Aspects of the Becker Brewing and Malting Company of Ogden, Utah: A Study of Labor, Prohibition, and Finance

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ASPECTS OF THE BECKER BREWING AND MALTING COMPANY OF OGDEN, UTAH:
A STUDY OF LABOR, PROHIBITION, AND FINANCE

by

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Embedded within the economic narrative of the nineteenth and twentieth century American West lays the rich, but frequently forgotten, history of brewing in Utah. While most businesses in Utah centered on agriculture, railroads, and mining, the breweries of Utah also played a significant role in the industrial and economic development of the region. One of the largest and most significant of these breweries was the Becker Brewing and Malting Company of Ogden, Utah. Founded in 1892, this company deeply affected the brewing industry until its dissolution in 1965. Many of the original records kept by the company still exist and reveal in depth the evolution of brewing in Utah and its economic importance to the Great Basin region. This paper will attempt to place the Becker Brewing and Malting Company in the historical narrative of brewing in Utah, and analyze how aspects of labor, prohibition, and finance affected the company.

When the first major settlements began in the Utah Territory during the mid-nineteenth century, many of the original settlers were immigrants from Europe. These immigrants brought with them to Utah a host of cultural traditions, including long held practices of beer brewing. A short time after the establishment of larger towns, Henry Wagner, a German immigrant to the United States, established the first commercial brewery of Utah in 1864. Other entrepreneurs soon followed his example and established several breweries in Utah during the later half of the nineteenth-century.¹

The expansion of the brewing industry in nineteenth-century Utah though encountered major obstacles due to the isolationist policies of Mormon settlers. According to Leonard Arrington, a prominent economist and historian of the region, the majority of the nineteenth-century settlers in Utah were members of the Church of Jesus Christ of Latter-day Saints, or Mormons. These Mormon settlers wanted to build a communalist, theocratic commonwealth that

was economically and socially distinct from the rest of the United States. They tried to accomplish economic independence through a series of boycotts of non-Mormon businesses, which included breweries and bars.\(^2\) This isolation lasted for nearly a half-century and ended only when the federal government intervened. Government appointed judges disbanded co-operative theocratic businesses and allowed previously boycotted businesses to take over as dominant commercial forces in the territory. In 1889, the abolition of the boycott and the growing demand for beer from railroad workers and miners prompted young Gustav Becker to leave his home in Winona, Minnesota and move to Ogden, Utah to form a new brewery. The Becker family already jointly owned the Becker & Schellhas brewery in Minnesota, and Gustav sought to expand their fortunes in the territory by opening a new brewery, the Schellhas Brewing Company, as an extension of their company. After two years of operation the Becker family and their partner, William Schellhas, decided to go their separate ways and divided the shared assets into two portions. Schellhas acquired the controlling interest of the Minnesota brewery while the Becker family took control of the Ogden facilities. Gustav, along with his father John and his brother Albert, re-incorporated the Ogden brewery as the Becker Brewing and Malting Company.\(^3\)

Over its first decade of operation, the Becker Co. experienced serious financial and organizational problems as a result of a nationwide economic depression, limited sales, and unmanageable debts. As a result, the company suffered from a debilitating lack of money to operate its brewery for several years. By 1898, even the local utility company wearied of the

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\(^3\) “Incorporation Notice,” Becker Brewing and Malting Company, Ogden, Utah, June 1, 1892, Becker Brewing and Malting Company Records, Special Collections & Archives, Merrill-Cazier Library, Utah State University, Cain Collection 31, Miscellaneous. Citations with “Miscellaneous” belong to the unprocessed records of the Becker Brewing and Malting Company at Utah State University Special Collections and Archives. See also Newspaper Article, 1892, Gustav Lorenz Becker Photo Collection, Special Collections & Archives, Merrill-Cazier Library, Utah State University, