916, the vacancy created by the automatic withdrawal of C. W. Nibley who had sold his stock, was filled by the election of David C. Eccles. Nibley's place on the Executive Committee was not filled so that committee no longer existed.

The Oneida Irrigation District which comprised 36,000 acres of land north of the Idaho line in the vicinity of Clifton and Dayton, Idaho, had suffered financial reverses and had appealed to The Amalgamated for assistance in renovating the project. This matter was under consideration at the close of the year.

Some dissatisfaction with the eastern sales arrangement, made by C. W. Nibley, was being expressed by management and particularly so because since the Utah-Idaho Sugar Company had publicly announced that it would pay $7.00 per ton for 1917 grown sugar beets The Amalgamated would be obliged to pay the same. This was an increase of $1.25 per ton.

During the year 1916 regular dividends of 10 percent and a special dividend of 2 percent were paid. Results for the year were below early expectations because of adverse weather conditions: 43,411 acres were contracted and only 37,551 acres were harvested. From that acreage 424,670 tons of beets were purchased and 924,516 bags of sugar were produced.

The war in Europe which started on August 1, 1914, was continuing. The German war machine was expanding its activities, and acts of aggression were being perpetrated against American shipping. Inflation was taking hold, and the war fever was rising in the United States.

J. H. Bingham, Superintendent of the Twin Falls factory as this is written in 1961 started work as a laborer at the Ogden factory in January of 1916. His picture and biography are in the "People" section of this book.

1917

On January 15, 1917, J. M. Eccles, Agent, assigned a contract with the Larrowe Construction Company, to The Amalgamated Sugar Company for the building of a sugar factory at Paul, Idaho. As early as January of 1916 rumors were heard that a sugar factory would be built in the Rupert, Idaho, area. During the summer of 1916 the author, W. A. Budge, Idaho District Manager and L. S. Christensen, Burley Agricultural Superintendent were given the assignment of locating a factory site in the Rupert area. This site, finally selected is the one on which the present Rupert factory is located, which is west of Rupert about four miles. *The Rupert Pioneer-Herald* of August 10, 1916, had this to say: "Sugar factory now located. Will be in Section 27. Will cost Million and half." The factory was built during 1917. Operations commenced on October 28, 1917, and ended on December 15, 1917. Hal W. Taylor operated the factory for the construction company during the tryout period and then remained with the factory as Superintendent.

During 1916 a contract had been entered into for the building of a factory at Amalga, Utah, by the Dyer Construction Company of Cleveland, Ohio. This factory was completed and ready for operation in 1917. Operations commenced on November 15, 1917, and ended on December 31, 1917. This factory was known as the Smithfield factory. The first superintendent was J. W. Baer, a long time employee in the operating department.

The factory located near Brigham City, Utah, was purchased from the Utah-Idaho Sugar Company during the year 1917. It had been built and operated one year by the

Utah-Idaho Sugar Company. Operations started on October 15, 1917, and continued until January 28, 1918. The first superintendent was Fred W. Hunter, who had been a company employee since about 1900. The main agricultural area served by this factory commences at a point about ten miles south of Brigham City and runs north on the east side of the Bear River to Collinston, Utah. Irrigation water for this area was supplied by the Hammond Canal Company which was controlled by the Utah-Idaho Sugar Company. The Hammond Canal Company was also purchased and operated by The Amalgamated.

The Amalgamated now had eight sugar factories which were Ogden, Brigham, Logan, Smithfield and Lewiston in Utah, and Burley, Paul and Twin Falls in Idaho. For these factories there was purchased 427,709 tons of beets from which 939,880 bags of sugar were produced. Dividends of 11 percent were paid during the year.

Control of the common stock of the Pacific Sugar Corporation had been acquired by The Amalgamated. This was a California corporation with large land holdings in the San Joaquin River valley near Tracy, California, and a sugar factory was under construction in that area. It was the opinion of management that the broader the company's activities the greater would be its financial success.

Arrangements were made with the Larrowe Construction Company of Toledo, Ohio, to build a factory at Whitehall, Montana, which lies east of the continental divide about thirty miles east of Butte. General Manager L. R. Eccles reported that he and Joseph Quinney, Jr., General Agriculturist had gone over the territory contiguous to Whitehall and that the area was adequate and the farmers were anxious to support a sugar factory. He recommended that a separate corporation be formed with control in The Amalgamated and that the beet growers be invited to purchase stock. The Jefferson Valley Sugar Company, a Montana corporation, was formed and a contract was let to the Larrowe Construction Company to build a factory at Whitehall.

Acting upon the plea of the Oneida Irrigation District, made in 1916, for assistance in straightening out its financial affairs and in rehabilitating its irrigation system General Manager L. R. Eccles had made a proposal to: (1) determine the actual quantity of irrigation water owned by the district, (2) determine the total acres which could be irrigated, (3) classify the land as to location and possibility of irrigation, (4) exclude nonirrigable land, (5) assess excluded lands at varying rates per acre to be freed from district obligations, (6) rehabilitate the irrigation system for the remaining land at a cost of $50 per acre to be covered by individual mortgages and (7) disorganize the district. This proposal was accepted and the necessary machinery placed in motion to accomplish the purposes.

At the annual meeting of stockholders all of the Directors were re-elected. On that same day the Directors elected the same officers together with Fera S. Young as Assistant Secretary and Assistant Treasurer. Mr. Young had entered the company's employ in 1908 in the General Office. An Executive Committee was also elected. It consisted of Anthon H. Lund, President, Joseph Scowcroft, Vice President and Director M. S. Browning.

There had been considerable discussion regarding the actual values of the properties as compared with the book value thereof and it was decided to revalue the same and have the books show the increased value. The Board of Directors authorized this and also authorized the inventorying of sugar at $7.00 per cwt. The property revaluation increased its book value by $2,942,898.48 and inventorying sugar at $7.00 per cwt. instead of at cost inflated that inventory by $617,535.67. As a result of this action the February 28, 1918, balance sheet showed an overstatement of assets in the amount of $3,560,434.15 and an overstatement of surplus by the same amount. This condition was called to management's attention by the company's outside auditors and by the author who had been transferred to the General Office as traveling auditor, but no corrective action was taken.

The management had become concerned about the availability of sugar beet seed, due to European war conditions, and had gone into the seed producing business. During 1917, 52,890 pounds had been produced at a cost of $.1173 per pound.

A special meeting of stockholders was held on July 7, 1917, at which 44,191 shares of the outstanding 58,244 shares were represented at the meeting, all of which was voted in favor of changing the capitalization from 60,000 shares of the par value of $100 per share to 2,500,000 shares of the par value of $10 per share and of exchanging each share of $100 par value stock for 10 shares of the $10 par value stock. At the same meeting the Articles of Incorporation were amended to provide the increased capitalization.

The United States declared war on Germany on April 6, 1917. The aftermath of this declaration was to have material effect on The Amalgamated as well as on the entire domestic sugar industry.

About the middle of 1917 Burnall Brown entered the employ of the company in the operating department at the Smithfield factory. As this is written in 1961 Mr. Brown is Vice President and General Superintendent. His picture and biography are in that section of this book entitled "People."

In the fall of 1917, R. H. Cottrell, who as this is written in 1961 is a Vice President, entered the company service in the operating department at the Ogden factory. Mr. Cottrell's picture and biography are in that section of this book entitled "People."

1918

War had been declared on Germany on April 6, 1917, and very shortly thereafter various governmental controls were imposed, among which was food control which included sugar. It was not long thereafter that certain sugar beet growers importuned the government, through the Food Administration headed by Herbert Hoover, to intervene in contract negotiations between them and the company. Telegrams were exchanged between Mr. Hoover and the company but nothing further developed because the company and the beet growers came to an agreement.

At the annual meeting of Stockholders held on April 10, 1918, there were 421,070 shares represented, which was over 72 percent of the outstanding stock. The only business transacted was the election of the same Board of Directors. At the Directors' meeting immediately following the stockholders' meeting the following officers were elected: Anthon H. Lund, President; L. R. Eccles, Vice President and General Manager; Joseph Scowcroft, Vice President; Fred G. Taylor, Secretary and Treasurer; Fera S. Young, Assistant Secretary and A. C. Lighthall, Assistant Treasurer.

General Manager L. R. Eccles was beginning to recognize the gathering storm clouds of dissatisfaction with his faulty management of the company. He sought to strengthen the company organization by bringing in an outsider. He employed A. C. Lighthall who had been with the firm of Wm. E. Humphreys & Co., Certified Public Accountants, of Denver, Colorado, which company was making annual audits of the company's books. Mr. Lighthall as has been noted was elected Assistant Treasurer. He had a rather short and stormy career with the company.

A dividend of 3 percent was declared payable on April 1, 1918. This was the last dividend on common stock to be paid until July 1, 1940.

The involvement of The Amalgamated in the affairs of the Pacific Sugar Corporation was becoming a real financial burden which caused many committees to be formed and much spade work to be done in an attempt to disentangle the affairs of the Pacific. The ultimate result, as will be seen at a later date, was expensive for The Amalgamated.

Congress had passed the Revenue Act of 1918 which contained an excess profits tax section designed to limit corporate profits. Revenue agents had examined the company's books and had determined a tax liability. The company protested the determination but was only partially successful in defending its position.

At Whitehall, Montana, agricultural conditions were rapidly disproving the rosy predictions of L. R. Eccles and Joseph Quinney, Jr. Supposedly pledged subscribers to stock in the Jefferson Valley Sugar Company either withdrew their pledges or were not to be found, at any rate The Amalgamated inherited all of the obligations of the Jefferson Valley Sugar Company. In the late summer of 1918 the author was assigned to accompany a Mr. Edgar Ledyard to Whitehall to look the situation over. Mr. Ledyard had been employed as an agricultural expert to make a survey and a report. It became quite evident, after a few days spent with L. S. Christensen, the manager, who had been transferred from Burley, Idaho, to Whitehall, Montana, that the entire agricultural area within reasonable freight rate distances was inadequate to support a factory and Mr. Ledyard so reported. Factory construction was stopped and the few beets that were harvested were sold to the Great Western Sugar Company for its Billings, Montana, factory.

The company's financial condition had deteriorated to the point where it became necessary to procure more working capital. A group of underwriters headed by Geo. H. Burr & Co. of New York agreed to, and did purchase \$3,750,000 par value of 7 percent convertible notes at 90 cents on the dollar. These notes were convertible into 8 percent preferred stock on a par for par basis or were callable at 102½ percent. They were secured by a first mortgage on all of the company's property. In order to make conversion into preferred stock possible a special stockholders' meeting was held on September 14, 1918, at which the capitalization of the company was fixed at \$28,750,000, consisting of 37,500 shares of first preferred cumulative 8 percent stock of the par value of \$100 per share and 2,500,000 shares of common stock of the par value of \$10 per share.

Mismanagement of company affairs by L. R. Eccles forced his resignation on September 8, 1918. It was accepted by the Board of Directors on September 24, 1918. David C. Eccles was elected Vice President and General Manager to succeed L. R. Eccles. Of L. R. Eccles' management of The Amalgamated Marriner S. Eccles has this to say in his book, *Beckoning Frontiers:* "A change occurred in the management of The Amalgamated Sugar Company, of which I was a director. My half-brother Leroy was asked to resign his post as Vice President and General Manager of the concern. His operations had been found unsatisfactory by all the other directors." A series of misadventures, such as an increased number of factories, Pacific Sugar Corporation, Whitehall, Montana, and others of a minor nature together with loss of confidence by members of the Board of Directors ignominiously terminated a career which could have been successful had it been limited to factory operations.

For the crop year 1918, 529,722 tons of beets were purchased from which 1,123,337 bags of sugar were produced. For the first time in its history the company produced more than 1,000,000 bags of sugar.

The financial statement showed a loss for the fiscal year ended February 28, 1919. This was also a first. The first time, since the beginning in 1898, to show a loss.

The war in Europe came to an end on November 11, 1918, by the signing of an armistice.

1919

This was a year of retrospection. Looking backward is not always pleasant but even so the lessons of the past may give direction to the future. At a Directors' meeting held on January 21, 1919, Secretary Fred G. Taylor made a report of the condition of the company in which some pertinent statements were made, such as: "Sugar content of beets has had a gradual decline for the past five years. In 1914 it cost the company $2.00 per hundred pounds for its extractable sugar delivered in the beet sheds, while in the present year it is apparent that the extractable sugar will cost about $5.20 per hundred pounds delivered in the beet sheds. Our profits have been gradually decreasing with the advancing cost of manufacturing, and the relationship of our working capital and fixed assets has grown entirely out of proper proportion under our financial policy of the past." At a later date, April 9, 1919, Mr. Taylor furnished the Directors some further information on finances which is paraphrased as follows: during the five years ended February 28, 1918, net earnings amounted to $7,359,733, dividends paid totaled $2,382,598, which left a net of $4,977,135. During that same period of five years fixed assets increased $8,542,391, thus investments in fixed assets exceeded net earnings by $3,565,256, which accounted for the necessity of a bond issue of $3,750,000 floated in August of 1918. It is little wonder that the Directors requested the resignation of L. R. Eccles as Vice President and General Manager.

On April 9, 1919, the Stockholders elected the following Directors: Anthon H. Lund, D. C. Eccles, G. L. Becker, M. S. Browning, Royal Eccles, Joseph Scowcroft, M. S. Eccles, R. B. Porter, E. O. Wattis, Adam Patterson and Stephen L. Richards. At a Directors' meeting immediately following the Stockholders' meeting the following officers were elected: Anthon H. Lund, President; David C. Eccles, Vice President and General Manager; Joseph Scowcroft, Vice President; Fred G. Taylor, Secretary and Treasurer and Operating Manager; Fera S. Young, Assistant Secretary.

Agreement had been reached with the Farm Bureaus of Utah and Idaho for the payment of $10 per ton for beets contracted for 1919.

The David Eccles Company of Ogden, Utah, the largest common stockholder of The Amalgamated Sugar Company, had loaned Ernest R. Woolley of Salt Lake City, Utah, the sum of $363,000 secured by 5100 shares of stock of the West Cache Sugar Company. Mr. Woolley had applied to the David Eccles Company for a loan up to $1,000,000 to finance the operation of the West Cache and had agreed to sell to the David Eccles Company the 5100 shares of West Cache stock for $413,000. The David Eccles Company asked The Amalgamated to assume its liability to Woolley and offered to sell the 5100 shares of West Cache stock to The Amalgamated at the price paid to Woolley. On August 5, 1919, The Amalgamated's Board of Directors accepted the proposition.

Company finances were still in the period of deterioration, which caused much concern as to what could be done to ease the situation. It was finally decided to sell 100,000 shares of common stock at par and put out an issue of preferred stock of 50,000 shares at the par value of $100 per share. The proceeds to be used to pay off the bond issue, to redeem any preferred stock which had been exchanged for bonds and to add to the working capital. It was necessary to have the preferred stock underwritten and arrangements were made with the Bankers Trust Company of New York City to do the underwriting. However, before the Bankers Trust Company would proceed it insisted on people of its own choosing making a thorough investigation of the affairs and condition of the company. A firm of Industrial Engineers, Thompson and Black of New York City, made the survey after which the Bankers Trust Company agreed to the underwriting, provided it could place certain key men in managerial positions. This was agreed to and Bankers sent four key men into The Amalgamated organization. They were from The Great Western Sugar Company. Their names and positions with The Amalgamated were: S. M. Edgell, Vice President and Treasurer; Geo. W. Rienks, General Superintendent; John Comer, General Agriculturist and Fred M. Ballou, Chief Engineer. The underwriting agreement between The Amalgamated Sugar Company and the Bankers Trust Company was dated August 1, 1919.

In order to effectuate the managerial changes required by the Bankers Trust Company and to increase the membership of the Board of Directors as authorized by the Stockholders, a meeting of the Board of Directors was held on August 19, 1919. At that meeting David C. Eccles resigned as General Manager. His career in that capacity had extended from September 24, 1918, to August 19, 1919, a period of less than eleven months. Of his management of The Amalgamated's affairs and of his managerial ability the following statement has been taken from Marriner S. Eccles' book, *Beckoning Frontiers.* "Needs of the First World War should have kept the company (Amalgamated) far above water. Yet, despite profitable war years the sugar company had lapsed into a condition where it could pay no dividends." S. M. Edgell, Horace Havemeyer and Fred G. Taylor were elected Directors, S. M. Edgell was elected Vice President and Treasurer and by tacit consent of the Directors he became the chief executive officer of the company. Fred G. Taylor was elected General Manager and Joseph Quinney, Jr., became Secretary.

Prior to the close of the fiscal year on February 29, 1920, all of the new 8 percent preferred stock and 100,000 additional shares of common stock had been sold and issued and the bonds had been retired. Working capital had increased $4,283,143, and surplus had increased $1,567,724.

The 1919 crop of sugar beets was much smaller than in 1918 due to bad weather and water shortage in all areas.

Only 454,677 tons of beets were paid for and 874,585 bags of sugar produced.

Shortly after S. M. Edgell became the directing head of the company he set about to strengthen the district organizations. One of his selections was H. A. Benning, who had been manager for the Holly Sugar Corporation at Huntington Beach, California. Mr. Benning was assigned to Twin Falls, Idaho, as the Idaho District Manager. As this is written in 1961 H. A. Benning is a Director and President of the company. Later in this book a chapter will be devoted to him. His picture together with a short biography will be found in that section of this book entitled "People."

It was during this year of 1919 that J. J. Dunbar entered the company employ in the accounting department in the Ogden factory office. At the time of his death on September 18, 1961, he was Vice President and General Sales Manager. His picture and biography will be found in that section of this book entitled "People."

Glen F. Hunter started work as a campaign employee during the 1919 campaign at the Brigham factory. In 1961 he is Cashier at the Lewiston factory. His picture and biography are in the "People" section.

Vernal Jensen, Agricultural Research Manager in 1961 was employed in October, 1919, as Assistant Chemist at the Logan factory. His picture and biography are in the "People" section.

W. A. Moore who retired as Purchasing Agent on July 1, 1960, was employed by the company on September 15, 1919, as a laboratory bench control man at the Lewiston factory. His picture and biography are in the "People" section.

1920

For several years the sales management of the company had been in the hands of Stephen A. Love who was also sales manager for the Utah-Idaho Sugar Company. This arrangement had been made by C. W. Nibley in 1916 and was terminated in 1920 when The Amalgamated's Board of Directors decided that the arrangement was unsatisfactory. A company sales manager was appointed, he was J. Orson Douglas.

Sugar beet growers and others in the area near Honeyville, Utah, which is located about 10 miles north of Brigham City in a small agricultural area on the east side of the Bear River, had been aggressive in soliciting various sugar companies to build a factory. The Utah-Idaho Sugar Company purchased a site west of Honeyville but before any factory construction had begun The Amalgamated Sugar Company sold the Brigham factory, the Hammond Canal Company and the buildings and machinery at Whitehall, Montana, to the Utah-Idaho Sugar Company. No factory was built at Honeyville.

In addition to the managerial changes brought about by the Bankers Trust Company that company also had The Amalgamated's books brought into conformity with the report of Thompson and Black.

The year 1920 saw the first attempt of budgetary control of maintenance and repairs and of plant improvements: $850,000 was appropriated for factory maintenance and $1,300,000 for plant improvements.

A special meeting of the Board of Directors was held on March 9, 1920, at which the price to be paid for 1920 contracted beets was the subject of discussion. It was decided to pay $12.00 per ton, as the base price of sugar was about $13.00 per cwt.

At the annual stockholders' meeting held on May 12, 1920, the following directors were elected. Anthon H. Lund, Joseph Scowcroft, G. L. Becker, Adam Patterson, Stephen L. Richards, Horace Havemeyer, M. S. Browning, Chapin A. Day, David C. Eccles, S. M. Edgell, Royal Eccles, M. S. Eccles, Fred G. Taylor, R. B. Porter and E. O. Wattis.

The Directors elected the following officers for the ensuing year: Anthon H. Lund, President and Chairman of the Board; D. C. Eccles, Vice President; Joseph Scowcroft, Vice President; S. M. Edgell, Vice President and Treasurer; Fred G. Taylor, General Manager; Geo. W. Rienks, Assistant General Manager; Joseph Quinney, Jr., Secretary; F. S. Young, Assistant Secretary; and A. C. Lighthall, Auditor. There was also an executive committee composed of D. C. Eccles, S. M. Edgell, Joseph Scowcroft, Fred G. Taylor and M. S. Browning.

The 5100 shares of capital stock of the West Cache Sugar Company owned by the David Eccles Company were purchased by The Amalgamated at a price of $471,840, which was to be paid by the issuance of 47,184 shares of common stock, however only 42,184 shares were issued to the David Eccles Company. The balance of the purchase price was offset against indebtedness of the David Eccles Company to The Amalgamated Sugar Company.

Horace Havemeyer of New York City, a stockholder representing 73,800 shares of common stock and a director of the company, paid a visit to the factories and beet growing territories during the month of October. He attended a Directors' meeting on October 25, 1920, at which he was sharply critical of the company's involvement in the Oneida Irrigation District and in the affairs of the Pacific Sugar Corporation, and hoped "that in the future the company would bend its energies to the operation of its main factories, namely Ogden, Lewiston and Twin Falls." Upon his return to New York City he wrote a letter to S. M. Edgell in which he enlarged upon his remarks made at the October Directors' meeting to the extent of criticism of the acquisition of the stock of the West Cache Sugar Company and suggested defining of the duties and responsibilities of officers and directors of the company. His criticism was duly noted but no corrective action was taken.

The Cornish, Utah, factory of the West Cache Sugar Company was acquired by The Amalgamated on October 1, 1920, at a cost of $1,213,986.83. The factory was taken over on that date and the author, together with operating and agricultural personnel went to Cornish to officially take over and supervise. Nothing of an unusual nature developed.

On December 22, 1920, Fred G. Taylor tendered a forced resignation from the Executive Committee. He was replaced by M. S. Eccles who was becoming greatly concerned with what he felt to be inept management of company affairs. The Executive Committee was enlarged to its full complement by the addition of Stephen L. Richards.

During the fiscal year which ended on February 28, 1921, beets purchased from growers and from the Interstate Sugar Company of Hooper, Utah, totaled 599,374 tons from which 1,400,113 bags of sugar were produced. Beets harvested averaged 12.22 tons per acre. The General Manager in his report on crop conditions said: "In Idaho frost on May 31 and June 1 was the cause of considerable loss in the Burley and Paul districts and the white fly, or leaf hopper, caused loss through the entire Idaho district." High water caused the loss of nearly 500 acres in the Ogden district on land bordering the river. In Cache Valley late storms prevented planting of the full contracted acreage. Earnings for the year were $329,632 or over $1,226,000 less than for the previous year and working capital had decreased more than $2,911,000 since February 29, 1920. The pattern of managerial and financial deterioration prevalent in the company since shortly after the death of David Eccles on December 5, 1912, seems to have recurred in this year of 1920.

On June 16, 1920, A. L. Stark was employed as a clerk in the Burley office. As this is written in 1961, Mr. Stark is Assistant Secretary, Assistant Treasurer and Auditor. His picture and biography are in the "People" section of this book.

A. J. Forbess, now retired as this is written in 1961, was for many years Chief Engineer. He was employed by the company on March 1, 1920, as an electrical engineer. His picture and biography are in the "People" section of this book.

In June of 1920, L. E. Hinton, Cashier at Twin Falls in 1961, was employed as a mail boy at the General Office. His picture and biography are in the "People" section.

1921

The year of 1921 was one fraught with many changes. Early in the year it became evident that differences of opinion, as to the proper form of company management, which had developed between the Bankers Trust Company's appointed management and the local Directors, were growing into a permanent breach. On January 5, 1921, the Board of Directors granted additional powers to the Executive Committee by unanimous adoption of the following resolution by the eleven members who were present. "Resolved, that, in addition to the powers of the Executive Committee, as set forth in Section 1, Article 5, of the By-Laws of this Company, the Executive Committee shall exercise specially the duties of a finance committee, and shall have special charge and control of all the financial affairs of the company, except as shall be otherwise provided or ordered from time to time by the Board of Directors." At this same meeting the duties of the General Manager were circumscribed by a resolution unanimously adopted, the essence of which is expressed thusly: "Provided, that the conduct of the Company's business by the General Manager shall be in all respects subject to the approval and direction of the Executive Committee or to the special direction and instruction of the Board of Directors." The following four directors were absent from the January 5 meeting: S. M. Edgell, David C. Eccles, Adam Patterson and Horace Havemeyer.

The sugar beet contract for 1921 had been under discussion for several days with the Farm Bureaus and agreement had been reached on what was termed a profit sharing contract which included a fixed initial payment. This was the first breakaway from a fixed price contract which had caused disastrous results as will later be shown.

Authority vested in and used by the Executive Committee brought about some changes in Board Members and officer setup. D. C. Eccles resigned as a Director and was replaced by James H. De Vine, S. M. Edgell resigned as Vice President and Treasurer. M. S. Eccles was elected Vice President and A. C. Lighthall was appointed Treasurer; J. R. Bachman was appointed Auditor.

M. S. Browning was elected President of the company to fill the vacancy caused by the death of Anthon H. Lund. The Executive Committee was organized and consisted of three members who were M. S. Eccles, Stephen L. Richards and James H. De Vine.

The resignation of S. M. Edgell as Vice President and Treasurer also terminated the services of Geo. W. Rienks as Assistant General Manager. H. A. Benning was appointed to that position on March 2, 1921.

The company's financial position hit a new low brought about partially by extravagant expenditures for improvements and operations but mainly by reduction in the price of sugar to a point of over $2.00 per cwt. below inventory cost. The loss on sugar alone was $2,918,958 and the loss for the fiscal year ended February 28, 1922, was $4,487,232. The cost of sugar sold was high because of the $12.00 per ton paid for 1920 beets. Most of the sugar produced from the 1920 beets was on hand at the beginning of the 1921 fiscal year on March 1, 1921. The price of sugar dropped rapidly in early 1921 so it was quite evident at that time that the year would show a loss and the Executive Committee set about to economize through a reduction in salaries and wages and limitation of other expenditures to the bare necessities. While these measures were somewhat helpful they were inadequate to compensate for the loss on sugar and other inventories.

The company was defendant in a suit brought by the Federal Trade Commission some years before and still unsettled as late as May of 1921. President M. S. Browning was authorized to settle the same, which he did through a consent decree.

Stockholders elected the following Directors on June 8, 1921: M. S. Browning, James H. De Vine, Joseph Scowcroft, S. M. Edgell, G. L. Becker, Royal Eccles, Adam Patterson, James H. Douglas, M. S. Eccles, Stephen L. Richards, Fred G. Taylor, Horace Havemeyer, R. B. Porter, E. O. Wattis, and W. W. Armstrong. The Directors elected and appointed the following officers: M. S. Browning, President and Chairman of the Board of Directors; James H. De Vine, Marriner S. Eccles and Stephen L. Richards, Vice Presidents: the three Vice Presidents were also elected members of the Executive Committee; Joseph Quinney, Jr., Secretary; F. S. Young, Assistant Secretary; A. C. Lighthall, Treasurer; Fred G. Taylor, General Manager; H. A. Benning, Assistant General Manager and J. R. Bachman, Auditor.

By reason of the company's dire financial condition the Directors called an informal meeting of the larger Common Stockholders to discuss the situation and to see what could be worked out. This meeting was held and it was agreed that the Common Stockholders would raise at least $1,000,000 of additional capital. Preferred stock dividends of August 1, and November 1, 1921, were passed.

The Executive Committee had spent much time and had attended many meetings and conferences in connection with refinancing of the company. A plan was finally agreed upon with the Bankers Trust Company, the essence of which was to (1) issue and sell $3,500,000 par value sinking fund gold bonds (this was done); (2) authorize the issuance of 20,000 shares of 8 percent cumulative second preferred stock (none was sold); (3) reduce the common stock from 2,500,000 shares of the par value of $10 per share to 724,624 shares of no par value per share (this was done); (4) make the common stock assessable (this was done and an assessment of $1.39 per share produced $1,007,227); (5) Henry H. Rolapp to become a Director, President and General Manager of the Company (this was done); (6) that a voting trust agreement be entered into by the holders of at least two thirds of the outstanding common stock of the company and that Anthony W. Ivins, A. P. Bigelow and A. A. Tilney be voting trustees with full power to vote said stock for all purposes from September 1, 1921, to September 1, 1931 (this agreement was entered into). All of these items together with certain procedural matters were embodied in an agreement between the company and the Bankers Trust Company. One of the procedural matters was the resignation of all Directors and Officers of the company. This took place on November 5, 1921, by individual resignations and replacements as follows: Directors who resigned were E. O. Wattis, Adam Patterson, Fred G. Taylor, R. B. Porter, Joseph Scowcroft, G. L. Becker, James H. Douglas, Royal Eccles, and their resignations were accepted. Directors M. S. Browning, M. S. Eccles, James H. De Vine, Stephen L. Richards, Horace Havemeyer, and W. W. Armstrong were asked to remain on the Board. All of the officers resigned but the resignations of M. S. Eccles and Stephen L. Richards as Vice Presidents were not accepted.

Newly elected Directors were Anthony W. Ivins, Henry H. Rolapp, E. S. Rolapp and A. P. Bigelow. Newly elected officers were: Anthony W. Ivins, Chairman of the Board; Henry H. Rolapp, President and General Manager; and E. S. Rolapp, Vice President and Assistant General Manager. Newly appointed officers were Fera S. Young, Secretary and J. R. Bachman, Treasurer. Directors who resigned and left the company service were: E. O. Wattis, Adam Patterson, Fred G. Taylor, R. B. Porter, Joseph Scowcroft, G. L. Becker, James H. Douglas and Royal Eccles. Officers who resigned and left the company service were: M. S. Browning, Chairman of the Board and President; Fred G. Taylor, General Manager; H. A. Benning, Assistant General Manager; Joseph Quinney, Jr., Secretary; and A. C. Lighthall, Treasurer. After this action no one remained of the managerial group that had been associated with David Eccles, except Henry H. Rolapp who returned, in power, after having been terminated seven years earlier.

Matters pertaining to the Pacific Sugar Corporation and to the Oneida Irrigation District had been handled with a substantial loss to the company.

The agreement under which the $5,000,000 par value preferred stock had been issued provided that when two quarterly dividends were in arrears the preferred stockholders could elect five directors: this they did at a special meeting held on December 17, 1921. They elected G. L. Becker, Edward L. Burton, Arthur H. Bosworth, Harold R. Smoot and E. B. Palmer.

At the November 5, 1921, Directors meeting Henry H. Rolapp requested that he be permitted to discuss with H. A. Benning what his situation would be, inasmuch as Mr.

Benning had been replaced as Assistant General Manager by E. S. Rolapp. He reported that Mr. Benning had been appointed General Superintendent.

Statements for the fiscal year ended February 28, 1922, showed that 485,751 tons of beets had been purchased and 1,392,548 bags of sugar had been produced. Loss for the year was $4,487,232: this wiped out the surplus and left a deficit of $1,080,772.

1922

The new top management which had been installed on November 5, 1921, immediately set about to determine what was necessary to be done to bring order out of financial chaos. One of the first things done was to employ Lincoln G. Kelly & Co., Certified Public Accountants, of Salt Lake City to handle a Federal Income Tax claim against the company which had been filed by the Bureau of Internal Revenue. This claim for some $600,000 centered around the question of whether or not war and postwar sugar sales contracts through 1919 were executed or executory. The company contended that they were executed contracts and it was so decided by a Federal District Court several years later. No tax was paid. Lincoln G. Kelly & Company, at the time this is written in 1961, makes annual audits of the company's books. Another thing of great concern was the sugar beet contract which was finally agreed upon between the company and the various Beet Growers' Associations. The contract provided for an initial payment of $5.50 per ton in Idaho and $5.00 per ton in Utah. It also provided a per ton payment schedule based upon sugar content of the beets and the net price received from the sale of sugar produced from that crop of beets. Under this contract only 30,840 acres were contracted as against 58,756 acres for 1921. This reduced acreage with the consequently expected reduced tonnage caused the management on June 22, 1922, to decide to close the Logan and Paul factories. This was a serious move as many employees were affected and it was the first time in company history for factories to be closed and not operated. It was, however, not to be the last time for this to happen. One other matter of great concern was the unpaid loans made by banks for operations. It appeared that about $4,000,000 would be needed to handle this item and an agreement was entered into on October 20, 1921, with the creditor banks headed by the Bankers Trust Company of New York City under the terms of which the company agreed to put out an issue of bonds and to sell its investments in other companies. This was done and at the close of the fiscal year ended February 28, 1923, notes payable had been reduced to $360,702 as against $7,382,983 on February 28, 1922.

By reason of a material reduction in the number of acres contracted only 339,622 tons of beets were purchased, from which 967,929 bags of sugar were produced. Loss for the year was $646,210 which was quite an improvement when compared with the loss for the prior year of $4,487,232.

1923

The participating beet contract was meeting the approval of the beet growers and was protecting the company against any repetition of serious overpayment for beets. The 1923 contract was a liberalized version of that of 1922.

Company management under the direction of Henry H. Rolapp, President and General Manager, was exerting concerted unified effort to show the best possible results. Early in May of 1923 a forecast of profits for the fiscal year ending on February 28, 1924, was prepared and presented to the Board of Directors. It showed that dividend payments could be resumed on the preferred stock. On the strength of this showing preferred dividends were paid in the amount of $759,856 during the year. This still left some dividends in arrears. It was felt advisable to make a participating payment under the terms of the 1922 beet contract. This payment was at the rate of 75 cents per ton and was much appreciated by the beet growers. It was made at about beet thinning time.

On June 29, 1923, M. S. Browning died. He had been associated with David Eccles from the beginning of the company and had been a Director for many years. He had also served as President. His son, M. A. Browning, was elected a Director on September 19, 1923, and at this writing in 1961 is still an active member of the Board of Directors.

H. A. Benning, who had come with the company in 1920 and who had served in various capacities, resigned as General Superintendent on September 19, 1923. This was not long before the beginning of campaign and was brought about by marked differences of opinion with E. S. Rolapp, Vice President and General Manager. Mr. Benning was to return to the company at a later date.

The fiscal year ended on February 28, 1923, showed marked improvement in all phases of the company's activities: 532,531 tons of beets were purchased and 1,463,135 bags of sugar were produced. Profits for the year were $2,398,172.

1924

In reviewing the year 1924 two patterns are beginning to emerge, one affecting management and the other affecting agricultural and operating conditions.

A voting trust, created by agreement in 1921 by the holders of a majority of the common stock and administered by three trustees: A. W. Ivins, Director and Chairman of the Board of Directors of The Amalgamated; A. A. Tilney, Vice President of the Bankers Trust Company; and A. P. Bigelow, Cashier of the Ogden State Bank, had been set up to maintain company management for a period of ten years. At the first annual meeting of the Common Stockholders held after the creation of the Voting Trust, the David Eccles Company, a member of the voting trust and the largest common stockholder, unsuccessfully attempted to vote its stock independently of the voting trust. Similar unsuccessful attempts were made in 1923 and 1924 which indicated a trend toward invalidation of the voting trust. Management under Henry H. Rolapp was in disfavor with the David Eccles Company in 1914 when Rolapp's services were terminated and nothing had been done in the intervening years to improve the relations. Rolapp would again leave the company in a few years and the David Eccles Company would take over.

Early in February of 1924 agreement was reached with Sugar Beet Growers Associations on the 1924 beet contract.

The only major change in the contract was an increase of grower participation in the net return from the sale of sugar. Beet contracting got under way early and by the middle of March 36,000 acres had been contracted with a final total for the year of 50,000 acres, however only 45,000 acres were planted. This large shrinkage between contracted and planted acres was the result of adverse weather conditions during the planting season. The year was to end disastrously, cropwise, as is shown by the following quotation from the 1924 Agricultural Report. "In our Idaho Territory we had an invasion of the white fly during the last of May, which is the worst attack we have yet experienced. By June 15th our entire Idaho territory was badly infested with the result that at harvest time we harvested only 10,818 acres of the 24,696 acres contracted. The white fly for the first time in several years was also prevalent in our Utah District, doing considerable damage." Serious consideration was being given to the possibility of developing a sugar beet which would be resistant to the effects of the white fly. One method had been developed and used in a limited way. It is explained in the following quotation from the 1924 agricultural report: "It has been our observation that in almost every severely affected beet field, a few individual plants stand out as being resistant to the attacks of the fly. To test the feasability of this theory we siloed a few hundred of these beets with the idea of producing seed during 1925 and carrying on the experiment in 1926." The results of this experiment together with others will be commented upon at a later date.

Expenditures for maintenance and plant improvements were held to the necessities and both the Cornish and Twin Falls factories were closed.

Preferred stock dividends were current by August 1, 1924, and on August 20 the five directors representing the preferred stock resigned. They were replaced by directors chosen by the ten common stock directors. This action kept the Board of Directors at fifteen members.

An offer was made by the stockholders of the Franklin County Sugar Company to sell their stock to The Amalgamated, which offer was rejected. The Amalgamated would acquire the Preston factory of the Franklin County Sugar Company thirty-six years later.

Final payment for beets purchased under the 1923 beet contract was made according to the terms of the contract. From the 1924 crop of beets only 222,726 tons were purchased and 645,619 bags of sugar produced. Profit reported for the year ended February 28, 1925, was $218,635.

Paul H. Ray, whose picture and biography are in the "People" section of this book, became a member of the law firm of Bagley, Judd and Ray on January 1, 1924, and at that same date became attorney for The Amalgamated. As this is written in 1961 he is a Director and General Counsel of the company.

1925

Following the partial crop failure of 1924 there was not much enthusiasm for the beet crop. This was particularly true in Idaho where the 1924 crop averaged only 5½ tons per acre. Much work had to be done with the growers in order to get beet contracts. The participating type of contract was again offered and accepted by the Beet Growers Associations in January of 1925. The total acreage contracted was 32,307 of which 30,136 acres were harvested averaging 14.53 tons per acre as against 1924 harvested acres of 32,638 which averaged but 6.83 tons per acre. While there was an infestation of white fly the damage was far less severe than in 1924. The Federal Government had become interested in the white fly situation in Idaho and had transferred most of the work of its Toppenish, Washington, experiment station to Twin Falls. This work was under the jurisdiction of the Bureau of Entomology of the U.S. Department of Agriculture collaborated in by both the Utah and Idaho Experiment Stations and the sugar company. Walter Carter of the Bureau of Entomology was in charge. The Amalgamated furnished a greenhouse, laboratory and office and an experimental plot of ground. This setup still exists as this is written in 1961 and is located just north of the north city limits of Twin Falls, Idaho. R. H. Cottrell had much to do with the early success of the venture as he had accumulated much data which he turned over to the government. The 1925 agricultural report has this to say about the matter. "At the close of the company's fiscal year the greenhouse and laboratory were in operation. The field surveys had been carried through the summer, including counts made by fieldmen of infested beets."

"The greenhouse work was making progress in studies of the life history of the fly. Selection had been made of different types of beets presenting apparently varying degrees of resistance to curly top. The beets together with the progeny of previous selections and with seed obtained from Mr. Carsner of the Bureau of Plant Pathology, Riverside, California, were to be the basis of selection of disease resistant strains. The beet seed grown in 1925 by our company from apparently resistant beets has been turned over to Mr. Carter for his further investigation." For further information on the subject of resistant sugar beet seed see the chapter in this book devoted to that subject. Let it be known at this point that without the successful development of resistant strains of sugar beets there would long since have been no beet sugar industry in the intermountain states and in California.

Maintenance and improvement expenditures were kept within the bounds of necessity and two factories, Cornish and Burley were not operated.

Stockholders elected the same Board of Directors who in turn elected and appointed the same officers.

Preferred dividends were kept current even though the year showed a loss.

At the Directors' meeting held on May 20, 1925, Henry H. Rolapp advised that the "U.S. Government had filed suit against the Company, involving the Providence limerock quarry, for the collection of $130,000 which it was alleged was the value of the property and damages for the removal of limerock since about 1903." It was later developed that this suit was brought at the instigation of persons who had filed on mineral claims in the same area. The company's legal counsel of Bagley, Judd and Ray of Salt Lake City handled the matter to a satisfactory conclusion several years later.

Early in the postwar period of World War I, changes began to take place in the equipment used for receiving sugar beets. These changes were caused by more rapid deliveries by growers who were beginning to use trucks. Mechanical beet receiving equipment began to replace manually operated equipment and as the roads were improved and growers could haul more and larger loads for longer distances both the number and type of receiving stations decreased. Speeded up beet deliveries necessitated a change in the system of accounting for individual deliveries. This was done and has kept pace with the deliveries.

There were 437,777 tons of beets purchased and 1,274,930 bags of sugar produced. The fiscal year ended February 28, 1926, showed a loss of $972,651.

1926

On February 5, 1926, the Utah and Idaho Beet Growers Associations, excepting The Amalgamated's Idaho growers, accepted a three-year beet contract. After several weeks of delay the Idaho growers accepted the contract for one year. The contract was on a participating basis with an initial payment of $6.00 per ton. Contracting in Utah was fairly successful with 19,547 acres finally contracted but in Idaho only 8,814 acres were contracted. Dissatisfaction in Idaho coupled with the lateness of the contract and an unusually dry and windy spring produced such a low acreage that all Idaho factories and the Smithfield factory were closed. A severe white fly infestation reduced both acreage and tonnage harvested. This was to be the worst sugar production year since The Amalgamated became a multi-unit company in 1902. It was also to be a year of management changes.

Budgets for maintenance and improvements were reduced to the barest necessities. Preferred dividends were kept current as was the sinking fund for the retirement of bonds.

By reason of continued white fly infestations and a surplus of factories in Cache Valley the management investigated several possible locations for a factory. The location with the most appeal was Missoula, Montana, and the management was authorized to proceed with arrangements for the removal of a factory to that area.

Common stockholders on May 12, 1926, elected the following fifteen Directors: G. L. Becker, A. P. Bigelow, M. A. Browning, E. L. Burton, L. R. Eccles, M. S. Eccles, Royal Eccles, L. R. Farnsworth, Horace Havemeyer, A. W. Ivins, S. L. Richards, E. S. Rolapp, Henry H. Rolapp, Joseph Scowcroft and E. O. Wattis. Directors then elected A. W. Ivins, Chairman; Henry H. Rolapp, President; E. S. Rolapp, M. S. Eccles, Stephen L. Richards and L. R. Eccles, Vice Presidents; and appointed E. S. Rolapp, General Manager; Fera S. Young, Secretary; A. P. Bigelow, Treasurer; J. R. Bachman, Assistant Secretary-Treasurer and Auditor; and T. R. Bowden, Assistant Secretary.

Minutes of a Directors' meeting held on December 15, 1926, record the resignations of Henry H. Rolapp and E. S. Rolapp as having been tendered because of a "change in the control of the company's stock." The resignations were accepted as of February 28, 1927.

The phrase "change in the control of the company's stock" may have many implications, but the author is reasonably familiar with what was meant when it was written and here delineates his version of what caused the "change in the control of the company's stock." The reader will recall that in 1921 a Voting Trust was set up at the request of the bank creditors. This Voting Trust had in it 529,438 shares of the 724,624 shares of outstanding common stock or 73+ percent. It was to have a life of ten years: from September 1, 1921, to September 1, 1931, and its purpose was to stabilize company management. The David Eccles Company was the largest stockholder member of the Voting Trust but evidently was not in harmony with the actions of the trustees, who were A. W. Ivins, A. A. Tilney and A. P. Bigelow, as it tried unsuccessfully to vote its stock independently of the Voting Trust at three successive Common Stockholders' meetings held in 1922, 1923 and 1924. No attempts were made to independently vote that stock at the Common Stockholders' meetings held in 1925 and 1926, but members of The David Eccles Company had been arduously working on other large stockholder members of the Voting Trust to join in breaking the Trust. By late 1926 this had been accomplished and brought about the Rolapp resignations.

Results for the year left much to be desired; only 176,079 tons of beets were purchased and 470,180 bags of sugar produced. Loss for the year ended February 28, 1927, was $215,355.

R. A. Forbess, Superintendent at Nyssa in 1961, first became associated with the company at the Lewiston factory in the summer of 1926. His picture and biography are in the "People" section.

1927

As a carry-over from 1926, when Henry H. Rolapp, President, and E. S. Rolapp, Vice President and General Manager, resigned effective as of February 28, 1927, E. O. Wattis resigned as a Director and was replaced by J. M. Eccles, and A. P. Bigelow resigned as Treasurer. It was, therefore, necessary to fill existing officer vacancies. This was done at a Directors' meeting held on February 16, 1927, when A. W. Ivins was elected President, J. M. Eccles was appointed General Manager, and M. S. Eccles was appointed Treasurer effective as of March 1, 1927. Thus the second try by Henry H. Rolapp to manage the affairs of The Amalgamated Sugar Company came to an abrupt end, and for the same reason for his termination in 1915—the return to power of the David Eccles Company, represented this time by J. M. Eccles and in 1915 by David C. Eccles.

The 1927 beet contract was finally agreed upon between the company and the Beet Growers' Associations and 30,572 acres were contracted. Weather conditions during the year were favorable although there was the usual infestation of white fly which, fortunately, did not damage the beets to the same extent as in previous years. Of the 30,572 acres contracted 28,577 acres were harvested with an average of 13.86 tons per acre as against an average of 8.91 tons per acre in 1926.

Logan, Cornish, and Paul factories were not operated due to insufficient beet tonnage, and expenditures for maintenance and improvements were again held to the absolute necessities.

Dividends on preferred stock were paid through May 1, 1927. All bond sinking fund requirements were met.

At the Common Stockholders' meeting held on May 11, 1927, the following Directors were elected: A. W. Ivins, S. L. Richards, J. M. Eccles, L. R. Eccles, M. S. Eccles, Royal Eccles, M. A. Browning, Joseph Scowcroft, L. T. Dee, G. L. Becker, E. L. Burton, A. P. Bigelow, L. H. Farnsworth, Horace Havemeyer and Henry H. Rolapp. The Directors elected the following officers: A. W. Ivins, Chairman of the Board and President, with L. R. Eccles, M. S. Eccles and S. L. Richards as Vice Presidents. Appointed officers were: F. S. Young, Secretary; M. S. Eccles, Treasurer; J. M. Eccles, General Manager; L. R. Eccles, M. S. Eccles and J. M. Eccles, Executive Committee; J. R. Bachman, Assistant Secretary-Treasurer and Auditor; T. R. Bowden, S. T. Jeppesen, R. W. Liberty and H. W. Wunder, Assistant Secretaries.

The matter of building a factory at Missoula, Montana, was finally resolved with the management authorized to proceed.

It was on September 24, 1927, that Blaine Bachman entered the employ of the company as a fieldman in the Missoula district. As this is written in 1961 he is Assistant Secretary and General Office Cashier. His picture and biography are in that section of this book entitled "People."

The Interstate Sugar Company, with a factory at Hooper, Utah, had defaulted in the payment of its bonds and Walker Brothers Bank at Salt Lake City, trustee for the bond holders, offered $600,000 par value in bonds to The Amalgamated. An agreement to purchase the same was entered into and the bonds later acquired.

Unpaid preferred dividends placed the preferred stockholders in the position to have five Directors. In order to accomplish this five of the Directors elected by the common stockholders resigned and were elected as representing the preferred stock. They were: Henry H. Rolapp, A. P. Bigelow, Edward L. Burton, G. L. Becker and L. H. Farnsworth.

Under the 1927 beet contract 398,748 tons of beets were purchased and 1,208,232 bags of sugar produced. Loss for the year ended February 28, 1927, was $238,774.

1928

A new aid to the Beet Sugar Industry had been set up in Chicago, with J. O. Douglas former Sales Manager of The Amalgamated as Manager of the Domestic Sugar Bureau. The purpose of this organization was to accumulate sugar sales data from each member company, digest the same and furnish such digested information to the members. It was felt that by this means fewer price concessions would be made and sugar sales would be conducted in a more orderly manner. The Amalgamated became a member and remained with the organization until its abandonment some years later.

The Cornish, Utah, factory was dismantled and most of the machinery, equipment and steel were moved to Missoula, Montana, where a factory was built and operated during 1928. The first campaign was short, lasting only 31½ days. This short campaign was because of a limited beet tonnage; only 20,708 tons were purchased.

The 1928 beet contract was the bone of much contention but was agreed upon and contracting produced 31,655 acres for all districts. However, due to weather conditions and recurrent white fly infestations in Utah and Idaho only

22,421 acres were harvested with an average of 12.13 tons per acre as compared with 28,577 acres and 13.86 tons per acre average for 1927.

This condition necessitated the closing of the Logan, Paul, and Twin Falls factories and brought on some sizeable managerial headaches because only 271,859 tons of beets had been purchased and 813,875 bags of sugar produced. The ups and downs in sugar production for the past ten years having gone from a high of 1,400,000 bags in 1921 to a low of 470,180 in 1926 and for 1928 to 813,875 were the cause of much speculation on the company's future, and it was expressed in a Directors' meeting held on December 19, 1928. From the minutes of that meeting the following is taken: "The financial position of the company was pessimistically forecast in the event some means were not found to give the factories runs nearer capacity. The finding of suitable locations is a difficult task but the management was encouraged to continue its efforts because it is apparent that the future existence of this company is dependent upon larger production."

Again as in past years expenditures for maintenance and improvements were held to the minimum.

The Stockholders elected the same Board of Directors and the Board elected and appointed the same officers, including J. M. Eccles as a Vice President.

From 271,859 tons of beets purchased 813,875 bags of sugar were produced. Loss for the year ended February 28, 1929, was $631,460.

On January 18, 1928, the Board approved the appointment of W. Y. Cannon as General Superintendent. Mr. Cannon had at one time been Chief Engineer and at a later date Montana District Manager for the Utah-Idaho Sugar Company.

Dismantling of the Cornish factory and construction of the Missoula factory were done by company personnel with N. A. Lockwood, Chief Engineer, in charge. All of the engineering work was done in the Engineering Department. The construction cost of Missoula was $1,074,604. With the exception of W. P. Hogarty, District Manager, all other supervisory personnel had been transferred from other factories. During the first year of its operation Missoula had the following supervisory organization: District Manager, W. P. Hogarty; Superintendent, I. J. Clark; Assistant Superintendents, F. D. Montgomery and Sam Stephens; Master Mechanic, E. M. Cole; Assistant Master Mechanic, Burnall Brown; Cashier, Dean H. Brown; Chief Chemist, Lyman Schenk; Assistant Chemist, V. E. Ryan; Beet End Foremen, L. H. Smith and L. M. Whitehead; Boiler House Foreman, Fred Hoppie; Electrician, Herbert Hughes; Warehouse Foreman, D. M. Craner. It operated from October 11, to November 14, 1928, or a period of 34 days, 19,105 tons of beets were sliced and 57,915 bags of sugar were produced.

1929

Beet contracts were available early in the year and contracting went forward until 38,333 acres had been contracted. Logan and Paul factories were not operated. Cache Valley acreage was shrinking and Logan would not reopen.

W. Y. Cannon, who had been General Superintendent, was appointed Assistant General Manager because of the illness of General Manager J. M. Eccles who was expected to be away from the office for some time.

At the annual meeting of Common and Preferred Stockholders held on May 8, 1929, the following Directors were elected by the Common Stockholders: M. A. Browning, L. T. Dee, M. S. Eccles, J. M. Eccles, Royal Eccles, Horace Havemeyer, A. W. Ivins, Stephen L. Richards, M. A. Romney and Joseph Scowcroft. The Preferred Stockholders elected G. L. Becker, A. P. Bigelow, Edward L. Burton, L. E. Farnsworth and H. H. Rolapp. Directors then elected and appointed the same officers who had served during the past year.

Minimum expenditure budgets were approved for 1929. Only necessary maintenance and improvement expenditures were made.

From March 1, 1927, when J. M. Eccles was appointed General Manager until he resigned on September 18, 1929, he had been a member of, but rarely spokesman for, the Executive Committee of three members. From the recorded activities of that committee it would appear that it was directing the affairs of the company. It negotiated beet contracts, regulated sugar sales, employed certified public accountants, attorneys and company personnel, fixed salaries, and authorized budget expenditures, and of course had all of its actions approved by the Board of Directors. When first appointed its members were L. R. Eccles, M. S. Eccles and J. M. Eccles. Later on and up to the time of J. M. Eccles' resignation its members were M. S. Eccles, Stephen L. Richards and J. M. Eccles. It would also appear that the Executive Committee exercised authority without accepting the attendant responsibility and that the General Manager had responsibility and little authority, for at the time of his resignation J. M. Eccles read a prepared statement in defense of actions taken by him and sharply critical of his fellow Board members. Prior to his resignation and acting in behalf of the David Eccles Company he had sold that company's Amalgamated common stock to the American Beet Sugar Company of Denver, Colorado. Regarding this transaction it is recorded that: "Mr. Eccles expressed his satisfaction in the transfer of the control of this company to the American Beet Sugar Company as he felt that it would lend stability to the company and was undoubtedly for the betterment of himself and his family interests."

Before the purchase of Amalgamated Common Stock the American Beet Sugar Company had an option from the David Eccles Company. Before exercising its option the minority common stockholders of The Amalgamated were contacted and made an offer by the American Beet, which offer was held in abeyance until the minority formed a committee and made a survey of the American Beet Sugar Company's properties and business activities. The survey was made by R. H. Cottrell and J. R. Bachman after which an exchange was agreed upon of eight shares of Amalga-

1929

mated Common for one share of American Beet Common. This exchange together with the purchase from the David Eccles Company gave the American Beet 96 percent of The Amalgamated Common stock and the management of the company.

Management changes were made on September 18, 1929, when J. M. Eccles resigned as a Director, Vice President and General Manager and a member of the Executive Committee, and Royal Eccles and M. A. Romney resigned as Directors. To fill the vacancies caused by the foregoing resignations S. W. Sinsheimer was elected a Director and appointed a member of the Executive Committee, H. A. Benning was elected a Director, Vice President, and appointed General Manager, J. B. Grant was elected a Director. With this change there came an end to the David Eccles Company's connection with The Amalgamated Sugar Company and closed another era in the company's history. The new management had its program of changes, the first of which was the replacement of W. P. Hogarty as Montana District Manager with G. D. Keating, who would also be factory superintendent. The next was the elimination of the Executive Committee and the change of the fiscal year from February 28 to March 31, and finally the consolidation of activities by the transfer of certain personnel to Denver, among whom were R. H. Cottrell from the Operating Department, A. J. Forbess from the Engineering Department, J. W. Ellingson, Sales Manager, E. L. Fischer, Traffic Manager, J. R. Bachman, Auditor, P. M. Bricker and A. L. Stark from the Accounting Department, and Frank W. Austin, Sales Clerk. M. S. Eccles, Vice President and Treasurer, and Fera S. Young, Secretary, remained in

Ogden. The transfers were all completed by January 15, 1930, when the General Office in Ogden was closed. Services of other General Office personnel were dispensed with.

For the fiscal year ended March 31, 1930, 403,324 tons of beets were purchased and 1,258,755 bags of sugar were produced. Loss for the year was $259,574.

STORY
OF
THE AMALGAMATED SUGAR COMPANY
1897–1961

Section Three

THE YEARS OF WAITING
1930–1936

This is the period in which almost 99 percent of the Common Stock of The Amalgamated was owned by the American Beet Sugar Company or its successor the American Crystal Sugar Company. It was in April of 1936 when The Amalgamated acquired that stock and separated from the American Crystal.

The Years of Waiting

1930

The 1930 beet contract was the same as that of 1929 and 35,329 acres were contracted. Loss between contracted and harvested acreage was about normal even though there was a heavy infestation of white fly in the Utah and Idaho Districts. The average tons per harvested acre were a little below that of 1929 or 11.55 for 1930 against 11.99 for 1929. Six factories were operated.

In the Twin Falls, Idaho, District, W. G. Swendsen resigned as District Manager and was replaced by A. R. Hagar who had been Agricultural Superintendent, and in the Cache Valley district Joseph Quinney, Jr., was retired as District Manager and was replaced by R. H. Tallman, who had been brought into the organization by H. A. Benning.

Horace Havemeyer, who had been a Director for several years, resigned and was replaced by T. H. Devine. L. H. Farnsworth, a Director, died and was succeeded by Harold Hemingway.

The Common Stockholders elected ten Directors and the Preferred Stockholders elected five Directors. Elected and appointed officers were the same as for the prior year.

Expenditures for maintenance and improvements were again limited to necessities.

The results for the year were: 1,013,286 bags of sugar produced from 350,635 tons of beets purchased. Loss for the year ended March 31, 1931, was $595,823.

1931

After extended negotiations the 1931 beet contract was agreed upon. It provided for lower minimum payments in all districts but retained the participating features of the 1930 contract; 35,555 acres were contracted and 30,913 acres were harvested, which acres averaged 10.69 tons per acre. Only four factories operated; they were Ogden, Lewiston, Burley and Missoula. Once again adverse weather conditions and heavy white fly infestation took their toll in Utah and Idaho where only 221,368 tons of beets were received. In the Missoula, Montana, district 109,900 tons of beets were received. Difficulties experienced at Missoula were expressed by District Manager G. D. Keating as: "dry weather, frost, cutworms, rodents, shortage of water in all districts, uneven land and new growers."

Prior to the Stockholders' meetings, J. B. Grant and M. A. Browning resigned as Directors and were replaced by E. G. Bennett and Frederick P. Champ.

At the annual meetings of Stockholders held on May 13, 1931, one new common stock Director was elected to replace L. H. Farnsworth who had died, he was A. C. Sullivan. All other Directors were re-elected. The same group of officers who had served for the prior year were elected or appointed. Shortly after the Stockholders' meetings Director Joseph Scowcroft died and was replaced by his son, J. Fletcher Scowcroft.

Due to a short beet tonnage expenditures for maintenance and improvements were held down and economies were effected wherever it was possible.

As stated hereinbefore, 331,268 tons of beets were purchased and 1,014,877 bags of sugar were produced. Loss for the year was $945,843.

At this point it may be well to comment upon the operation and the management of The Amalgamated conjointly with the American Beet. When S. W. Sinsheimer, President of the American Beet Sugar Company left the Holly Sugar Corporation to take over the Presidency of the American Beet early in 1929 he induced H. A. Benning, who was also with Holly, to go with him with the promise that Mr. Benning would be Vice President and General Manager of the American Beet. Mr. Benning was given the title but his managerial activities were limited to the production end of the business, such limitation to be temporary. Mr. Benning immediately set about to strengthen the production organization and when the American Beet acquired control of The Amalgamated he saw an opportunity to further strengthen the American Beet organization. It was he who selected the various individuals from The Amalgamated and invited them to join with him. A special invitation to go to Denver was extended to the author by Mr. Sinsheimer, who explained that as soon as some major adjustments could be made in the American Beet organization Mr. Benning would exercise complete managerial authority over the joint organizations and that the author would be elevated in position and compensation. Unfortunately, Mr.

Sinsheimer could not or would not bring about the changes about which he had spoken and a barrier began to rise between him and Mr. Benning with a deteriorating effect on both organizations and particularly on The Amalgamated. Mr. Benning began to lay plans for a separation in the management of the two companies and was successful in carrying out his plans in June of 1932.

L. W. De Wald, Safety Director and Labor Agent in 1961, first joined the company on March 17, 1931, at Missoula, Montana. He remained at Missoula after the American Crystal Sugar Company purchased that plant on April 14, 1936, until December 8, 1943, when he again joined The Amalgamated. His picture and biography are in the "People" section of this book.

1932

Beet contracting was carried on with little difficulty after a winter of heavy snow with above average water content. There was an increase of more than 10,000 acres contracted over 1931 and an increase of more than 12,000 harvested acres as compared with 1931. Yield per acre was 13.98 tons as compared with 10.69 tons per acre for 1931. The beet growing season was practically free of insect pests and good harvesting conditions prevailed. Five factories were operated.

Due to nationwide depressed financial conditions following the stock market crash of 1929 and the following great depression still going on in 1932 it became necessary to make different arrangements for the financing of sugar beet growers. Banks in the beet growing areas were no longer able to carry on. Early in 1932 the author, representing both the American Beet and The Amalgamated, was assigned to contact the Federal Intermediate Credit Banks or any other Federal agency and arrange for the financing of beet growers for both companies. The first contact was with the Federal Intermediate Credit Bank at Wichita, Kansas, where with the cooperation of the Federal Farm Marketing Administration it was arranged that a Beet Growers' Credit Corporation would be organized for each company. The company would be the incorporator, and the Beet Growers' Credit Corporation would make loans to beet growers on individual promissory notes secured by crop mortgages on the beets. The Credit Corporation would then discount the notes to the Federal Intermediate Credit Bank at the going rate of interest. A company guarantee was furnished to the Federal Intermediate Credit Bank covering all discounted notes. Like arrangements were made with the Federal Intermediate Credit Banks at St. Paul, Minnesota; Spokane, Washington; and Berkeley, California. This arrangement continued throughout the depression and several years thereafter. Losses were nominal.

Through the persistence of H. A. Benning and with the help of the Preferred Stock representatives the management of The Amalgamated was separated from that of the American Beet and on June 15, 1932, the General Office of The Amalgamated was returned to Ogden. The American Beet still owned control of the common stock. With the return of the General Office to Ogden there was the necessity of staffing the various departments. Personnel returned to Ogden included H. A. Benning, Vice President and General Manager; J. R. Bachman, Auditor; P. M. Bricker, General Office Cashier; A. L. Stark, Chief Accountant; R. H. Cottrell, General Superintendent; A. J. Forbess, Chief Engineer; and E. L. Fischer, Traffic Manager. W. A. Moore was transferred from Lewiston as Purchasing Agent and G. B. Rodman was employed as Sales Manager. Modest office space was taken in the First Security Bank Building and The Amalgamated became an autonomous operating unit.

Adjourned annual Stockholders' meetings were held on June 1, 1931, at which the following Directors were elected: H. A. Benning, J. R. Bachman, P. M. Bricker, M. S. Eccles, A. W. Ivins, G. B. Rodman, S. L. Richards, J. W. Randall, S. W. Sinsheimer and J. Fletcher Scowcroft representing the common stock and G. L. Becker, E. G. Bennett, Edward L. Burton, Sylvester Q. Cannon and Henry H. Rolapp representing the preferred stock. Officers elected and appointed were: A. W. Ivins, President and Chairman of the Board; H. A. Benning, Vice President and General Manager; M. S. Eccles, Vice President and Treasurer; Stephen L. Richards, Vice President; S. S. Eccles, Secretary; J. R. Bachman, Assistant Secretary, Assistant Treasurer and Auditor; P. M. Bricker, Assistant Secretary and General Office Cashier; T. R. Bowden, S. T. Jeppesen, R. W. Liberty and H. W. Wunder, Assistant Secretaries.

A special meeting of common stockholders was held on July 27, 1932, at which Article 8 of the Articles of Incorporation was amended to provide for a Board of Directors of not less than nine or more than eleven, the exact number to be determined each year by the stockholders at their annual meeting. In conformity with the above the following four Directors resigned: J. R. Bachman, P. M. Bricker, G. B. Rodman and J. W. Randall.

The subject of Group Life Insurance for eligible employees had been discussed at various times in years gone by but had not gone beyond the discussion stage. H. A. Benning felt that inasmuch as the company had been in existence for almost thirty-five years and a number of employees had over thirty years of service something should be done for all regular employees with continuous service of more than two years. A plan was developed with The Equitable Life Assurance Society under which all eligible employees would be insured. The employee would pay sixty cents per thousand dollars of insurance per month and the company would pay the balance. In the formulation of the plan the author worked with Fera S. Young, former Secretary of the company and at that time representing The Equitable. Mr. Benning recommended the plan to the Board of Directors on August 17, 1932, and it was accepted with a limitation of $3,000 of insurance per individual. The plan is still in operation in 1961 but with individual insurance limited to $10,000.

At that same Directors' meeting of August 17, 1932, the Board of Directors authorized the company to become self-insurers under the Workmen's Compensation laws of Utah, Idaho and Montana. This is still in effect except in Montana where the company no longer operates. Both of these insurance programs became effective on September 1, 1932.

Expenditures for maintenance and improvements were at a minimum and were limited to operated factories and facilities.

Under the 1932 beet contract 603,615 tons of beets were purchased and 1,958,576 bags of sugar produced. This was the largest production in the company's history. Loss for the fiscal year ended March 31, 1933, was $527,572.

On December 18, 1932, Ellis Stoker, Traffic Manager in 1961, was employed as office boy in the General Office. His picture and biography are in the "People" section of this book.

K. E. Bailey, Superintendent at the Lewiston factory in 1961 joined the company in July, 1932, as a student engineer at Twin Falls. His picture and biography are in the "People" section.

In October of 1932, W. W. Low, Assistant General Sales Manager since October 23, 1961, was employed as a clerk in the Lewiston office. His picture and biography are in the "People" section.

1933

Beet contracting started early in the year as a contract had been agreed upon with the Beet Growers' Associations. By the end of the contracting season 64,531 acres had been signed up. This was the largest acreage since the company's organization; 60,163 acres were harvested with an average of 12.46 tons per acre. Five factories were operated.

The maintenance and improvements budgets had been liberalized in order to handle a larger beet tonnage and to provide for longer factory campaigns.

At the Stockholders' meetings held on May 17, 1933, A. W. Ivins, S. W. Sinsheimer, G. L. Becker, S. L. Richards, J. F. Scowcroft and M. S. Eccles were elected Directors by the common stockholders and Edward L. Burton, S. Q. Cannon and E. G. Bennett were elected Directors by the preferred stockholders. It will be noted that the name of H. A. Benning does not appear among the Directors. At a special Stockholders' meeting held in 1932 the Articles of Incorporation were amended to provide for a minimum of nine and a maximum of eleven Directors, the exact number to be determined by the stockholders each year. At their 1933 meetings the stockholders decided on a nine man board, six to be elected by the common and three to be elected by the preferred. The failure to elect H. A. Benning a Director can be attributed to S. W. Sinsheimer, who was angry because Mr. Benning had been successful in separating The Amalgamated's operations from those of the American Beet and also because Mr. Benning missed no opportunity to remind Mr. Sinsheimer of his failure to keep promises he had made to Mr. Benning and others. The Directors elected and appointed the following officers: A. W. Ivins, President and Chairman of the Board of Directors; M. S. Eccles, Vice President and Treasurer; S. L. Richards, Vice President; S. W. Sinsheimer, Vice President; H. A. Benning, Vice President and General Manager; S. S. Eccles, Secretary; J. R. Bachman, Assistant Secretary, Assistant Treasurer and Auditor; P. M. Bricker, Assistant Secretary and General Office Cashier; T. R. Bowden, S. T. Jeppesen, R. W. Liberty and H. W. Wunder, Assistant Secretaries. A review of the minutes of the meetings of the Board of Directors held during 1933 disclosed that H. A. Benning attended all of them and that J. R. Bachman attended most of them.

S. W. Sinsheimer died in October of 1933. His place was filled by W. N. Wilds, President of the American Beet

Sugar Company, who was elected a Director and a Vice President.

H. A. Benning was anxious to get more of the company's factories into operation. He spent much time in going over the company's territory and in looking at other areas. He had determined that the Cache Valley, Utah territory could not support the factories located there and was anxious to find a place where the Smithfield factory could be moved. This he did at a later date.

The company purchased 749,605 tons of beets from which it produced 2,430,882 bags of sugar. Favorable weather conditions and the lack of insect pests were contributing factors in the increased production for 1933.

During this year of 1933 A. E. Benning, who as this is written in 1961, is Executive Vice President and General Manager, entered the company service as a mechanic's helper and student at the Ogden factory. His picture and biography are in that section of this book entitled "People."

Profit for the fiscal year ended March 31, 1934, was $1,067,697. This was the first year of profit since the fiscal year which ended on February 28, 1926.

Shortly after his inauguration, in March of 1933, as President of the United States, Franklin Delano Roosevelt closed the banks which caused some financial discomfort before they were again opened. During his political campaign he set forth his ideas for the welfare of the country and particularly for the "one third" of the people designated by him as in an income bracket so low as to make it necessary for their incomes to be raised by his much talked about "New Deal." Business in general and the domestic sugar business in particular were very much concerned about what would happen, as the Congress had given the President carte blanche in proceeding with the "New Deal." H. A. Benning and M. S. Eccles spent some time in Washington, D.C., with others in the beet sugar industry in an attempt to formulate a code for the industry. Nothing was accomplished as the Federal Administration had taken no definite final action. When such action was finally taken it would almost reshape the beet sugar industry as will be observed later in this narrative.

Jack R. Holland in 1961 is Cashier at Burley. He was employed in July, 1933, as a laborer at Twin Falls. His picture and biography are in the "People" section.

1934

Beet contract negotiations between the company and the Beet Growers' Associations were long drawn out. A contract was finally agreed upon on March 24, 1934, and contracting went forward until 54,683 acres were contracted. This was a shrinkage of almost 10,000 acres as compared with 1933. Only 28,493 acres were harvested with an average of 10.32 tons per acre as compared with 60,163 acres with an average of 12.46 tons per acre for 1933. A mild winter, a dry spring and summer and the earliest white fly infestation which came in Idaho on April 28 and in Utah early in May accounted for the reduced harvested acreage. There was very little white fly in the Montana District. Only two factories operated, Lewiston and Missoula. Beet growers in Utah and Idaho were given their choice of resistant or regular commercial beet seed. Resistant beet seed had been in the development stage for several years, the story of which will be found in that chapter in this book having to do with beet seed. The following excerpt from the Agricultural Report of the Idaho District by R. H. Tallman, District Manager, is significant: "An outstanding feature of the disastrous year 1934 was the comparative results of commercial and resistant seed plantings. Growers were given their choice as to the type of seed they should use, but for some obscure reason the commercial type seemed to hold favor over the resistant. In checking as the season progressed it was found that the susceptibility of the plant from the old type seed was positive, once it was 'stung' the plant exhibited no comeback, merely curled up and shriveled away. On the other hand plantings from U.S. No. 1 Resistant seed while showing the effects of the poison when first attacked were able to throw it off as the season progressed and revived with surprising resiliency. Where there was an adequate supply of water for irrigation and the approved cultural methods were practiced up to the maturity of the crop, U.S. No. 1 plantings in some cases yielded 15.65 tons per acre."

M. S. Eccles, Director, Vice President and Treasurer was chosen in January of 1934 to be Assistant to the Secretary of the Treasury of the United States. Of this particular assignment Mr. Eccles had this to say in his book, *Beckoning Frontiers:* "On moving into the Treasury, I represented the Secretary in relations with various government bodies such as the Reconstruction Finance Corporation, the Federal Farm Mortgage Corporation, the Home Owners Loan Corporation, and the Interdepartmental Committee for the Coordination of Commercial Policies—this list being a group that concerned itself with tariffs under the direction of the

State Department." Mr. Eccles' tour of duty in Washington, D.C., originally intended for sixteen months lasted for seventeen years.

The Stockholders, at their meetings held on May 9, 1934, decided upon and elected eleven Directors for the ensuing year. Seven for the common stockholders who were, C. K. Boettcher, H. A. Benning, G. L. Becker, A. W. Ivins, S. L. Richards, J. F. Scowcroft and W. N. Wilds, and four for preferred stockholders who were, E. G. Bennett, Edw. L. Burton, M. S. Eccles and S. Q. Cannon. It will be observed that H. A. Benning was returned to his rightful place on the Board of Directors. The Directors elected and appointed the following officers: C. K. Boettcher, Chairman of the Board of Directors; A. W. Ivins, President; H. A. Benning, Vice President and General Manager; M. S. Eccles, Vice President and Treasurer; S. L. Richards and W. N. Wilds, Vice Presidents; S. S. Eccles, Secretary; J. R. Bachman, Assistant Secretary, Assistant Treasurer and Auditor; P. M. Bricker, Assistant Secretary and General Office Cashier; T. R. Bowden, S. T. Jeppesen, R. W. Liberty and H. W. Wunder, Assistant Secretaries.

The question of the removal of a factory into a new territory had engaged the attention and activities of the management for some time. It had been definitely determined that Cache Valley had a surplus of factories, and that there was a territory in the Sacramento River Valley just south of Sacramento, California, that could support a factory.

During the period of investigation and location of a suitable new territory to which a factory could be moved, a number of new agencies had been set up by the Federal

Government one of which was the Agricultural Adjustment Administration known as the triple A, which had jurisdiction over agricultural matters which, it was felt, needed adjustment. The Jones-Costigan Act which was an amendment to the Agricultural Adjustment Act was passed by Congress and signed by the President on May 9, 1934. It contained six principle features dealing with the sugar problem. They were: "(1) the determination each year of the quantity of sugar needed to supply the nation's requirements at prices reasonable to consumers and fair to producers; (2) the division of the United States sugar market among the domestic and foreign supplying areas by the use of quotas and subordinate limitations on off-shore direct consumption sugar; (3) the allotment of these quotas among the various processors in each area; (4) the adjustment of production in each area to established quotas; (5) the levying of a tax on the processing of sugar cane and sugar beets, the proceeds of which were to be used to make payments to producers to compensate them for adjusting their production to marketing quotas and to augment their income; and (6) the equitable division of sugar returns among beet and cane processors, growers, and farm workers."

The matter of entering a new territory and the removal of a factory thereto was brought to a head on September 19, 1934, when H. A. Benning made a report to the Directors, and as this was a milestone in company history the minute record of that report is quoted in its entirety. "General Manager H. A. Benning presented to the Board the matter of the removal of the Smithfield factory to a suitable territory located near Sacramento, California. Mr. Benning explained that he had spent considerable time in

Washington, D.C., going over the situation with the Agricultural Adjustment Administration and that he felt the AAA would give us authority to proceed. He explained that the AAA has no right to interfere with the removal of a sugar factory but it was necessary to advise them of our plans in order that the beet growers who may contract with our Company would be eligible for benefit payments under the Jones-Costigan Act. Mr. Benning explained to the Board that under the present method of Government supervision and control our company had been allotted 1,989,128 bags of sugar to sell during the calendar year of 1934, and that Government agencies now proposed to use the 1934 sales allotment as the 1935 production allotment, and that our company under present conditions would be unable to produce such allotment particularly as he did not think we would get more than 6,000 acres of beets in Idaho next year. He further explained that unless some action was taken by our company that our sales allotment would be reduced to the amount of sugar we are able to produce. Considerable discussion was had on the subject, and upon motion of Director S. L. Richards, seconded by Director E. L. Burton, the action of the management in formulating preliminary plans with respect to the removal of the Smithfield factory to the Sacramento Valley was ratified and approved. The recommendation of the management that upon receipt of proper authority from Washington and with the approval of the American Crystal Sugar Company (owners of 99% of common stock) we proceed to enter into beet contracts and to move the Smithfield factory was accepted and approved, and the management was authorized to proceed with all plans necessary to the furtherance and completion of this matter."

Immediately after the September 19, 1934, Directors' meeting Mr. Benning assigned R. H. Tallman, Idaho District Manager, A. J. Forbess, Chief Engineer and J. R. Bachman to the Sacramento territory to locate potential factory sites and to determine the land area within a radius of fifteen miles of each site, also to map roads and waterways. Forbess and Bachman left that afternoon by automobile for Sacramento. Tallman left Twin Falls, Idaho, the next day but was taken ill and returned home. Bachman had already been over the territory and was placed in charge of the project. From the potential sites a permanent site was chosen and acquired near the town of Clarksburg, about thirteen miles south of Sacramento. Layout work began at once at the factory site as did the dismantling at Smithfield. Near the end of the year Mr. Benning reported that "the work of construction is progressing satisfactorily, and most of the foundations have been poured. Dismantling of the Smithfield factory has been practically completed, and shipments of machinery and equipment will be made from Smithfield to Clarksburg in the very near future."

A. W. Ivins, Director and President of the company, died on September 23, 1934.

Unfavorable weather and a heavy infestation of white fly in Utah and Idaho reduced beet tonnage to 293,917 from which 877,934 bags of sugar were produced. Profit for the fiscal year ended March 31, 1935, was $263,546.

A beet contract for the Clarksburg district had been agreed upon and by the end of the year 8,600 acres had been signed up. The beet growing season at Clarksburg is different than that of other areas in which the company operates. Plantings are made during the winter months and harvest starts about July 15.

Shortly after the enactment of the Jones-Costigan Act H. A. Benning arranged for R. H. Cottrell to become affiliated with its administration. Mr. Cottrell went to Washington, D.C., and stayed for some time.

During 1934 the company acquired the trademark "White Satin," which it registered with the U.S. Patent Office on November 29, 1934, and has continued to use.

1935

Beet contract negotiations with the Beet Growers' Associations in Utah, Idaho and Montana were concluded early in the year. The participating type contract almost identical to that of 1934 was agreed upon. Favorable weather in Utah gave impetus to contracting which produced 17,385 acres. This was less than for 1934 when 21,487 acres were contracted, however harvested acres were about the same, 14,319 acres for 1934 and 14,267 acres for 1935. The 1935 acreage was mostly planted with U.S. No. 1 Resistant seed which, in spite of some white fly infestation, produced 11.81 tons per acre as compared with 8.85 tons per acre in 1934. The 1934 crop failure in Idaho and an open mild winter in 1934-35 made the growers skeptical of sugar beets, with the result that only 12,373 acres were contracted as against 21,389 for 1934, however 10,440 acres were harvested in 1935 and only 2,753 in 1934. The tons harvested per acre were 13.83 in 1935 and 4.89 in 1934. Resistant seed was planted and although the season was dry and there was a heavy white fly infestation the beets averaged 13.83 tons per acre while bean growers suffered a heavy loss from fly infestation. In the Missoula district 11,378 acres were contracted as against 11,807 for 1934 with 10,208 acres harvested which averaged 10.3 tons per acre compared with 11,421 acres and 13.45 tons per acre for 1934. At Clarksburg, 9,258 acres were contracted and 8,926 acres were harvested which averaged 15.76 tons per acre.

At this point it is well to note that resistant seed planted in white fly infested areas produced a good crop of beets. From this time on no other type of seed will be available to beet growers. A chapter in this book is devoted to beet seed.

Five of the eight factories operated; they were Ogden, Lewiston, Burley, Missoula and Clarksburg. Idle factories were Logan, Paul and Twin Falls.

Stockholders elected the following Directors: Common stock representatives were C. K. Boettcher, G. L. Becker, H. A. Benning, J. B. Grant, Stephen L. Richards, J. F. Scowcroft and W. N. Wilds. Preferred representatives were E. G. Bennett, Edw. L. Burton, M. S. Eccles and S. Q. Cannon. Directors elected and appointed the following officers: C. K. Boettcher, Chairman of the Board of Directors; Stephen L. Richards, Vice Chairman and Vice President; H. A. Benning, Vice President and General Manager; M. S. Eccles, Vice President and Treasurer; W. N. Wilds, Vice President; J. R. Bachman, Secretary, Assistant Treasurer and Auditor; A. L. Stark, Assistant Secretary and General Office Cashier; S. T. Jeppesen, R. W. Liberty and H. W. Wunder, Assistant Secretaries.

Construction was completed at Clarksburg at a cost of

$1,139,884, and the factory began operating on July 31, 1935, and finished on November 1, 1935, after having run for 94 days, during which time 139,186 tons of beets were sliced and 429,821 bags of sugar were produced.

Dismantling of the Smithfield factory and the construction of the factory at Clarksburg were carried on by regular company personnel with the exception of some specialized work and common labor. All of the engineering work was done under the supervision of A. J. Forbess, Chief Engineer. G. D. Keating was construction Superintendent at Clarksburg. Lester J. Holmes, a successful farmer of Clarksburg was employed as Manager. All of the other supervisory personnel was transferred from other factories. Because the Clarksburg factory was built and staffed for the most part by company personnel a list of its first supervisory organization follows:

> District Manager, L. J. Holmes; Superintendent, E. M. Cole; Assistant Superintendents, Earl Farnsworth, J. P. Tatting, and P. A. McFarland; Master Mechanic, Burnall Brown; Assistant Master Mechanics, H. O. McLean, R. L. Wallace, Jr., and A. L. Clayton; Cashier, J. J. Dunbar; Chief Chemist, J. L. Porterfield; Assistant Chemist, L. T. Jensen; Beet End Foremen, A. E. Benning, W. W. Middleton and H. Thomas; Boiler House Foreman, E. V. Franklin; Warehouse Foreman, D. M. Cramer.

Just before the first beets were sliced an open house was held and several hundred people went through the factory and were banqueted in the Sugar Warehouse, where a short program was held and where the author gave the address of welcome in the place of H. A. Benning, who was unavoidably absent.

G. D. Keating was installed as Assistant General Manager on July 17, 1935, at the request of H. A. Benning. Mr. Keating's tenure of office was short, as he died on September 29, 1935.

For the fiscal year ended March 31, 1936, there was purchased 558,752 tons of beets from which 1,667,786 bags of sugar were produced. Expenditures for maintenance and improvements were in conformity with the necessities. Profit for the year was $846,438.

On June 10, 1935, Wayne G. Bachman entered the company employ. As this is written in 1961 he is Superintendent of the Rupert factory. His picture and biography appear in the "People" section of this book.

R. G. Whitaker, General Sales Manager since September 25, 1961, entered the company's service on June 1, 1935, in the General Office Accounting Department. His picture and biography are in the "People" section of this book.

During August of 1935, T. L. Manning, Cashier at Nampa in 1961, was employed in the General Office at Ogden. His picture and biography are in the "People" section.

Early in the year R. H. Tallman, then Idaho District Manager, went into the Nyssa, Oregon, area and contracted for an experimental plot of beets. That plot averaged 17 tons per acre and demonstrated the possibilities of the area. Many farmers were interested and wanted to grow beets the next year.

1936

On January 8, 1936, Henry H. Rolapp died. The reader will remember that Judge Rolapp was associated with David Eccles in the formation of the Ogden Sugar Company and remained with the company until 1915. He returned to the company in 1921 and at the time of his death was a Director. The title of "Judge" was bona fide as he was the last federally appointed Judge for the then Territory of Utah and held that position until Utah became a state.

The Supreme Court of the United States on January 6, 1936, ruled as unconstitutional the processing tax and production payment provisions of the Agricultural Adjustment Act; this invalidated the tax and payment provisions of the Jones-Costigan Act. The quota provisions were unaffected, and Congress ratified them by Public Resolution 109, 74th Congress, approved June 19, 1936. The Supreme Court decision had little effect upon the sugar market, as it had been expected. The retention of the quota provisions prohibited any heavy influx of foreign and off-shore sugars and also formed the basis of sugar legislation which would be enacted in 1937.

Beet contracts for the various areas were agreed upon with the various Beet Growers' Associations and the acreage contracted justified the operation of all of the factories. This necessitated the reopening of the Paul factory, which had been idle since 1926. Approximately $300,000 was spent in reopening and modernizing the Paul factory which from now on is to be known as the Rupert factory. Beet contracting produced 41,547 acres, of which 36,128 acres were harvested with an average of 13.68 tons per acre.

During the year negotiations which had been underway for some time were completed and The Amalgamated sold its Missoula, Montana, and its Clarksburg, California, factories to the American Crystal Sugar Company of Denver, Colorado, for 710,096 shares of the Common Stock of The Amalgamated owned by American Crystal plus $270,000 in cash. This left The Amalgamated with six factories, five operating and one closed, located in Utah and Idaho, and with an operating deficit which had accumulated during the years of losses, less profits since the fiscal year ended March 31, 1934. There were unpaid cumulative dividends of $74 per share on 36,870 shares of preferred stock. There was also outstanding over $600,000 par value of bonds. In order that the company could go forward a plan of Recapitalization was formulated and approved by the stockholders. Under this plan the capital structure of the company would be 750,000 shares of 5 percent cumulative first preferred stock of the par value of $10 per share and 750,000 shares of common stock of the par value of $1 per share. The holders of the 8 percent cumulative first preferred stock of the par value of $100 per share which also carried a call premium of $20 per share would be offered cash in the amount of $194 per share; covering par value of $100, premium of $20 and accrued dividends to August 1, 1936, of $74 per share; or 20 shares of the new preferred and 20 shares of the new common for each share of the old preferred. Less than 3000 shares were redeemed for cash, the remaining shares were exchanged for stock. The 710,096 shares of old common stock owned by the company would be retired and the owners of the remaining 14,528 shares of the old common stock would receive one share of the new common and ¾ of one share of the new preferred for each one share of the old common. The outstanding bonds would be retired and the mortgage released. This plan was approved by the Stockholders on April 14, 1936, and by the end of the fiscal year, on March 31, 1937, had been completed. At that date the capital stock account showed that 690,146.75 shares of preferred and 690,549 shares of common had been issued. The bonds had been retired and quarterly dividends on the preferred stock which had begun on November 1, 1936, were current and have remained current to the time this is written in 1961.

A meeting of the Stockholders of the newly issued stock was held on August 12, 1936, at which the following stockholders were elected Directors: S. F. Ballif, Jr., G. L. Becker, E. G. Bennett, H. A. Benning, E. L. Burton, S. Q. Cannon, M. S. Eccles, S. S. Eccles, S. L. Richards, J. F. Scowcroft and Arthur Winter.

The Directors at their meeting held on August 12, 1936, elected and appointed the following officers: Stephen L. Richards, Chairman of the Board of Directors; M. S. Eccles, President; H. A. Benning, Vice President and General Manager; G. B. Rodman, Vice President and Sales Manager; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary, Assistant Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier.

During the fiscal year ended March 31, 1937, 497,177 tons of beets were purchased and 1,474,589 bags of sugar were produced. Profit for the year was $713,816.

The year 1936 brought the years of waiting to an end. The years in which the American Beet Sugar Company or its successor the American Crystal Sugar Company held control of The Amalgamated by reason of owning almost 99 percent of the common stock of The Amalgamated. Management of The Amalgamated was wholly controlled by the American Beet Sugar Company from late in 1929 until June 15, 1932, when the operations of the two companies were separated. It was not until after the death of S. W. Sinsheimer in October of 1933 that The Amalgamated management became practically free of interference by The American Crystal. About two and one half years later there came a complete separation as has been, heretofore, told.

March 1936

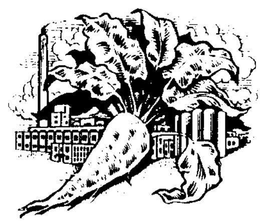
In December of 1936 the first issue of the *Sugar Beet* was published. This publication was designed to furnish pertinent information to growers of sugar beets. It is still being published in 1961.

John C. Bishop, Superintendent at Nampa in 1961, started with the company in August of 1936 as a student engineer at the Rupert factory. His picture and biography are in the "People" section.

On March 23, 1936, H. D. Zobell, District Manager at Nyssa in 1961, was employed. His picture and biography are in the "People" section.

After it became known that a test plot of beets in the Nyssa, Oregon, area had produced 17 tons per acre in 1935 a number of farmers became interested in the growing of sugar beets. Several hundred acres were planted in 1936 with good results. Much enthusiasm was shown in the possibility of having a factory in the Nyssa area. The *Gate City Journal*, a newspaper, published in Nyssa, Oregon, had this to say in its September 24, 1936, issue: "Opportunity for the establishment of a sugar factory here grows brighter as farmers agree to plant a large acreage of beets in 1937."

STORY
OF
THE AMALGAMATED SUGAR COMPANY
1897–1961



Section Four

THE YEARS OF FACTORY BUILDING AND MODERNIZATION, AND OF GROWTH AND SUCCESS

1937–1961

During this period of stabilized management the Nyssa and Nampa factories were built. New and improved beet receiving and handling equipment was installed, and daily slicing capacities were increased at all factories.

Improved methods and facilities for the sale and distribution of sugar and by-products have been developed, and installed, and are in daily use.

The company's growth and success are well known in the Sugar Industry, and in financial circles.

The Years of Growth and Success

1937

Planning which had been done, looking toward the operation of The Amalgamated as an independent company, came to fruition after the Capital Reorganization and separation from the American Crystal Sugar Company on April 14, 1936. A fiscal year ending on March 31 had been imposed upon The Amalgamated at the beginning of its joint operation with the American Crystal. It did not fit in with The Amalgamated's production and sales year so a change was made and a new fiscal year ending on September 30 was authorized by the Board of Directors on January 20, 1937. This also caused a change in the month for the holding of the annual meeting of Stockholders. The change was from May to December. A fiscal year which began on March 1, 1936, would end on March 31, 1937, and a report for that year would be made to the Stockholders but no meeting of Stockholders would be held until December. A letter was directed to Stockholders on June 1, 1937, informing them of the change in the fiscal year and of the date on which the annual meeting of Stockholders would be held. It also gave the results for the fiscal year which ended on March 31, 1937.

R. H. Tallman, Idaho District Manager, had been assigned to look into the possibilities of sugar beet growing in the lower Boise, Idaho, valley and also west of the Snake River near Nyssa, Oregon, where the Owyhee Irrigation Project had been completed in 1936. Mr. Tallman went over the territory and had some beet acreage planted in 1935, 1936 and 1937. The high tonnage per acre harvested and a satisfactory sugar content together with a great desire on the part of many farmers to grow sugar beets caused the company to qualify to do business in Oregon and to purchase a factory site just east of the city limits of Nyssa, Oregon.

Before any commitments were made as to the building of a sugar factory an Advisory Committee consisting of S. L. Richards, M. S. Eccles and E. G. Bennett was appointed by the Board of Directors to "investigate the matter more fully and after such investigation to advise the Board of its findings and to make such recommendations as the Committee sees fit." This Committee advised the Board of its findings and on September 27, 1937, recommended that a factory be built at Nyssa, Oregon. The Board accepted the Committee's recommendation and authorized the management to proceed. Because of the company's limited finances it was necessary to borrow $2,000,000 from the Bankers Trust Company of New York on a term loan which was paid off on schedule.

Agreement was reached on the 1937 beet contract and 48,000 acres of beets were contracted; 44,231 acres were harvested with an average of 12.3 tons per acre. Acreage contracted exceeded that of 1936 by 15.5 percent.

The Logan factory had been idle since 1926 and had become obsolete. It was dismantled during the year. 1937

Since the United States Supreme Court had, on January 6, 1936, declared as unconstitutional the processing tax and production payment provisions of the Agricultural Adjustment Act, which invalidated the tax and payment provisions of the Jones-Costigan Act much effort had been expended by the Domestic Sugar Industry in trying to get the Congress to enact sugar legislation. Success was attained when, on September 1, 1937, the Sugar Act of 1937 became effective. This was a milestone in the history of the beet sugar business.

The annual meeting of Stockholders was held on December 8, 1937, and the following Directors were elected: S. F. Ballif, Jr., G. L. Becker, E. G. Bennett, H. A. Benning, E. L. Burton, S. Q. Cannon, M. S. Eccles, S. S. Eccles, S. L. Richards, J. F. Scowcroft and Arthur Winter. The Directors elected and appointed the following officers: S. L. Richards, Chairman of the Board of Directors; M. S. Eccles, President; H. A. Benning, Vice President and General Manager; G. B. Rodman, Vice President in charge of Sales; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary, Assistant Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier.

Because of the fact that only six months had elapsed between the close of the old fiscal year on March 31, 1937, and the close of the new fiscal year on September 30, 1937, there had been no sugar produced so the results for the fiscal period ended on September 30, 1937, were from sales of sugar previously produced. That period showed a profit of $135,991.

European sugar beet seed which had been furnished the beet growers by the company was no longer satisfactory for use in fly infested territory. It was also hard to procure due to the political unrest in Europe. Beet seed growing experiments had been conducted in the Pecos Valley of New Mexico, near Las Cruces, and in Arizona in the Phoenix area, and had proved that satisfactory seed could be produced. Four sugar companies, The Amalgamated, American Crystal, Holly, and the Great Western, formed the Western Seed Production Corporation, an Arizona Corporation, to handle the production of beet seed for the incorporators. The author incorporated that company in Arizona on March 19, 1937.

It was during this year of 1937 that H. A. Elcock, Vice President and General Agriculturist in 1961, joined The Amalgamated as Idaho District Manager at Twin Falls. His picture and biography are in the "People" section of this book.

D. E. Smith, Utah District Manager in 1961, entered the company employ in February of 1937 as a fieldman at Jerome, Idaho. His picture and biography are in the "People" section of this book.

1938

Beet contracting was underway early in the year as a result of agreement with the various Beet Growers' Associations. Acres contracted totaled 63,118, or an increase of more than 27 percent over 1937. Harvested acres totaled 59,271 and produced 957,446 tons of beets, or an average of 16.15 tons per acre, from which 2,666,759 bags of sugar were produced. Favorable weather and the exclusive use of resistant beet seed accounted for the good crop of beets even though there was a heavy infestation of the white fly in both Utah and Idaho.

Under the terms of the Sugar Act of 1937 the U.S. Department of Agriculture regulated the sugar beet acreage planted by the beet growers. The entire allotted acreage was planted.

Construction of the Nyssa factory was completed and the factory commenced operation on October 9, 1938. This was the first factory to have been completely designed and constructed by company personnel and has been a source of curiosity as well as information for many other sugar companies, both domestic and foreign. It was designed to have a slicing capacity of 2,000 tons per 24 hours and the construction cost was $1,881,728 at the close of the fiscal year on September 30, 1938. It was staffed by the following local officers: A. E. Benning, District Manager; R. G. Larson, Local Manager; Burnall Brown, Superintendent; and R. G. Whitaker, Cashier.

The entire layout of the Nyssa factory was so different from that of existing beet sugar factories that it elicited the following description from its first Superintendent, Burnall Brown.

"Construction work on the Nyssa plant was started in October, 1937, and it was completed and ready for operation on September 30, 1938.

"The plant is located just outside of the Nyssa city limits on a very level tract of land, bordered on the west by the main line of the Union Pacific Railroad Company, on the north by a state highway, and on the east by the

Snake River. The front of the factory faces the highway and is located approximately two hundred feet back from it.

"The buildings are semi-modernistic in design and appearance, are constructed of red tapestry brick, steel window sashes and concrete sills, and concrete caps on top of the fire walls. The office is located in front and near the center of the main factory building and is connected to the factory at the second floor with a stucco passageway. The sugar warehouse is attached to the main factory building at the southwest corner. The machine shop-storeroom building and the boiler house are unattached to the main building and are located at the rear of the plant between the Steffen house and the sugar warehouse. The Steffen house is attached to the main building.

"The yards are very attractively laid out with oiled roads, parking spaces, garage, cement walks and curbings. The yard in front and for the entire length of the plant and extending to the highway is planted into lawn and very attractively landscaped with shrubbery and evergreen trees.

"The inside of the plant is equally attractive if not more so than the outside. It is very well arranged, providing plenty of room and also plenty of light at the various stations. The walls and roof are painted white, the structural steel light gray and all piping and equipment are painted with aluminum except the four pans, five evaporators, two juice boilers and the first and second carbonators, which are painted with white enamel trimmed with black steel bands and chromium plated sight frames and castings. All pumps and motors are painted with a dark gray machinery paint.

"It is possible for practically every station in the mill and

Steffen house to be viewed from the cutter or the top elevator floor, which is an advantage from an operation standpoint."

The addition of sugar produced at Nyssa caused the management to take a look at the sales potential in the Pacific Northwest. Arrangements were made with the Portland, Oregon, office of Mailliard and Schmiedell, merchandise brokers and manufacturers' agents, to represent the company in Oregon and Washington. L. K. Greer, Vice President and Manager of that office took a very great personal interest in promoting the company's product, "White Satin Sugar," in both Oregon and Washington. The arrangement was made with M & S in October of 1938 and as this is written in 1961 is still in effect, and L. K. Greer is still a dynamo in the distribution of "White Satin" in a very expanded market within Oregon and Washington, and also extending into Alaska. An advertising program was undertaken to familiarize sugar consumers in Oregon with the "White Satin" brand. Much publicity was given to the subject of "Oregon's Own and Only Sugar." Here is a quotation from that early publicity. "Oregon has come far, but her resources have only been scratched. For the continued drive onward she needs and welcomes new crops, new industries, new payrolls to assure continuing prosperity to the state and its growing population. The great Vale-Owyhee project and other small dams and irrigation systems have opened 660,000 acres of new lands—rich, wealth-producing ground, ideal for the sugar beet. So in the fall of 1938 a new beet industry was launched in Oregon after years of experimentation with the growing of beets, and Oregon now has a $2,500,000 sugar factory—the newest and most modern in the United States. Oregon consumers were needed to give this new Oregon industry a home market which would make it profitable for this crop to be grown and processed, and the people of Oregon have responded. Oregon's own and only sugar, 'White Satin' sugar, is one of the best sellers in the first year of production." The company established an office in Portland with a specialty man in charge to be of assistance to the brokers and the users of sugar. Sugar is stored in Portland for the convenience of customers who cannot buy in carload lots.

The Stockholders at their annual meeting held on December 18, 1938, elected the same Board of Directors. The Directors elected and appointed the same officers.

With the company management in strong and capable hands a new factory had been built, a broadened sales program had been launched and plans had been made which would make The Amalgamated one of the strongest companies in the industry.

The reader will recall that in 1937 the fiscal year ending was changed from March 31, to September 30. Thus the fiscal year ended on September 30, 1938, was the first full year under the new date. During the fiscal year 544,176 tons of beets were purchased and 1,620,360 bags of sugar were produced. Profit for the year was $283,295.

Expenditures for maintenance and improvements were limited to those necessary for efficient operation of factories and facilities.

On June 1, 1938, T. C. Seppich, Purchasing Agent in 1961, was employed as office boy in the General Office. His picture and biography are in the "People" section of this book.

1939

The U.S. Department of Agriculture acting under authority of the Sugar Act of 1937 imposed proportionate shares (acreage allotments) upon the growers of sugar beets. This limited the acreage which could be planted to beets and resulted in the contracting of 61,931 acres as against 63,118 acres contracted for 1938, or a shrinkage of 1,187 acres. 873,810 tons of beets were purchased and 2,632,539 bags of sugar were produced. Beet contracting got underway on April 1, 1939, under a contract which had been the subject of long negotiations between the company and the Beet Growers' Associations. An improved type of resistant beet seed was used in all areas. This type of seed had made possible the production of a profitable tonnage of beets per acre. Continuous research by company and Government personnel had been, and is still being, carried on. No more will be written about beet seed in this part of the narrative as a chapter in this book is devoted to beet seed.

Sugar marketing allotments for 1939 gave The Amalgamated 2,155,437 bags which the company sold. Since the enactment of sugar legislation in 1934 it has been, and still is, the company's policy to contract for the full allotted acreage and to sell most if not all of its sugar marketing allotment.

H. A. Benning was elected President of the United States Beet Sugar Association but resigned from that position before his term expired, due to serious differences of opinion with certain members of the Board of Trustees over matters of procedure in connection with sugar legislation. Company membership was maintained in the Association and Mr. Benning remained as a member of the Board of Trustees.

The Sugar Act of 1937 as enacted on September 1, 1937, had an expiration date of December 31, 1940. It had proved effective in controlling sugar imports under its quota provisions and had been a stabilizing factor in the price of sugar. The domestic sugar industry was anxious that it be continued, and knowing the deliberateness of the Congress had started to work on getting the act amended and extended.

The company had entered the cattle feeding business at Twin Falls and Nyssa in order to use the surplus wet beet pulp and to try to influence beet growers to feed cattle on their farms. At the high point of the year there were approximately 8,400 head of cattle and 15,000 head of sheep on feed.

Germany, under the dictatorship of Adolph Hitler, had built up its war machine to a point where it had to be used to make room for an expanded Germany under Hitler's program of "Lebensraum" and to demonstrate the superiority of the German race of people. Consequently, Europe was thrown into war when Germany invaded Poland on September 1, 1939. It was expected that it would not be long before the United States would become involved, as Hitler had declared that he would conquer the world and set up a government that would last for 1,000 years. Such a dreamer, no government according to ecclesiastical or profane history has ever lasted that long. The Congress gave the President of the United States emergency war powers and under those powers he suspended the quota provisions of the Sugar Act.

The Stockholders held their annual meeting on December 13, 1939, and re-elected all Directors. The Directors elected and appointed the same officers.

Earnings for the fiscal year ended September 30, 1939, were $721,021. During the fiscal year 957,446 tons of beets were purchased and 2,666,759 bags of sugar were produced.

Expenditures for maintenance and repairs increased but expenditures for improvements were limited to the necessary items.

S. M. Heiner, Chief Engineer in 1961, was employed in October of 1939, as a student engineer at the Ogden factory. His picture and biography are in the "People" section.

1940

Sugar quotas which were lifted in late 1939 were reinstated for 1940. Acreage allotments were also effective and 64,058 acres of beets were contracted. In that year, 59,955 acres were harvested and 908,987 tons of beets were purchased from which 2,610,148 bags of sugar were produced.

H. A. Benning presented a budget of $875,879 to the Board of Directors on April 17, 1940, which was approved. This budget covered agricultural expenses, farming operations, local general expenses, factory maintenance and repairs, and additions and improvements. This budget provided for all budgetable items and covered expenditures necessary for efficient operation.

One of the long hoped for events, that of the resumption of dividend payments on common stock, was attained, when, on May 15, 1940, a dividend of 10 cents per share was declared and became payable on July 1, 1940. The last previous dividend on common stock was paid on April 1, 1918. Quarterly common stock dividends have been regularly paid since July 1, 1940. At this point it might be well to recall that at the time of the Capital Reorganization on April 14, 1936, the company had no earnings. In a little more than four years the company, under the management of H. A. Benning, had paid dividends on preferred stock from August 1, 1936, and had now declared a dividend on common stock, it had built the Nyssa factory, maintained and improved all of its properties and had an earned surplus of $1,223,026 on September 30, 1940. There were also plans for greater expansion and activity in the future.

Arthur Winter, who had been a Director for several years, died on August 1, 1940. His place on the Board was not filled.

At the annual meeting of Stockholders held on December 11, 1940, the remaining ten members of the Board of Directors were re-elected. The Directors elected and appointed the same officers and in addition appointed R. H. Cottrell a Vice President.

The Sugar Act of 1937, which was due to expire on December 31, 1940, was extended on October 15, 1940, to December 31, 1941.

During the fiscal year ended September 30, 1940, 873,810 tons of beets were purchased and 2,632,539 bags of sugar were produced. Earnings for the year were $943,117.

R. N. Van Horne, Nampa District Manager in 1961, was employed during the 1940 campaign as a laborer at Nyssa. His picture and biography are in the "People" section of this book.

Julian R. Johnson, Manager of the research laboratory at Twin Falls in 1961, was employed on September 1, 1940, at Nyssa. His picture and biography are in the "People" section.

1941

Because of the application of a formula to beet acreage allotments only 51,237 acres were contracted. The formula was developed by the Sugar Section of the U.S. Department of Agriculture under the Sugar Act of 1937, as extended. Beet growers' acreage applications far exceeded the allotted acres. In Idaho alone the difference was 11,529 acres. A beet contract with a higher per ton payment schedule was agreed upon and all allotted acreage was contracted; 48,747 acres were harvested and they produced 706,942 tons of beets from which 2,133,336 bags of sugar were made.

Upon the recommendation of H. A. Benning the Board of Directors, on January 20, 1941, approved the installation of a pulp drying plant at Nyssa. Its cost was $247,176. It was a profitable venture and through the years has earned many times its cost.

Under the authority of the Sugar Act of 1937, as extended, the Sugar Section of the U.S. Department of Agriculture made an audit of the sugar sold under the 1940 marketing allotment and found no difference.

Early in April of 1941 certain of the company's records were subpoened to be in San Francisco on April 23, 1941, at 10:00 o'clock A.M., to be presented to the District Court of the United States for the Northern District of California, Southern Division, in connection with a Grand Jury

Investigation of the Beet Sugar Industry. The records were delivered by Paul H. Ray and J. R. Bachman. At a later date Robert L. Judd, one of the company's attorneys, and J. R. Bachman went to San Francisco and photographed all of the records with an Eastman Kodak Company's Recordak. The original records were left in San Francisco and the photographed copies were placed in the General Office record storage. Nothing came of the investigation and after several years the records, held at San Francisco, were destroyed.

In addition to the cost of the pulp dryer other budgetable items totaling $578,695 were approved. The program of expansion was getting under way. Nyssa had been built and a year later an addition had been made to the sugar warehouse to bring its capacity up to 750,000 bags and this year a pulp dryer had been built at Nyssa. Nyssa factory sugar production had increased from 698,570 bags in 1938 to 748,000 for the 1940-41 campaign and its potential appeared to be much greater.

R. H. Cottrell, who had been appointed a Vice President in 1940, was elected to the Board of Directors on June 16, 1941, to fill the Board to its full membership of eleven.

Extraneous conditions in the Ogden District over which the company had no control, such as the increased activity at the Hill Airbase, the establishment of the Naval Supply Depot at Clearfield and the building of the Army General Depot at Second Street in Ogden brought about a reduction in beet acreage to such a point as to limit the beet tonnage so that the Ogden factory with a slicing capacity of 1,950 tons per day operated only about 40 days in 1940. On September 18, 1941, the Board of Directors approved the recommendation of H. A. Benning that the Ogden factory be closed, dismantled, and moved to a site near Isleton, California, and that the Ogden beets be sliced by the Layton Sugar Company under an agreement which would reimburse Layton and under which Layton would bag the sugar from the Ogden beets in "White Satin" brand bags for The Amalgamated.

A more thorough investigation of the Isleton, California, area brought about a reversal of the previous recommendation that the Ogden factory be moved to that point. Such items as a difficult labor situation and the possibility of not being able to procure tugboats to move the large tonnage of beets in barges from the receiving stations to the factory at Isleton, together with the possibility of some other company becoming interested in our Western Idaho-Eastern Oregon territory of approximately 680,000 acres of irrigated land were the influencing factors in the withdrawal of the recommendation.

On October 8, 1941, H. A. Benning recommended to the Board of Directors that the Ogden factory be moved to a site near Nampa, Idaho. His recommendation was approved and the management was authorized to proceed.

A site located just north of the Nampa city limits was acquired and the dismantling at Ogden begun. Dismantled steel and machinery and equipment were shipped to the Nampa site and construction was commenced.

An agreement was entered into with the Layton Sugar Company for the processing of the Ogden District beets.

There was a major change in common stock ownership when The Corporation of the President of the Church of Jesus Christ of Latter-Day Saints, a Corporation Sole, disposed of its holdings to the Atlas Corporation of New York City, New York. This transaction automatically terminated the Directorships of Stephen L. Richards and Sylvester Q. Cannon, who had represented that stock. This transaction was completed just before the annual meeting of Stockholders which was held on December 10, 1941.

At the annual meeting of Stockholders the following were elected Directors: S. F. Ballif, Jr., G. L. Becker, E. G. Bennett, H. A. Benning, M. A. Browning, Edw. L. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, L. Boyd Hatch and J. F. Scowcroft.

The Directors elected and appointed the following officers: M. S. Eccles, Chairman of the Board of Directors; H. A. Benning, President and General Manager; R. H. Cottrell, Vice President; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary-Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier.

It was on Sunday, December 7, 1941, that Pearl Harbor, on the island of Oahu, Hawaii, was bombed from the air by the Japanese. There had been no declaration of war, so this was a sneak attack and caused Franklin D. Roosevelt, then the President of the United States, to exclaim, "This day will live in infamy!" The next day, December 8, 1941, the United States declared war and entered World War II on the side of the Allies.

Coincidently with the declaration of war all of the emergency and war power authority, which had previously been granted by the Congress, came into play, and from that time until the end of the war the sugar industry operated under government control.

The Sugar Act of 1937 as extended to December 31, 1941, was, on December 26, 1941, amended and extended to December 31, 1944. The amendments and the extension became effective on January 2, 1942.

The fiscal year ended September 30, 1941, showed a profit of $1,362,154. There was 908,987 tons of beets purchased and 2,610,148 bags of sugar produced.

George E. Flitton, Cashier at Ogden in 1961, started work for the company on November 1, 1941, as Assistant Storekeeper at the Ogden factory. His picture and biography are in the "People" section.

1942

The company had been in existence about 45 years and many of its older employees had reached or soon would reach the age of retirement and no regular retirement program had been adopted. It was customary for the company to supplement an employee's after-retirement income with a monthly stipend. This was an unsatisfactory arrangement as it imposed upon management the onus of determining the financial status of the retired employee and to then make a determination of the monthly stipend. Much thought and study were given to various types and kinds of retirement programs and effective as at April 1, 1942, a retirement plan for all eligible employees became effective. Benefits under this plan were to be provided by monthly contributions in equal amounts by the employees and the company. This plan was underwritten by the Equitable Life Assurance Society of the United States. It is still effective on a modified and improved basis and has proved very satisfactory.

Due to the imposition of governmental wartime controls it became necessary for the Beet Sugar Industry to get priorities for operating and maintenance materials and supplies. R. H. Cottrell became Chairman of the Beet Sugar Industry's Priorities Committee. That committee was successful in obtaining workable priorities.

Beet contracts, unchanged from the prior year, were agreed upon after short negotiations. Contracted acres totaled 71,736, of which only 64,842 were planted; 60,729 acres were harvested and produced 988,312 tons of beets and 2,932,325 bags of sugar. The large shrinkage between contracted and planted acres was caused by the fear of many that beet labor would not be available. Military conscription was in effect and had an adverse effect on the labor situation. It was necessary to import Mexican Nationals as field laborers and to solicit field labor from Japanese evacuees.

Commencing early in 1942 and continuing all through the war the company was subjected to the rules and regulations of many government agencies. The War Production Board requisitioned 15 percent of our March 28, 1942, sugar inventory for shipment east of Chicago. The Defense Supplies Corporation wanted sugar shipped into areas other than those considered to be our regular marketing territories. The Office of Price Administration was administering rationing and price controls. Sugar rationing caused much additional clerical work in the accounting for sugar sales, as each purchaser had to furnish ration stamps for the quantity of sugar purchased and the ration stamps were then handled according to rules and regulations laid down by the O.P.A. The company was also subject to the provisions of the Sugar Act, however the quota limitations of the Sugar Act were suspended from April, 1942, through 1947. Because of this and other wartime measures affecting agriculture in general and sugar specifically, the Sugar Act as such was not a dominant factor in regulation of the sugar business from 1942 through 1947.

The Stockholders at their annual meeting held on December 9, 1942, elected the same Directors. Directors elected and appointed the same officers.

Construction of the Nampa factory was completed after many difficulties with wartime controls. It is doubtful that this project would have been undertaken had it been known at the time of the undertaking that the United States would become engaged in war.

The cost of the Nampa factory at the end of the fiscal year September 30, 1942, was $1,287,511. Expenditures for maintenance and improvements were limited to the necessities because of wartime controls and construction at Nampa.

Nampa commenced operation on October 8, 1942, and operated until January 17, 1943, during which time 192,970 tons of beets were sliced and 553,067 bags of sugar were produced. The top supervisory personnel was: R. G. Larson, District Manager; E. Q. Marsing, Local Manager; V. A. Finlayson, Superintendent; J. E. Hogge, Master Mechanic; June Andrew, Chief Chemist; P. F. Bieler, Cashier.

The people in the Nampa area were happy with the return of a sugar factory to Nampa. The Western Idaho Sugar Company had built a factory at Nampa in 1906.

It was a failure because of the white fly. It was closed and the machinery was moved to Spanish Fork, Utah, in 1916.

The *Idaho Free Press,* a daily newspaper published in Nampa, reported as follows under date of October 8, 1941. "The Amalgamated Sugar Company of Ogden, Utah, will build a plant at Nampa at the cost of approximately $2,000,000 including the value of machinery to be moved here from its Ogden plant. Completion is scheduled for October 1, 1942." The October 7, 1942, issue stated: "The new $2,000,000 Amalgamated Sugar Company factory will commence operations at 9 A.M. tomorrow as previously announced and will operate continuously on a three shift basis."

Sugar beets grown in the Ogden District were processed by the Layton Sugar Company for the account of The Amalgamated.

The fiscal year ended September 30, 1942, showed a profit of $1,138,710. During that year 706,942 tons of beets were purchased and 2,133,336 bags of sugar were produced.

1943

Governmental administered wartime controls made it necessary for certain officers of the company to spend much time in Washington, D.C. R. H. Cottrell was assigned to Washington for a period of several weeks in the early part of 1943 to assist in the development of a sugar program. Despite the fact that the Sugar Act was still on the books most of its functions had been subrogated to wartime agencies. A sugar program for 1943 was worked out under which beets would be contracted and sugar sold. It was the opinion of company management that difficulty would be had in procuring beet acreage equivalent to that of 1942. The program as set up under the jurisdiction of the Commodity Credit Corporation called for a contract between the company and the C.C.C. under the terms of which "the company will purchase sugar beets from the growers at a price per ton to be determined by a basic net return of $4.44 per hundred pounds of sugar applied to the sugar content of the beets plus a support payment authorized and financed by the C.C.C. on the basis of $1.50 per ton as applied to a 16.2 percent sugar content beet. The company will then sell the beets to the C.C.C. at the base price plus the support payment and will repurchase beets from the C.C.C. at the base price. Should the net returns fall below $4.44 per hundred pounds, the C.C.C. will reimburse the company for any sums which the company has paid to the C.C.C. as a base payment. Should the net returns exceed $4.44 per hundred pounds, the company will pay to the C.C.C. all of the increase until the support payment which the C.C.C. has made has been liquidated." The fear

1943

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Results for the fiscal year ended September 30, 1943, reflected the restricted activity of the company. Profit for the year was $753,211. During the fiscal year 988,312 tons of beets were purchased and 2,912,325 bags of sugar were produced. An inventory of over 600,000 bags of sugar was carried over at the end of the fiscal year.

Some changes were made in the top supervisory personnel. G. B. Rodman, former Vice President and Sales Manager, had left the company. J. J. Dunbar was appointed Sales Manager. R. H. Cottrell was appointed Assistant General Manager and E. M. Cole was promoted from Assistant to General Superintendent.

Operation of the pulp drying plant at Nyssa brought on a dispute with the Wage and Hours Division of the U.S. Department of Labor as to whether or not it was an integral part of a sugar factory operation. The Government contended that it was a separate operation and not a part of a total sugar factory operation and was therefore not exempt from certain provisions of the Fair Labor Standards Act covering maximum hours. A claim for overtime pay for pulp dryer employees was made by the Government. The company contended that the pulp dryer was an integral part of a sugar factory operation. The controversy was settled in favor of the company.

Shortly after the completion of contracting for beet acreage it was decided not to operate the Burley factory during the 1943-44 campaign. Management felt that the factory could be adapted to a potato dehydrator and set about to get the necessary priorities from the Government. A priority rating of AA-2X was received on August 10, 1943, and work was commenced on the project.

Expenditures for maintenance and improvements were again limited to the necessities.

Stockholders, at their annual meeting held on December 8, 1943, elected the following Directors: S. F. Ballif, Jr., G. L. Becker, E. G. Bennett, H. A. Benning, M. A. Browning, Edward L. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, Wm. H. McIntyre and J. F. Scowcroft.

The Atlas Corporation of New York City disposed of its common stockholdings in the company, which terminated the directorship of L. Boyd Hatch, that company's representative.

The Directors elected and appointed the same officers.

Ogden district sugar beets were processed by the Layton Sugar Company for the account of The Amalgamated.

1944

An agreement was entered into with the Commodity Credit Corporation covering the purchase of the 1944 sugar beets. The contract was essentially the same as that for 1943 which was set forth in some detail in the 1943 narrative. There were 53,703 acres contracted and 43,316 acres harvested. Scarcity of field labor caused some contractors not to plant beets. One beet grower remarked that the farms were manned by old men and children and could not handle sugar beets. 662,359 tons of beets were purchased and 1,883,172 bags of sugar were produced.

The Burley potato dehydrator was completed at a cost of $138,373 and commenced operations on a Government contract for 2,500,000 pounds of dehydrated potatoes.

Due to wartime difficulties in the procurement of machinery parts, materials and supplies only those expenditures were made for maintenance and improvements which were absolutely necessary.

From 1941 through 1943 the Layton Sugar Company had processed the Ogden District beets for the account of The Amalgamated. Commencing with 1944 the Ogden District beets would be processed at the company's Lewiston, Utah, factory. Because of military installations and field labor difficulties beet acreage had shrunken in certain areas of the Ogden District. This left the company with a surplus of beet receiving equipment which was sold to the Layton Sugar Company.

Mechanical beet harvesting equipment was being developed and should ultimately replace field labor in the harvesting of beets. Two farm machinery manufacturers, McCormick-Deering and John Deere Company, had equipment in the field. A chapter in this book is devoted to mechanization and beet receiving equipment.

At a meeting with various governmental agencies held in December of 1944 it was agreed that the 1945 sugar beet program would be the same as in 1944. An increase in beet acreage would be urged.

At the annual meeting of Stockholders, held on December 13, 1944, the same Board of Directors was elected. The Directors elected and appointed the same officers.

The Sugar Act of 1937 as amended and extended was due to expire on December 31, 1944. The Act was extended to December 31, 1946.

Profits for the fiscal year ended September 30, 1944, were $756,494. During the year 641,948 tons of beets were purchased and 1,721,123 bags of sugar produced.

1945

Some delay was experienced in getting together on beet contracts. Agreement was finally reached with the various beet growers associations and 66,614 acres were contracted. Wartime manpower conscription was still going on and some farming areas were practically denuded of young men. Beet field labor was scarce and many growers did not plant their contracted acreage. Plantings totaled 62,032 acres from which 57,966 acres were harvested. The company purchased 951,302 tons of beets and produced 2,679,584 bags of sugar. A contract with the Commodity Credit Corporation provided a subsidy of approximately $3.00 per ton to the growers. The purpose of the subsidy payment was to make the beet crop competitive with other crops grown in the various areas.

The Utah-Idaho Central Railroad Company, in which the company had owned stock for many years, had gotten into financial difficulties to such an extent that the trustees, under its bond issue, felt they could no longer forestall foreclosure proceedings. As a last resort an appeal was made to H. A. Benning, President of The Amalgamated to assume management and direction of the railroad's affairs. The continued operation of the U.I.C. was of importance to The Amalgamated because it operated between Ogden, Utah, and Preston, Idaho, and passed through sugar beet territory supplying the Lewiston factory. Mr. Benning presented the matter to the company's Board of Directors with the recommendation that The Amalgamated purchase 96 percent of the U.I.C. capital stock and at least 50 percent of its second mortgage bonds. His recommendation was accepted and the company acquired the U.I.C. on January 1, 1945, and immediately took over the operation thereof.

Shortly after the beginning of the potato dehydration operations at Burley the Office of Price Administration filed suit to enjoin the company from paying above ceiling prices for potatoes. The suit was brought to trial at Boise, Idaho, on February 9, 1945, and on the strength of evidence introduced the Judge refused to enjoin the company.

World War II, in which the United States had been engaged since December 8, 1941, was brought to a close by the unconditional surrender of Germany on May 7, 1945, and by the unconditional surrender of Japan on September 2, 1945. Many wartime controls remained after cessation of hostilities.

On December 12, 1945, the Stockholders held their annual meeting and elected the same Board of Directors. The Directors then elected the same officers.

Expenditures for maintenance and improvements were again limited to the necessities.

The fiscal year ended September 30, 1945, showed a profit of $861,567. During the year 662,883 tons of beets were purchased and 1,883,172 bags of sugar were produced.

Wm. F. McCrea, in 1961, the Editor of the company publications and the Director of Public Relations, was employed in March, 1945, in the same capacities. His picture and biography are in the "People" section.

E. R. Blauer, in 1961, is District Manager at Burley. He joined the company in March of 1945 as a fieldman at Burley. His picture and biography are in the "People" section.

1946

Beet contract negotiations were completed and contracting started in all districts about February 15, 1946. One factor that contributed to the early agreement was a contract with the Commodity Credit Corporation which guaranteed a price for sugar high enough to pay approximately $13.50 per ton for beets, including benefit payments under the Sugar Act. As a result there was an overall increase of over 55 percent in contracted acres. Total acres contracted were 103,523, but a second look by those interested eliminated 11,651 acres, so that 91,872 acres were planted. Adverse weather conditions caused abandonment of 9,862 acres, which left 82,010 acres that were harvested. 1,444,629 tons of beets were purchased and 3,676,565 bags of sugar were produced.

Acres contracted, planted and harvested, tons of beet purchased, and bags of sugar produced, exceeded the next highest year of 1942 by approximately 39 percent.

Termination of the war in the fall of 1945 curtailed government purchases of dehydrated potatoes so the completion of the 1945 contract wound up the Burley dehydrator operation. This had proved to be a profitable venture, but could not be continued on a commercial basis, as the Burley factory was needed to process 1946 beets.

The long awaited program of factory improvement and modernization was started with the installation of a continuous diffuser at Nyssa and would continue, even beyond the last year of the period covered by this book.

The Sugar Act of 1937 was amended and extended until December 31, 1947. It was signed by the President and became effective on July 27, 1946.

A method of making edible syrup out of discard molasses had been developed. It was known as the Organalite or Ion-exchange process. It was tried out at the Burley factory on a pilot plant basis with good results and there was a ready market for the finished product.

The Stockholders held their annual meeting on December 11, 1946, and elected the following Directors: S. F. Ballif, Jr., G. L. Becker, A. E. Benning, H. A. Benning, M. A. Browning, Edw. L. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, Wm. H. McIntyre and J. F. Scowcroft. The Directors elected the same officers.

Expenditures for maintenance were stepped up in order to take care of a much larger tonnage of beets.

Profit for the fiscal year ended September 30, 1946, was $1,456,254. During the fiscal year 948,917 tons of beets were purchased and 2,679,584 bags of sugar were produced.

Robert B. Day, in 1961, District Manager at Twin Falls, started during 1946 as a fieldman in the Twin Falls district. His picture and biography are in the "People" section.

1947

Beet contract terms were agreed upon between the beet growers and the company, and in some districts contracting started on February 17, 1947. A contract with the Commodity Credit Corporation provided for per-ton payments up to $14.50 for beets of 16.2 percent sugar. No acreage controls were imposed under the Sugar Act. All of the foregoing, following a good crop in 1946, impelled beet growers to contract for a larger acreage in 1947 than in 1946. A total of 125,374 acres were contracted as compared to 103,523 for 1946. However, many growers became concerned about field labor and despite assurance from the company that labor could be supplied they did not plant their full contracted acreage. 112,796 acres were planted but there was a shrinkage between planted acres and harvested acres so that 104,392 acres were harvested and 2,012,894 tons of beets were purchased. Sugar production amounted to 5,572,894 bags. This production was by far the greatest in the company's history and placed the company second in the industry. The 5,572,894 bags produced would stand as a company record for several years, but the second place in the industry position lasted only until the next campaign.

Two members of the Board of Directors died during 1947; they were G. L. Becker and Wm. H. McIntyre. Their places were not filled until the annual meeting of Stockholders was held on December 10, 1947. At the annual meeting the Stockholders elected the following Directors: A. E. Benning, H. A. Benning, S. F. Ballif, Jr., M. A. Browning, Edward L. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, W. H. Harris, Paul H. Ray and J. F. Scowcroft. The Directors elected and appointed the same officers.

A budget of $1,750,000 covering additions and improvements was approved by the Board. The major items were at Twin Falls and included a continuous diffuser, a new boiler house, bulk sugar storage silos, factory electrification and the organalite system. There was also much new beet receiving equipment in Idaho and Oregon in anticipation of a very large beet crop.

Sugar rationing, which had been in effect since shortly after the beginning of World War II, was being discontinued on a piecemeal basis. The first segment to be released was the industrial users. This was done on July 28, 1947, and was followed by other releases until it had been discontinued.

Sugar legislation, to replace the Sugar Act of 1937 as amended and extended to December 31, 1947, had been more than the usual time consuming effort. This was primarily due to the insistence of the beet sugar industry that it be allocated a larger portion of the U.S. sugar requirements. Production had been increasing and the industry had demonstrated its ability to supply sugar to deficit areas during the war. Many conferences were held in the offices of the United States Beet Sugar Association in Washington, D.C., and much tentative legislation was drafted and discarded until final agreement was reached and the Sugar Act of 1948 was passed by the Congress and signed by the President on August 8, 1947. During all of the activity preceding the enactment of the Sugar Act of 1948 the company had representatives present. Those who participated were H. A. Benning, A. E. Benning, R. H. Cottrell, J. J. Dunbar, Paul H. Ray and J. R. Bachman. M. S. Eccles was very helpful in an advisory capacity.

The fiscal year ended September 30, 1947, showed a profit of $2,260,183. During the fiscal year 1,445,299 tons of beets had been purchased and 3,676,565 bags of sugar produced.

1948

With the enactment of the Sugar Act of 1948 and the completion of the 1947 contract with the Commodity Credit Corporation it became necessary to negotiate a new contract with the Beet Growers' Associations. This was done and contracting was commenced about March 1, 1948. In Idaho and Oregon some contracting difficulty was experienced because some beet growers were afraid that the contract price for beets plus the benefit payments under the Sugar Act would not be enough to make sugar beets competitive with other crops. No acreage restrictions were imposed for 1948, but apathy on the part of some beet growers limited the contracted acres to 104,558, of which 95,892 were planted and 86,709 were harvested. There were 1,446,-

025 tons of beets purchased and 3,974,439 bags of sugar manufactured.

At the January 19, 1948, Directors' meeting H. A. Benning brought before the Board the matter of the location of a factory at Homedale, Idaho. He stressed the necessity for such a factory on the grounds that more than 320,000 tons of 1947 produced beets could not be handled at Nyssa and Nampa and had to be shipped to other factories at a cost of over $500,000. The question of how to finance the project comprised most of the discussion. No conclusion was reached other than to defer the matter to a later date. Such deferment sounded the death knell of a factory at Homedale. A site was purchased and is still owned by the company.

The factory modernization program which was begun in 1946 was being carried out. For 1948 an improvement budget of $649,241, was approved.

A. E. Benning, a Director and General Agriculturist, was elected a Vice President and appointed Assistant General Manager on May 20, 1948.

The Burley factory, which had been moved from La Grande, Oregon, in 1912, had been closed at various times during its life and had not been modernized as had Rupert and Twin Falls. It was not operated in 1948 and was therefore abandoned and written off the books. During its operating life at Burley it had returned a satisfactory profit on the investment.

Sugar, along with many other commodities, is sold on a delivered price basis. The delivered price of sugar is made up of the seaboard basis price plus the freight from the nearest seaboard refining point to delivery point. This method of pricing cement came under attack by the Federal Trade Commission and was abolished by a ruling of the United States Supreme Court. During 1948 some bills were introduced in the Congress to eliminate the method of pricing sugar. Hearings were held before a Senate Committee in Washington, D.C., at which the author appeared in behalf of the company. No bills were passed in that session of the Congress to change the sugar pricing procedure and none has since been passed although the matter has been before the Congress on several occasions.

At the annual meeting of Stockholders held on December 8, 1948, the same Board of Directors was elected. The Directors then elected and appointed the same officers.

The Utah-Idaho Central Railroad Company, which The Amalgamated had owned and operated since January 1, 1945, had developed into a liability in the postwar period. Passenger service had been discontinued and freight revenue had constantly declined by reason of increased trucking. It was closed and abandoned by legal action taken late in 1948. The Amalgamated received some income tax advantage through abandonment losses.

For the fiscal year ended September 30, 1948, the profit was $4,211,339. During the year 2,012,905 tons of beets were purchased and 5,572,894 bags of sugar were manufactured.

Hugh G. Rounds, in 1961 the Director of Research, was first employed in January of 1948 as a student engineer at the Nampa factory. His picture and biography are in the "People" section.

1949

Contracting for sugar beets began the second week in March after a long period of negotiation between the company and the Beet Growers' Associations. The 1949 contract was practically the same as that of 1948. There was a lack of interest on the part of the farmers because of the prices which were being received for competitive crops such as alfalfa, feed grains, potatoes and beans. Under such conditions contracting was difficult and only 75,072 acres were contracted, 69,317 acres were planted and 63,767 acres were harvested, with 1,250,683 tons of beets purchased and 3,371,762 bags of sugar produced.

Since the war there had been a spiral of inflation which had greatly increased costs. The effect of this was particularly noticeable in the cost of additions and improvements. Some of the larger stockholders felt that the company could profit from an appraisal of the properties. Management had such an appraisal made by a competent firm of appraisers and the results showed the replacement value of the company's properties to be much in excess of the book carrying value. No changes were made on the books in the carrying value of the properties as management felt that the inflation spiral would last for some time and continuing changes would be required to keep abreast of rising prices.

Expenditures for maintenance and repairs were geared to the necessity of keeping the factories and facilities in top operating condition. Additions and improvements were in line with the modernization program.

Since 1942, when the first bulk sugar storage silos were built at Nampa, there had been increased demands from manufacturers and industrial users for bulk sugar. The first large user of bulk sugar was the California Packing Corporation at its Vancouver, Washington, plant. The use of bulk sugar was to continue to grow as will be noted later.

It will be recalled that on September 1, 1932, a group life insurance plan for employees was established. Under that plan an employee could have from $1,000 minimum to $3,000 maximum coverage, dependent upon service and salary. This plan was revised in 1949 with an increased minimum of $1,500 and an increased maximum of $10,000. At the same time a hospital, medical and surgical plan was established for eligible employees and their families with the company participation in the cost thereof of about 56 percent, employees pay the remaining 44 percent.

The Stockholders, at their annual meeting held on December 12, 1949, elected the same Board of Directors and the Directors elected and appointed the same officers.

R. G. Larson, District Manager for the Nyssa-Nampa District, died on November 26, 1949. Mr. Larson had occupied that position for about ten years.

Sugar distribution in the city of Seattle and in the state of Washington had outgrown the available distributing facilities for less than carload lots. The company purchased a site and erected a distribution center for bulk and packaged sugar. This facility has been enlarged as demand has increased.

The progressive management of the company was on the alert for possible new beet territory. The Columbia Basin Project, under the Grand Coulee Dam on the Columbia River, had been under construction and was about one half finished when H. A. Benning made his first trip there. The project is located about half way between Seattle and Spokane and originally covered 1,200,000 acres of land. Mr. Benning and other company officials visited the project on several occasions and the company now has a site near the city of Quincy on the west side of the project.

The fiscal year ended September 30, 1949, showed a profit of $2,659,672. During that year 1,446,173 tons of beets were purchased and 3,974,439 bags of sugar were manufactured.

1950

Agreement on the 1950 beet contract was reached during December of 1949. Contracting started in Idaho and Oregon almost immediately thereafter and in Utah about February 1, 1950. Farmers were more anxious to contract for beets than they were in 1949, with the result that 107,871 acres were contracted, 98,878 acres were planted and 92,544 acres were harvested. A total of 1,711,748 tons of beets were purchased from which 4,629,580 bags of sugar were produced. The beet crop averaged 18.5 tons per acre. Weather conditions, from planting time through the harvest, were unsettled with spring winds and frost and lack of moisture during the growing and harvesting seasons. In Idaho and Oregon there was adequate mechanical harvesting equipment to have harvested the entire crop. About 97 percent of the crop was mechanically harvested. In Utah very little of the crop was mechanically harvested. Spring mechanization was being explored to a greater extent than heretofore.

Jared Lewis, formerly Agricultural Superintendent for the Franklin County Sugar Company, was employed on January 1, 1950, as Nyssa-Nampa District Manager.

Fred G. Taylor, whose career with the company began as a laborer in 1898 and ended as General Manager in 1921, when he resigned, died on February 16, 1950. He had been in the sugar business all of his working life and at the time of his death he was a Vice President of the Utah-Idaho Sugar Company.

Expenditures for maintenance and repairs were adequate for the efficient operation of factories and facilities. Additions and improvement expenditures were made according to the modernization program.

The common stock of the company was in the hands of approximately 1,600 shareholders who were located in 32 states, Alaska, Hawaii, and three foreign countries, and was dealt in on an "over the counter" basis. Management felt that a wider and better market for the stock could be had if it were listed on an Exchange; this was concurred in by the Board and the stock was listed on the New York Stock Exchange.

The Stockholders held their annual meeting on December 20, 1950, and elected the same Directors. The Directors elected and appointed the same officers with the inclusion of J. J. Dunbar as a Vice President.

Profit for the fiscal year ended September 30, 1950 was $2,007,937 and during the year 1,250,683 tons of beets were purchased and 3,435,762 bags of sugar were manufactured.

On June 25, 1950, Korea was invaded and the United States became embroiled in another armed conflict. It was relatively small and had little effect on the national economy except to foster inflation. The activities of the company would be adversely affected by wartime controls.

To accomplish wider distribution of White Satin sugar in the Portland, Oregon, area a site was purchased and work was commenced on a distribution plant in that city.

George E. Rush, Agronomist and Geneticist, in charge of beet seed research at Nyssa in 1961 entered the company employ in July of 1950 at Ogden. His picture and biography are in the "People" section.

1951

Wartime controls, competitive crops and fear of inadequate field labor for spring work all helped to reduce the contracted beet acreage. In the Cache Valley, Utah, district so many farmers quit growing beets that the company rented 543 acres of land and planted beets thereon. The weather was generally good throughout the planting, growing and harvesting season except in the Nyssa district where a wet fall delayed the harvest. Severe freezing temperatures prevailed from December 1 to 14, which made it impossible to harvest about 40,000 tons of beets. Contracted acres totaled 79,660, planted were 72,616 acres and 66,165 acres were harvested, and 1,337,527 tons of beets were purchased from which 3,643,645 bags of sugar were produced. Approximately 2,000 acres of beets were involved in the 40,000 tons which could not be harvested.

The sugar distributing plants at Seattle and Portland were finished during the year. The Seattle plant distributes bulk and packaged sugar in less than carload lots. Specially built trucks, for bulk sugar delivery, were designed by the company. The Portland plant is much larger than Seattle and was built to handle bulk, liquid, blend and package sugars. The bulk storage silo will hold 50,000 cwt. of sugar. From this storage bulk deliveries are made in specially built trucks. Liquid and blend sugars are delivered in specially built trucks. Liquid sugar is made by dissolving granulated sugar in water. It can be of the thickness or density required by the users. Blend is made by mixing liquid sugar with corn syrup; this mixture is made according to the users' requirements. Liquid sugar is used by bottlers, bakers, canners, candy manufacturers, confectioners and other manufacturers of sugar containing products. Blended sugar is used mostly by canners and ice cream manufacturers. To provide better service to its customers the company established an enlarged office at Portland in 1951 with R. G. Whitaker in charge as Northwestern District Manager.

The Sugar Act of 1948, which was due to expire on December 31, 1952, was amended and extended to December 31, 1956. This was done by the Congress and was signed by the President on September 1, 1951. The effective date was January 1, 1953.

The Ion-exchange plant which had been built at Twin Falls became obsolete through the modernization of the sugar end of the factory and was abandoned and written off the books.

At the annual meeting of Stockholders held on December 19, 1951, the same Board of Directors was elected. The Directors elected and appointed the same officers.

The fiscal year ended on September 30, 1951, showed a profit of $2,517,300. From 1,711,753 tons of beets bought during the fiscal year 4,629,580 bags of sugar were produced.

Budget expenditures for additions and improvements and for maintenance and repairs were those necessary to keep the plants in top operating condition and to keep abreast of the modernization program.

1952

Long drawn-out negotiations with Beet Growers' Associations resulted in a beet contract for 1952 which was not much different from that of 1951. A hard winter and a cold wet spring delayed contracting in Utah until the last week in March. In the Cache Valley district the company grew 1,000 acres of beets on rented land; this was almost one third of the beets grown in Cache Valley. Contracting commenced the first week in March in Idaho and Oregon. More acres were contracted in Idaho than for 1951, however in Oregon the reverse was true. The end result of the contracting effort was a reduction in contracted acres from 1951. Acres contracted totaled 68,909, acres planted were 64,438 and acres harvested were 59,068 from which 1,193,027 tons of beets were produced and 3,421,634 bags of sugar were manufactured. The conflict in Korea was carrying on with adverse effects on farming operations due to shortage of farm labor.

In compliance with the Sugar Act the Secretary of Agriculture set the sugar consumption estimate at 7,700,000 tons for 1952. The company sold its marketing allotment.

The worst fire in company history occurred at Nyssa on May 15, 1952, in the dried pulp warehouse. Damage of approximately $100,000 was done to the inventory of pulp bags stored in the warehouse and to the warehouse.

Dried pulp in storage in the warehouse was not damaged. The loss was covered by insurance.

The Ogden Transit Company, operator of a bus line on the streets of Ogden City, had been managed by The Amalgamated since January 1, 1945. Continued decrease in the use of public transportation and mounting expense caused the company to sell its interest on July 1, 1952.

Stockholders held their annual meeting on December 17, 1952, and elected the same Board of Directors. The Directors met and elected and appointed the same officers.

Expenditures for maintenance and repairs were in tune with the program of keeping the factories in good operating condition. Expenditures for additions and improvements conformed to the program of modernization. A new boiler house at Rupert was the largest item; its cost was $836,252.

Bulk sugar storage facilities were being installed on sugar customers' premises. The cost was advanced by the company under a contract with the customer, who would reimburse the company at a fixed rate per hundred weight of sugar used. The life of the contract was five years from the date of the installation.

Profit for the fiscal year ended September 30, 1952, was $2,359,576. For the fiscal year, 1,337,527 tons of beets were purchased and 3,643,645 bags of sugar were manufactured.

1953

Little difficulty was experienced in reaching an agreement with the Beet Growers' Associations on the 1953 contract. Prices for competitive crops had softened and sugar beets became more desirable, with the result that 89,641 acres were contracted, an increase of 20,733 acres over the 1952 contracted acreage. Acres planted totaled 85,297, from which 79,846 acres were harvested. The harvested acreage produced 1,677,260 tons of beets and 4,649,708 bags of sugar. Weather conditions throughout the planting, growing and harvesting seasons were favorable. Tons of beets per harvested acre averaged 21.01, with a low of 15.27 in the Ogden District and a high of 23.31 in the Nyssa-Nampa District.

Edward L. Burton, a Director of the company since December 17, 1921, died on January 17, 1953. His son, R. H. Burton, was elected a Director on February 19, 1953.

Expenditures for maintenance and repairs were adequate to keep the properties in good operating condition. Improvement expenditures continued the program of modernization which was begun after World War II.

The Amalgamated Sugar Company Retirement Plan, which became effective on April 1, 1942, was changed from an insured plan to a trusteed plan. Greater retirement benefits were provided at no additional cost to the employee and at little additional cost to the company, per employee, except for greater past service benefits which were provided at a cost to the company of approximately $500,000. The new plan became effective on September 30, 1953, with The First Security Bank of Utah, N.A., Odgen, Utah, Branch, as trustee. The contract with The Equitable Life Assurance Society was placed in suspension, but benefits under that contract are payable to covered employees, commencing with the normal retirement age of sixty-five. On June 30, 1961, the trusteed retirement plan contained $2,222,512 in cash and securities.

Under the provisions of the Sugar Act, the Secretary of Agriculture increased the consumption quota of sugar for 1953 to 8,000,000 tons. This was an increase of 100,000 tons of which Cuba received 96,000 tons. This increase had little effect on the price of sugar.

Stockholders held their annual meeting on December 16, 1953, and elected the following Directors: S. F. Ballif, Jr., A. E. Benning, H. A. Benning, M. A. Browning, R. H. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, W. H. Harris, Paul H. Ray and J. F. Scowcroft. The Directors elected and appointed the following officers: M. S. Eccles, Chairman of the Board; H. A. Benning, President and General Manager; A. E. Benning, Vice President and Assistant General Manager; R. H. Cottrell, Vice President; J. J. Dunbar, Vice President and General Sales Manager; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary-Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier.

During the fiscal year ended September 30, 1953, 1,193,027 tons of beets were purchased and 3,421,634 bags of sugar were produced. Profit for the year was $2,344,527.

On July 27, 1953, the war in Korea ended with the signing of an armistice. By the time the factories started in October demobilization had taken place and there was more than adequate labor available. The labor turnover in factory crews was very light.

1954

The 1954 contract was the product of extended negotiations between the company and the Beet Growers' Associations. It was not the payment schedule but the method of taking top tare on the beets that caused the delay. The matter was satisfactorily resolved and contracting began early in March. It was necessary to limit contracting to the acres allotted under the provisions of the Sugar Act. This resulted in a group of growers on a pumping project south of Burley, Idaho, contracting for 2,500 acres with the Layton Sugar Company of Layton, Utah. The beets were shipped to Layton. The company protested to the U.S. Department of Agriculture that Layton was infringing upon The Amalgamated territory and was illegally contracting for over quota acreage. Nothing came of the protest. The company contracted for 92,478 acres, of which 91,920 acres were planted and 87,498 acres were harvested, which acres produced 1,744,193 tons of beets and 5,072,366 bags of sugar.

The estimated consumption quota for 1954, as announced by the U.S.D.A., was 8,200,000 tons. Marketing allotments were made according to the Sugar Act and the company sold its allotment during 1954.

A new beet seed development laboratory had been built and put into operation at Nyssa. Of the beet seed development work Vernal Jensen, Chief Agriculturist, had this to say: "The main function of the breeding work has been transferred to Nyssa, where very fine facilities have been established, including a research laboratory and greenhouse. These facilities should hasten the development of better varieties."

During the year, V. A. Finlayson, Superintendent at the Nampa factory, retired. He was replaced by John C. Bishop, who was Superintendent at the Rupert factory.

Wayne G. Bachman was promoted from Assistant Superintendent at Twin Falls to Superintendent at the Rupert factory.

A budget covering administrative expense, general expense, maintenance, and repairs in the amount of $2,461,991 was approved and expenditures made accordingly. A budget for improvements in the amount of $916,281 was also approved and expenditures were made. H. A. Benning told the Stockholders, at their annual meeting held on December 15, 1954, that major capital expenditures for factory modernization were about completed, but that each year some charges for improvements would be necessary.

On June 24, 1954, H. A. Benning, who was nearing his seventy-fifth birthday, recommended to the Board of Directors that a younger man be appointed to take over the General Management of the company. He tendered his resignation as General Manager and suggested that his son, A. E. Benning, be appointed to that position. H. A. Benning's resignation was accepted and A. E. Benning was appointed General Manager and elected Executive Vice President.

A. E. Benning inherited a closely knit, smoothly functioning organization consisting of the following general officers, department heads, district and local officers: M. S. Eccles, Chairman of the Board; H. A. Benning, President; A. E. Benning, Executive Vice President and General Manager; R. H. Cottrell, Vice President and Manager of Factory Operations; J. J. Dunbar, Vice President and Sales Manager; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary, Assistant Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier;

Burnall Brown, General Superintendent; A. J. Forbess, Chief Engineer; W. A. Moore, Purchasing Agent; Ellis A. Stoker, Traffic Manager; W. F. McCrea, Director of Public Relations; L. W. DeWald, Director of Safety; J. W. Randall, Ogden District Manager; D. E. Smith, Cache Valley District Manager; K. E. Bailey, Lewiston Factory Superintendent; Glen F. Hunter, Lewiston Cashier; H. A. Elcock, Idaho District Manager; J. H. Bingham, Twin Falls Factory Superintendent; L. E. Hinton, Twin Falls Cashier; W. G. Bachman, Rupert Factory Superintendent; Jack R. Holland, Burley-Rupert Cashier; Jared Lewis, Nyssa-Nampa District Manager; R. A. Forbess, Nyssa Factory Superintendent; W. W. Low, Nyssa Cashier; John C. Bishop, Nampa Factory Superintendent; and T. L. Manning, Nampa Cashier. This organization has been held relatively intact, except for changes necessitated by deaths and retirements.

For the fiscal year ended September 30, 1954, the profit was $2,669,850. For the same period 1,667,260 tons of beets were purchased and 4,649,705 bags of sugar were produced.

At their annual meeting held on December 15, 1954, the Stockholders elected the same Board of Directors. The Directors elected and appointed the same officers.

1955

County Agricultural Stabilization and Conservation Committees were charged with the responsibility of alloting sugar beet acreage to the farms under the proportionate shares provisions of the Sugar Act. The company's agricultural department worked closely with both farmers and

ASC committees in contracting for beets, with the result that the contracting period was shortened. No difficulties were experienced in coming to agreement with the Beet Growers' Associations. Contracting produced 82,681 acres, of which 82,608 acres were planted and 78,417 acres were harvested; 1,612,993 tons of beets were purchased and 4,176,567 bags of sugar were manufactured.

Expenditures for maintenance and repairs covered all items necessary for keeping the properties in top operating condition. Expenditures for additions and improvements included over $300,000 for an addition to the Nyssa pulp dryer. This addition doubled the capacity and made it possible to dry all of the pulp. Dried pulp had been gaining in favor as a livestock feed and the demand now exceeded the supply.

The U.S. Department of Agriculture set the estimated sugar consumption at 8,350,000 tons for 1955. The company's marketing allotment thereunder was 4,351,429 bags, all of which was sold.

The Sugar Act of 1948 had been extended to December 31, 1956, but almost a year before the expiration date work was being done on amendments thereto, however no legislation took place during 1955.

The Nampa factory is located in an area where, it was felt, there would be no problems arise in connection with sewage disposal. Indian Creek, a rather large and swiftly flowing stream, where it passes through the factory site, flows in a westerly direction through Caldwell and empties into the Boise River. The Nampa factory sewage was discharged into that stream from the time the factory was first operated in 1942, until 1952, without any serious difficulty arising. In 1952, the owner of a grocery store in Caldwell filed a damage suit for $60,000 against the company. The suit was known as Conley, Caldwell, Idaho, vs. The Amalgamated Sugar Company, and the plaintiff claimed damage "by reason of loss of business caused by offensive odors from a stream of water which flows beneath the grocery store and which offensive odors are attributed to the discharge of sewage into the stream by the Nampa factory." A decision was rendered against the company and damages were awarded the plaintiff in the amount of $5,900, which the company paid. The court also issued an injunction against the company, prohibiting the discharge of sewage from the pulp silo into Indian Creek. The sewage was thereafter discharged into Mason Creek, which aroused the ire of others who claimed the water was being polluted. A wave of concern over stream pollution was sweeping over the country, and the company was being attacked for contributing to stream pollution. Studies were undertaken to determine the seriousness of the situation and what corrective measures could be taken. Later developments will be set forth.

In order to satisfy the demand for dried pulp, and as a measure of water pollution control, the Board of Directors, on November 2, 1955, authorized the expenditure of $1,000,000 for the construction of a pulp dryer at the Nampa factory.

The Stockholders held their annual meeting on December 2, 1955, and elected the following Directors: A. E. Benning, H. A. Benning, M. A. Browning, R. H. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, Wm. H. Harris, Paul H. Ray, Charles Redd and J. F. Scowcroft. The Directors then elected the same officers.

During the fiscal year ended Sptember 30, 1955, there were 1,744,193 tons of beets purchased and 5,072,366 bags of sugar produced. Profit for the year was $3,005,200.

Estimated sugar consumption for the calendar year of 1956 was set at 8,350,000 tons by the U.S. Department of Agriculture. This was done in accordance with the provisions of the Sugar Act.

In the Nyssa-Nampa District the 1955 crop of beets was 981,100 tons; of that tonnage 813,572 was piled during the harvesting season. The physical condition of the beets as they go into the piles, and weather conditions during the fall and winter months determine the condition of the beets as they are taken from the piles for processing. Because of the large tonnage of beets the Nampa factory operated from October 12, 1955, to February 6, 1956, and the Nyssa factory operated from October 12, 1955, to February 13, 1956. During the long period that beets were in the storage piles there were many changes in the weather. In his report of 1955 Jared Lewis, Nyssa-Nampa District Manager, had this to say about the stored beets, "Beets went into storage piles in very good condition, free from trash and frost. The extremely low temperatures during the week of November 13th to 20th froze the outside and top of each pile for a depth of approximately two feet. This frost remained until December 20th. From December 20th to January 3rd we had unseasonable warm, stormy weather removing all frost from the sides and tops of the piles. The outside beets deteriorated rapidly and as a result it became necessary to remove all frost damaged beets. Approximately 40,000 tons were damaged so badly that they could not be processed."

1956

The Sugar Act of 1948, as amended and extended to December 31, 1956, became the subject of much Congressional action late in 1955 and early in 1956. Several bills were introduced to replace the Sugar Act of 1948 at the date of its expiration, however no such legislation was passed, but the Sugar Act of 1948 was again amended and was extended to December 31, 1960. The Act was approved by the President on May 29, 1956, and became effective as at January 1, 1956. The amendment restored to the domestic areas participation in the growth of the United States sugar market. Beginning with 1956, market growth in excess of 8,350,000 tons of sugar is shared 55 percent by domestic areas and 45 percent by foreign countries. This division has proved beneficial to the domestic sugar producers.

Agreement with the Beet Growers' Associations was reached early in the year and contracting got underway as soon as weather conditions permitted. Acreage allotments limited contracted acres to 83,934 of which 83,869 were planted and 79,539 were harvested. There were 1,806,673 tons of beets purchased. Beets averaged 22.71 tons per acre, 4,927,225 bags of sugar were produced; an increase of approximately 750,000 bags over 1955. In the twenty years of the use of fly resistant beet seed there have been no crop failures. Tons of beets per harvested acre have increased from 13.68 in 1936 to 22.71 in 1956. Sugar production has shown a steady rise from 1,474,589 bags in 1936 to 4,927,225 bags in 1956. Better beet cultural methods and improved factory operating techniques have made a material contribution to the company's operating success. More about these items will appear near the end of this book.

On March 8 of this year of 1956 tragedy struck; H. A. Benning had a stroke. He and Mrs. Benning were on the way home from the Pacific Northwest. They were traveling by automobile and Mrs. Benning was driving. As they neared Malta, Idaho, which is about 125 miles northwest of Ogden, Mr. Benning was stricken. Mrs. Benning had the fortitude to continue driving to an Ogden hospital where Mr. Benning was treated for a period of time and then released to his doctor. The stroke was so severe that even though Mr. Benning has had a partial physical recovery he has not been able to coordinate his thinking to the point of active participation in the management of the company, although at the time of this writing in 1961 he spends part of each day in his office.

Expenditures for maintenance and repairs were in amounts adequate to place all of the factories and facilities in prime operating condition. The major expenditure for additions was for a pulp dryer at Nampa. Other expenditures for improvements were for items which would improve operations.

J. W. Randall, Ogden District Manager, died on July 29, 1956. He had been in company service about 25 years. D. E. Smith, Cache Valley District Manager, was placed in charge of the Utah District as Utah District Manager.

Customer demand for bulk sugar was on the increase and company storage facilities were inadequate, so additional bulk storage capacity was provided at Twin Falls and Nampa. Along with the increased demand for bulk sugar came the demand for liquid sugar. Company technicians developed a customer liquid sugar installation known as a "Liquilizer," which has proved successful. A typical liquilizer installation includes pipes, pumps and two storage tanks, each large enough to hold the liquid sugar resulting from the conversion of 140,000 pounds of bulk sugar. A portable, 25-pound, three-foot-long metal converter or dissolving device is the heart of the system. One man can attach the device to the outlet flange of any bulk rail car or truck. The required volume of water for dissolving sugar to the required brix is measured into the liquid sugar storage tank. Liquilizer system circulating pumps are turned on and a circulation of water from the storage tank through the converter and back to the storage tank begins.

Then the sugar gate of rail car or truck is opened, allowing granulated sugar to flow by gravity into the converter. The stream of fluid flowing through the converter undercuts picks up the sugar, conveying it via the secondary pump back to the storage tank. Difference in capacity of the two circulating pumps (secondary pump having the larger capacity) causes the sugar to be drawn into the fluid stream through the converter and controls the rate of sugar withdrawal. Circulation of the solution from the liquid storage tank is continued until the granulated sugar unit is emptied. An impeller agitator in the liquid storage tank completes solution of the sugar. The Liquilizer is self regulating. It takes the sugar at a fixed rate, and is virtually 100 percent automation. Once the converter is attached, the carload of sugar empties and the sugar is automatically converted into liquid.

Development of the Liquilizer was another signal achievement of the company which was first to use pneumatic handling of bulk sugar. The company was also first to set up production and distribution plants for dry bulk or liquid sugar where no refineries existed.

The fiscal year ended September 30, 1956, showed a profit of $2,431,572. During the same year 1,612,993 tons of beets were purchased and 4,176,567 bags of sugar were produced.

Stockholders held their annual meeting on December 20, 1956, and elected the same Directors. The Directors elected and appointed the same officers.

1957

Under the provisions of the Sugar Act the U.S. Department of Agriculture announced that the national beet acreage for 1957 would be 950,000 acres as compared with 850,000 acres for 1956. This increase of 11.76 percent was welcome news to the beet growers and the company. The 1957 beet contract had been agreed upon and was ready early in January of 1957. Grower demand for beet acreage was far in excess of the approximate 12 percent increase announced by the government. It was necessary for company fieldmen to work closely with the A.S.C. in each county. Under the increased acreage allotments 93,845 acres were contracted, 93,356 acres were planted and 90,761 acres were harvested. The harvested acres produced 2,001,-878 tons of beets from which 5,467,589 bags of sugar were manufactured. Harvested acres represented an increase of over 14 percent above 1956. Beet tonnage increased approximately 11 percent over 1956.

The company's sugar marketing allotment for 1957 was fixed at 4,882,000 bags, on the basis of a national consumption estimate of 9,000,000 tons. Some upward adjustments were made before the end of the year and the company sold its entire marketing allotment.

Expenditures for additions and improvements were, in the main, for bulk sugar storage at Twin Falls and Nampa, beet receiving equipment at Burley, Nampa, and Nyssa, and boiler conversion to natural gas at Nyssa and Nampa. Maintenance and repair expenditures were adequate to put the factories and facilities in satisfactory operating condition.

For the fiscal year ended September 30, 1957, the profit was $3,267,496. During that same period 1,808,232 tons of beets were purchased and 4,927,225 bags of sugar were produced.

On November 13, 1957, Jared Lewis, Nyssa-Nampa District Manager, passed away. Mr. Lewis had been in the company employ since January 1, 1950. Before that time he had been employed by the Franklin County Sugar Company for many years. Following Mr. Lewis' death a number of changes were made in managerial assignments. H. A. Elcock, Idaho District Manager, was transferred to the General Office as General Agricultural Superintendent. The Idaho District and Nyssa-Nampa District were divided so that there were five districts. District Managers were, and as this is written in 1961 are, as follows: the Utah District, D. E. Smith; the Burley-Rupert District, E. R. Blauer; the

Twin Falls District, Robert B. Day; the Nampa District, Robert Van Horne; the Nyssa District, Henry D. Zobell. All of the District Managers are under the supervision of H. A. Elcock and report to him.

On December 19, 1957, the Stockholders held their annual meeting and elected the same Directors. The Directors elected and appointed the same officers.

1958

The company was awarded a Certificate of Merit by the United Shareholders of America in recognition of its efforts to maintain and promote good Management-Shareholder relations during 1957-58. This was a voluntary award and came as a pleasant surprise to the company.

Beet contract negotiations with the various Beet Growers' Associations were completed late in February of 1958 and contracting was completed in a short time thereafter. Acreage allotments were made according to the provisions of The Sugar Act. There were 91,293 acres contracted, 91,714 acres planted and 89,203 acres harvested, which produced 2,165,765 tons of beets or an average of 24.28 tons per acre. Weather conditions were favorable throughout the year with the exception of a heavy frost in the Burley-Rupert District on April 28, which damaged some beets, but the damaged acres were replanted. From the 2,165,765 tons of beets purchased 6,004,590 bags of sugar were produced. Beet tonnage, average tons per acre and sugar produced exceeded any previous records.

Additions and improvements expenditures continued along the line of items designed to increase capacity in the factories and to provide additional capacity for the receiving and handling of beets. Expenditures for maintenance and repairs were in amounts necessary for the efficient operation of factories and facilities.

Sugar marketing allotments were made under the Sugar Act and the company marketed its allotment during the calendar year of 1958.

Profit for the fiscal year ended September 30, 1958, was $3,408,814. For the same period 2,001,878 tons of beets were purchased and 5,467,589 bags of sugar were produced.

Constantly increasing beet tonnage was requiring longer factory operating periods and consequently a longer time for beets to remain in storage. With the mechanized harvesting of beets had come a shorter harvest period. It had been cut from an average of 45 days to less than 30 days with most of the beets harvested in October. Idaho and Oregon factory capacities had been increased, but the increase was insufficient to shorten the Nampa and Nyssa campaigns sufficient to bring them within a weather-safe storage period for beets. These two factories had operated as late in the season as early March, which is considered to be at least 30 days beyond the weather-safe storage period for beets. In order to overcome this situation a long range improvement program was authorized by the Board of Directors and was immediately put into effect.

At the regular annual meeting of Stockholders, held on December 18, 1958, the same Board of Directors was elected. The Directors elected and appointed the same officers.

The company had been subjected to an investigation by The Federal Trade Commission upon a request from the Utah Beet Growers' Association and the Idaho Beet Growers'

Association, made under date of August 30, 1955. In the request for the investigation the Beet Growers' Associations alleged that their members had been damaged because the company had "reduced the price of sugar in Utah and certain parts of Idaho by 50 cents per bag." As the result of the investigation an "Order" was issued by The Federal Trade Commission on January 21, 1958. The "Order" reads as follows:

Docket No. 6768

In the Matter of	)	
	)	Decision of The
THE AMALGAMATED SUGAR COMPANY	)	Commission and
	)	Order To File
a corporation	)	Report of Compliance
	)	

The Commission, by order issued November 7, 1957, having placed this case on its docket for review; and

Counsel for the respondent and the acting Director of the Commission's Bureau of Litigation, by joint motion filed January 14, 1958, having requested that the order contained in the hearing examiner's initial decision be modified in certain respects; and

The Commission being of the opinion that it should be granted:

It Is Ordered that the order contained in the initial decision be, and it hereby is, modified to read as follows:

> It Is Ordered that the respondent, The Amalgamated Sugar Company, a corporation, and its officers, representatives, agents and employees, directly or through any corporate or other device, in connection with the sale or distribution of sugar in commerce, as "commerce" is defined in the aforesaid Clayton Act, do forthwith cease and desist from, discriminating, directly or indirectly, in the price of such products of like grade and quality, by selling sugar to any purchaser at a price which is lower than the price charged any other purchaser engaged in the same line of commerce, where such lower price undercuts the price at which the purchaser charged

> the lower price may purchase sugar of like grade and quality from another seller.

It Is Further Ordered that the initial decision, as so modified, be, and it hereby is, adopted as the decision of the commission.

It Is Further Ordered that the respondent, The Amalgamated Sugar Company, shall, within sixty (60) days after service upon it of this order, file with the Commission a report, in writing, setting forth in detail the manner and form in which it has complied with the order contained herein.

The foregoing is a continuing order and imposes hardships upon the company in the marketing of sugar. It cannot protect its customers in its sales territories except by meeting competitive prices as established by other sellers. Despite this handicap the company has been able to sell all of the sugar it has produced.

1959

No contract negotiations were held with the Beet Growers' Association until after individual growers had received allotments under the Sugar Act. Requests for beet acreage exceeded allotments so that some applicants were disappointed and some were angered to the point of contacting their Congressmen for assistance. This was particularly true in the Burley-Rupert District, but Congressional intercession could not change the provisions of the Sugar Act. Contract negotiations were completed on March 4, 1959, and within a week thereafter most of the contracting had been completed; 92,538 acres were contracted, 94,913 acres were planted and 90,922 acres were harvested. Frost and wind damaged considerable acreage and caused replanting of almost 12,000 acres. There were some acres planted not covered by allotments, so the company could not accept the beets and they were sold by the growers for livestock feed. For several years experiments had been carried on with monogerm seed. They had been successful to the point where many growers planted such seed in 1959. From the 90,922 harvested acres 2,181,925 tons of beets were purchased and 5,907,789 bags of sugar were produced.

Burnall Brown, General Superintendent, and S. M. Heiner, Chief Engineer, had been to Europe to look over the sugar factories in the free countries. They returned with some ideas for improved equipment in some of our factories which should prove profitable.

Expenditures for additions and improvements were in keeping with the long range program of increasing factory capacities. The factory selected for capacity buildup was Nyssa, which had a rated daily slicing capacity of about 4,000 tons per day in 1958. In 1959 a program was adopted to increase Nyssa's daily slicing capacity to 6,500 tons by 1961. Under this program the major additions in 1959 were: bulk sugar storage, boiler house, evaporator, and bagging room. At Twin Falls a research laboratory was built and equipped. The company had been engaged in research for many years but expanded activities required new facilities. Maintenance and repairs expenditures were in amounts adequate to insure efficient operation of factories and facilities.

For the fiscal year ended September 30, 1959, the profit was $3,967,248. During the fiscal year 2,166,442 tons of beets were purchased and 6,004,590 bags of sugar were manufactured. Truly, the company had come a long way since that momentous month of April in 1936 when the recapitalization program was launched and unfettered efficient management took over.

Wm. H. Harris died on November 28, 1959; he had been a Stockholder for many years and a Director since December 10, 1947.

At the Stockholders' meeting held on December 17, 1959, the following ten Directors were elected: A. E. Benning, H. A. Benning, M. A. Browning, R. H. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, Paul H. Ray, Charles Redd, and J. F. Scowcroft. The Directors elected and appointed the following officers: M. S. Eccles, Chairman; H. A. Benning, President; A. E. Benning, Executive Vice President and General Manager; R. H. Cottrell, Vice President and Manager of Factory Operations; J. J. Dunbar, Vice President and Sales Manager; H. A. Elcock, Vice President and General Agriculturist; J. R. Bachman, Secretary and Treasurer; A. L. Stark, Assistant Secretary, Assistant Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier; Keith M. Orme, Assistant to the General Manager.

The Sugar Act of 1948, as amended and extended to December 31, 1960, was the subject of much discussion with members of the Congress. Amendments to the Act were prepared to be submitted to members of the Senate Finance Committee and to members of the House Agricultural Committee. These amendments had as their purpose the increase of the basic marketing allotment to the Beet Sugar Industry. These amendments were to be submitted to the Congress after January 1, 1960.

Keith M. Orme, Assistant Secretary and Assistant Treasurer in 1961, entered the company service as of January 1, 1959, as Assistant to the General Manager. His picture and biography are in the "People" section.

1960

The Sugar Act of 1948, as amended and extended, was due to expire on December 31, 1960. Unsuccessful efforts were made to have the Congress pass a new Sugar Act. Much concern was expressed over Cuba under the domination of Fidel Castro who had overthrown the Batista regime and who seemed to have definite leanings toward Communism. Under the Sugar Act Cuba had been furnishing about one third of the United States sugar requirements, however, Castro's attitude towards the United States was so belligerent that sugar purchases from Cuba were terminated after about three quarters of its normal sales had been made. The Cuban situation influenced the Congress to amend and extend the Sugar Act to March 31, 1961. The amended and extended Act became effective upon the signature of the President of the United States on July 6, 1960.

Beet contract negotiations with the Beet Growers' Associations were satisfactorily concluded in January of 1960. Only that acreage allotted to growers under the Sugar Act was contracted; such acreage was an increase over that of 1959. Contracting was started around March 1, 1960, and was rapidly concluded.

On August 31, 1960, the company purchased the Whitney, Idaho, factory and facilities of the Franklin County Sugar Company. Farmers' accounts receivable were included in the purchase price, and with those accounts the company assumed Franklin County Sugar Company's obligation to the beet growers who had entered into beet contracts with that company.

Prior to the acquisition of the Franklin beet contracts the company had contracted for 100,055 acres, and growers had planted 100,724 acres. From Franklin the company acquired contracts covering 7,102 acres, of which 6,726 had been planted. Thus a total of 107,157 acres had been contracted and 107,450 acres planted. Total acres harvested were 104,072 from which 2,093,590 tons of beets were purchased and 5,732,142 bags of sugar were manufactured. The 1959 crop of beets averaged 24 tons per harvested acre while the 1960 crop, exclusive of Franklin, averaged 20.46 tons per harvested acre and including Franklin averaged 19.56 tons per harvested acre. The lower average tonnage per harvested acre was brought about by the necessity of replanting more than 22,000 acres as a result of frost damage in April. These replanted acres averaged fewer tons per acre, thereby bringing down the total average tons per harvested acre, exclusive of Franklin, to 20.46 as against 24 for 1959.

The major portion of the expenditures for additions and improvements was made at the Nyssa factory as a part of a three-year program, to be completed in 1961. This year's expenditures at Nyssa included the installation, as additional equipment, of a diffuser, a generator, eight centrifugals, a vacuum pan, a crystallizer, sugar conveying equipment, a storage warehouse for factory materials and two scoopmobiles for the handling of sugar beets. At Lewiston expenditures were made for waste water treatment and disposal equipment. At Rupert expenditures were for two new beet receiving stations, additional centrifugals and waste water treatment and disposal equipment. At Twin Falls expenditures were for centrifugals and a carbonator drum filter. Expenditures at Nampa were for waste water treatment and disposal equipment, centrifugals and a crystallizer. There were also expenditures at Seattle for dry bulk truck loading facilities and for a liquid sugar system. Total of all expenditures for additions and improvements was $1,819,734.

Maintenance and repairs expenditures were in line with the requirements of keeping all machinery and equipment in condition to take care of accelerated beet receiving and speeded up factory operations.

Profit for the fiscal year ended September 30, 1960, was $3,998,703, which included only a minimal amount from Franklin which was acquired on August 31, 1960. During the fiscal year 2,181,925 tons of beets were purchased and 5,907,789 bags of sugar were produced.

For convenience in administering the affairs of the newly acquired factory and facilities at Whitney, Idaho, the company's policy and procedure were modified. Instead of the Whitney factory becoming just another unit in a multi-unit company a Division was established. It is known as The Franklin County Division of The Amalgamated Sugar Company and is semi-autonomous. The Division is under the jurisdiction of Thomas Heath as Vice President and General Manager thereof. He is responsible to the company's General Manager. With the exception of the company's Sales Manager, who handles the Division's sugar sales, no other company officer or department head has any responsibility. Mr. Heath is privileged to consult with any officer or department head.

The call for the annual Stockholders' meeting, which was held on December 22, 1960, set forth the following purposes of the meeting:

"(1) To elect a Board of Directors for the ensuing year.

(2) To consider proposed amendments to the company's Articles of Incorporation, declared advisable by the Board of Directors, to effect a capital reorganization of the company by cancellation and retirement of preferred stock now held in the Treasury and by reduction of authorized preferred stock from 750,000 shares to 500,000 shares, and by changing authorized common stock from 750,000 shares of the par value of $1.00 per share to 2,500,000 shares of no par value and by providing for additional votes per share of preferred stock."

The stockholders elected the following Directors: A. E. Benning, H. A. Benning, M. A. Browning, R. H. Burton, R. H. Cottrell, M. S. Eccles, S. S. Eccles, Paul H. Ray, Chas. Redd, and J. F. Scowcroft. The Directors elected and appointed the following officers: M. S. Eccles, Chairman of the Board; H. A. Benning, President; A. E. Benning, Executive Vice President and General Manager; R. H. Cottrell, Vice President and Manager of Factory Operations; J. J. Dunbar, Vice President and General Sales Manager; H. A. Elcock, Vice President and General Agriculturist; J. R. Bachman, Secretary and Treasurer; Keith M. Orme, Assistant Secretary and Assistant Treasurer; A. L. Stark, Assistant Secretary, Assistant Treasurer and Auditor; Blaine Bachman, Assistant Secretary and General Office Cashier.

Amendments to the Articles of Incorporation were approved by the Stockholders. In order to carry out the mandate of the Stockholders the Directors by resolution and motion authorized: (1) the issuance and exchange of three shares of the company's no par common for each share of the company's 690,549 shares of one ($1.00) dollar par value common stock then outstanding, and (2) to increase the common stock capital account to provide for a stated value of $5.00 per share on the 2,071,647 shares of no par value stock that will be issued under the three for one stock split by the transfer of $50,785.62 from Capital Surplus and $9,616,900.38 from Earned Surplus to the common stock capital account, and (3) to retire 192,998.75 shares of preferred stock held in the treasury. All of these transactions were to be completed by February 10, 1961.

1961

Efforts to get the Congress to pass new sugar legislation were unsuccessful. There were material differences of opinion that had not been reconciled at the expiration date of the Sugar Act of 1948, as amended and extended to March 31, 1961, so that Act was further amended and extended to June 30, 1962. It is hoped that new legislation will be passed by the Congress prior to June 30, 1962.

Because of no sugar quota having been allotted to Cuba all sugar beet acreage restrictions were removed for 1961. A contract agreement was reached early in the year between the company and the Beet Growers' Associations, and 129,121 acres of beets were contracted. Acres planted were 127,000. Due to a shortage of irrigation water in Utah and in certain areas of the Nyssa District a considerable acreage of beets was lost after planting. It is expected that about 120,000 acres will be harvested and that approximately 2,500,000 tons of beets will be purchased from which about 6,500,000 bags of sugar will be produced. Estimates are based upon the tons of beets harvested through October 31, 1961, and upon tons of beets sliced and sugar produced through that same date of October 31, 1961.

Three factories started operations late in September and the other three early in October. The factory expected to operate the longest is Nyssa, which should run until about the middle of February of 1962.

Conforming with the Articles of Incorporation as amended, by the Stockholders, on December 22, 1960, and with action taken by the Board of Directors on that same date the three-for-one common stock split, the retirement of preferred stock held in the treasury and the transfer of $9,666,686 from surplus to the common stock capital account were all completed during the month of February of 1961.

R. H. Cottrell, Vice President and Manager of Factory Operations, requested that he be relieved of the responsibility of factory operations, and he suggested that Burnall Brown, the General Superintendent, be given that responsibility and be appointed Vice President and General Superintendent. Mr. Cottrell's request and recommendation were favorably acted upon by the Board of Directors on April 20, 1961.

On September 18, 1961, J. J. Dunbar, Vice President and General Sales Manager unexpectedly passed away after a short illness. Mr. Dunbar had been General Sales Manager since 1941 and Vice President and General Sales Manager since December 20, 1950.

R. G. Whitaker, Assistant General Sales Manager since 1957, was appointed General Sales Manager on September 25, 1961.

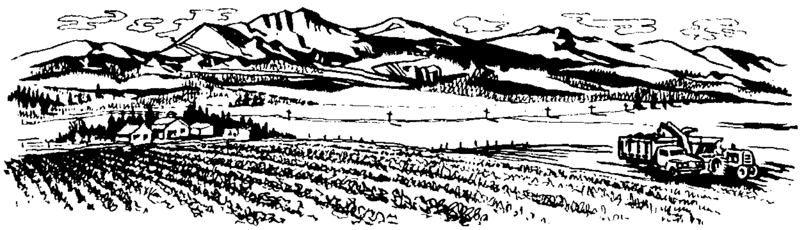
Profit for the fiscal year ended September 30, 1961, was $3,561,400. During the same fiscal year 2,093,590 tons of beets were purchased and 5,732,142 bags of sugar were produced.

Expenditures for maintenance and repairs were adequate to put all operating facilities in top condition to handle the largest beet crop in the company's history.

Completion of additions and improvements during the current fiscal year will mark the completion of a long-term program of modernization and factory capacity increases which started immediately after the close of World War II.

At the beginning of the long-term program the daily beet slicing capacity of the five factories, Lewiston, Rupert, Twin Falls, Nampa and Nyssa, was 8,868 tons. This was for the 1945-46 campaign. Since that time the daily slicing capacity of these same five factories has been increased to 19,575 tons for the 1961-62 campaign. This increased slicing capacity of 10,707 tons per day has been achieved at a cost of $20,912,000, or less than $2,000 per ton. On August 31, 1960, the Whitney, Idaho, factory and facilities were purchased from the Franklin County Sugar Company at a cost of $1,159,500. This factory sliced an average of 1,520 tons of beets per day during the 1960 campaign and no capacity increasing expenditures have been made since its acquisition. The daily slicing capacity of the six factories for the 1961-62 campaign is estimated at 21,095 tons as against 8,868 tons for the 1945-46 campaign, or an increase of 12,227 tons at a cost of about $22,072,000. This is a remarkable growth and has been paid for out of earnings since April of 1936. During the period from April 30, 1936, through September 30, 1961, dividends on preferred stock of $7,710,479 and dividends on common stock of $17,522,681 will have been paid or declared.

The first dividend paid on preferred stock was on November 1, 1936, and the first dividend paid on common stock was on July 1, 1940. Regular quarterly dividends have been paid on both classes of stock, and several special dividends have been paid on the common stock.



CHAPTER 4

Curly-top in Amalgamated Territory

by

R. H. COTTRELL
Vice President

DAMAGE from curly-top disease of beets had been a serious threat to the company's operations in many of the earlier years of its existence.

In those years, crop failures occurred periodically without any apparent reason. In June prospects for a good crop might appear favorable; then by July the leaves would begin to curl and wither. The main tap root stopped growing and sent out tufts of hairlike roots in search of soil nutrients. Often by midsummer the crop was abandoned.

Curly-top was sometimes ascribed to excessive alkalinity of the soil, to soil deficiencies, electrical storms, intense sunlight, high temperatures, or other causes. The damage was erratic. It might not appear in serious form for a season or two, only to be followed by repeated failures. Some districts were more seriously affected than others, even though conditions seemed generally similar.

In 1912, Dr. E. D. Ball of the Utah State University, demonstrated that the devastation was associated with a leaf hopper about an eighth of an inch long, commonly called "Whitefly" or "Beet Leaf Hopper." It was found that the fly is a native of the western sage deserts and its natural host plants are the desert weeds. These weeds, like the sugar beet, are victims of curly-top. The dry, high-temperature deserts are its preferred environment; but at times it migrates from these areas into the cultivated areas in unnumbered hordes. The migrations may extend many miles, particularly when accompanied by a strong wind. The stimulus that triggers a migration is unknown and, therefore, a migration is unpredictable. No advantage accrues to the insect from its agency as carrier of the disease.

Not until years after the fly had been identified as a carrier of the disease was it learned that the disease was caused by a virus in the mouth parts of the insect. The discovery was long in coming because the mechanical damage to the plant by the feeding of the insect was so insignificant it escaped detection.

During World War I extensive areas of the western sage desert were cleared and planted to dry-land grain. With the collapse of the grain market, these lands were abandoned and returned to the host weeds of the fly. These abandoned farms turned into vast feeding and breeding grounds. They lie directly in the path of the prevailing winds which swept the migrating hordes into the cultivated areas.

The effect of curly-top on the Company's interests may well be illustrated by a few statistics. The following data apply to the Burley-Rupert-Twin Falls area at a time when this area represented the major part of the company's production:

Year	*1919*	*1924*	*1926*	*1934*	*1935*
Acres Contracted	19,182	24,245	7,634	21,389	12,373
Acres Harvested	12,942	10,976	2,119	2,753	10,440
Acres Lost —% Contracted	32.5	54.7	72.2	87.1	15.6
Yield per Harvested Acre	6.35	5.51	6.04	4.89	13.83

The first four years shown above were the years of major disaster, reaching a climax in 1934 when water shortage added to loss from curly-top. In many of the intervening years serious losses were suffered.

However, in 1934 some fields were planted with a newly-developed strain of beets resistant to curly-top. They yielded so much better than the fields planted to commercial European strains that the program of breeding curly-top resistant strains was given a tremendous impetus.

The figures for 1935, a year of mild infestation, are shown for comparison. In only one year since 1935 has the yield been less than 13.83 tons per harvested acre and it reached a maximum of 20.9 in 1959.

Largely because of curly-top Twin Falls was idle in the year 1924. In 1926 Burley, Rupert and Twin Falls were idle. In 1934 Ogden, Burley, Rupert and Twin Falls were idle and only Lewiston of the Utah and Idaho factories was operated, producing 434,600 bags of sugar.

During the "Whitefly years" similar disasters struck in other western sugar beet areas. Factories were idled, some relocated and some were abandoned and dismantled. The impact of the disease threatened to destroy the industry in broad areas of the west. It is doubtful if any beet sugar industry west of the Rockies would have survived if the problem had not been solved. However, some areas once abandoned have been restored to production and now are regarded as among the most highly productive in the country.

The Fly, the Virus and the Host Plants

Following discovery of the association of Whitefly with curly-top, an intense study of the problem was initiated by the U.S. Department of Agriculture, state agricultural colleges and experiment stations, and the technical staffs of beet sugar companies.

The life history of the fly, the desert host plants and the virus were subjected to intense study to find, if possible, a weak phase in the life cycle of at least one of the three. As these three cycles were linked in an association extending throughout the year and changing materially from one season to another, it was hoped that it could be broken at some point.

The life of the fly has been studied in more minute detail than that of most other insects, with the possible exception of the bee, the ant and the boll weevil.

Direct control of the insect in the desert and in the cultivated areas was tried. Every then known insect control was used—stomach poisons, contact poisons, repellants, attractants, lures, baits, traps and parasites. None was effective in the vast irregular areas of the desert, mountains, canyons and cultivated areas. Even though temporary eradication of the bug in an area might be accomplished, it was subject to reinfestation by migratory swarms of fly from other areas, some at great distances. Destruction of a migrant population in the beet fields would need be almost immediate to be effective, since feeding on the beets by virulent hoppers for only a few hours would infect the plants with curly-top. In a limited area of California, some measure of relief was accomplished by spraying the adjacent fly-breeding areas.

Counted populations of the fly were overwintered in cages placed in the desert each fall. In the spring the percentage of survivors and percentage of virus-bearing individuals was determined. These counts, together with spring census of the fly population in breeding areas served as a basis for forecasts of probable fly damage. But it was not enough to know when disaster would strike, it was necessary to avoid the disaster if the industry were to survive.

The fly survives through the yearly seasons of feeding on a sequence of host plants of different species; but no means has been found to eradicate any one of these host plants. A long-time program was initiated in the study of the plant succession in the desert. The study covered the life-cycle of the plants, their interrelations, populations, frequency and other growth factors in the desert under normal conditions of livestock range and in areas isolated from animal forage. No practical controls were discovered.

The virus has been studied in various ways, but like many other virus problems, no solution has been found. It was found that a number of strains of the virus exist, some more virulent than others. Some may be attenuated by passing through different hosts.

The study of the fly, the host plants and the virus continues to this day, but not one practical method has been found to control any of these factors.

The Solution

Some of the early students of the problem noticed that individual beets in heavily infested fields survived, and in some cases seemed more vigorous than normal beets. It was not known how these individuals escaped. Various theories were advanced: a local environment favorable to the beet or unfavorable to the fly, immunity to the disease, peculiar chemical characteristics, or some mechanism rendering them resistant to the fly's attack.

In 1917 a representative of the U.S. Department of Agriculture selected some of these outstanding beets and from them grew seed which he planted in the fly areas. The progeny had a higher survival rate than commercial beets of the strains from which the original selections were made.

Reselection from succeeding generations was continued, but in the course of reselection the sugar content was reduced below a level considered commercially acceptable. This lead to the belief that low sugar and curly-top tolerance were "linked characters" and for a time discouraged further work along this line.

In the mid-Twenties the work was resumed. Some strains of reselects lost vigor and failed to develop viable seed. From others, necessary commercial characters disappeared. In the earlier years the method of mass selection was relied upon entirely, and after the initial successes each reselection showed some improvement in curly-top resistance. In later years more effective methods, such as development of selected inbred lines with subsequent hybridization of compatible lines are being used. Also the trend is toward the use of male sterile lines to accomplish controlled hybridization. Monogerm seed has become important in the program to mechanize spring work.

The first commercially acceptable strain of curly-top resistant beets was developed by the U.S. Department of Agriculture. It was designated "USI." Its first commercial trial was in 1934.

Following the successful demonstration of USI, the Curly-Top Resistance Breeding Committee was established by the industry. It started functioning in 1935. Under a contract with the U.S. Department of Agriculture, Bureau of Plant Industry, the Committee received parcels of elite or stock seed of Department releases. These parcels were multiplied in beet-seed growing areas and distributed among interested sugar companies with approval of the department. The Curly-Top Resistance Breeding Committee expanded its activities in later years to include many functions, such as raising funds for beet breeding projects, distributing data, coordinating breeding activities of its members and sharing facilities among members. During part of its history, it took a leading part in developing the beet seed producing industry in the United States. Its functions were absorbed in the Beet Sugar Development Foundation in 1952.

Various Department releases, US33, US34, US12, US22 and subsequent selections, together with strains developed by sugar companies have now led to strains that are commercially acceptable. In fact, growers can produce profitable beet crops with large populations of viruliferous flies in the field.

In the early days of resistance breeding, Amalgamated developed strain A600 which in its day was highly successful. Some of the reselections from this strain have been incorporated into the present commercial varieties.

Perhaps it is fortunate that the solution of the problem did not depend on control of the fly, the host plants or the virus. It is hard to conceive of a method of control of these factors that would not involve heavy cost of the companies and their beet growers. Also, some element of uncertainty would necessarily attend any control of these factors.

Resistant strains result in a solution of the problem concealed in the bag of seed issued to the beet grower. He is no longer concerned with the fly or any efforts to combat it. Many growers may have large populations of fly in their fields and not be aware of their existence.

Beet breeding to develop strains resistant to specific diseases and insect pests, for better adaptation to specific areas, and for better processing characteristics and yield continues.

Beet Seed

To render the curly-top resistance breeding program complete, it was necessary to produce the resulting seed on a commercial scale. At one time Amalgamated reached an agreement with a German seed firm to accept Amalgamated stock seed and multiply to commercial quantities in Germany with their facilities. When the seed was returned from Germany it was so obviously hybridized with nonresistant strains that it was wholly unacceptable. It is not known whether the hybridization was due to carelessness, or was deliberately planned to discourage the American program of beet breeding. Whatever the reason, it ended any prospect of cooperation with the European industry and stimulated the American effort.

However, the agency for seed production had already been developed in this country.

The New Mexico Experiment Station at Las Cruces, New Mexico, had begun experimenting with sugar beets as early as the 1890's with the hope of developing a sugar industry. The experiments were continued intermittently with repeated crop failure. Failure was not recognized as caused by curly-top. In 1923 a new series was started having as its major objective determination of optimum date of planting. Beets were planted in each month of the year, and it was found that fall planted beets produced seed the following summer. When the potential for commercial seed production was recognized, agronomic factors were tested: date of planting, rate and frequency of irrigation, type, quantity and method of applying fertilizer, width of rows and spacing in the rows.

The first commercial planting was made by American Crystal in 1927 with promising results. American and Amalgamated continued jointly to make small plantings each year thereafter until 1933 when Amalgamated planted 157 acres with a yield of approximately 2,700 pounds of clean seed per acre, then considered a phenomenal yield. Of this acreage, five were of elite seed of strain USI. This marked the beginning of extensive production of curly-top resistant strains.

In 1933 Amalgamated, American Crystal and Holly entered into an agreement which established the Beet Seed

Committee, to multiply the volume of seed from desirable strains and to improve existing curly-top resistant and leaf-spot tolerant strains. Operations at first were confined to the area around Las Cruces, New Mexico.

In 1934 Great Western joined the Committee which continued its activities until 1937. In that year it was superseded by the Western Seed Production Corporation whose operations continue to the present time.

Owing to declining yields and quality of seed grown in the Mesilla Valley around Las Cruces, headquarters of the Corporation were transferred to Phoenix, Arizona, in 1935. Subsequently all operations were performed in the Salt River Valley.

In August of 1935 the West Coast Beet Seed Committee was formed, representing Spreckels Sugar Company, Holly Sugar Corporation, Los Alamitos Sugar Company, Amalgamated Sugar Company, Utah-Idaho Sugar Company and Union Sugar Company. This Committee, in cooperation with the Bureau of Plant Industry, was established to produce seed of curly-top resistant beet strains and, later, bolting resistant strains. Certain areas in California and Oregon, particularly in the Willamette Valley, were climatically suitable for the enterprise.

In 1940 West Coast Beet Seed Company was incorporated under the laws of the State of Oregon. American Crystal, Farmers & Manufacturers, and Great Western joined the organization subsequent to its formation.

The West Coast Beet Seed Company continues to produce beet seed in substantial volume. Its facilities were expanded by erecting a combined warehouse and cleaning plant and office building.

These two seed companies have freed the American market of dependence on European seed producers and have enabled the industry to make the greatest use of newly developed beet strains.

In presenting the above record, care has been exercised to avoid personal credits. It is doubtful if any project in the agricultural field has had such wholehearted cooperation of specialists from industry, the U.S. Department of Agriculture and State organizations. Labor, funds, facilities and data were freely exchanged. Since the record covers the years from 1912 to the present (1961), only the barest outline has been possible.

So many highly qualified men have made substantial contributions to the curly-top resistance breeding program, and the associated seed project, that it would be impractical to list them all.

However, the contribution of some should be recognized. Dr. E. D. Ball was the first to establish the relationship of Whitefly and curly-top. Dr. Eubanks Carsner was the first to select beets for resistance to curly-top. His first efforts failed, but later he and Dr. D. A. Pack made the original selections that lead to USI, the first commercially accepted strain. Dr. Walter Carter contributed substantially to our knowledge of the life history of the Whitefly. Dr. G. H. Coons administered a variety of programs of beet breeding. Dr. F. V. Owen has continued to conduct breeding programs to produce strains having greater curly-top resistance. Dr. J. C. Overpeck, with W. T. Conway, made the first observations which lead to the over-wintering method of beet seed production. H. E. Zitkowski was a leader in the initial efforts at growing seed commercially in the Las Cruces area.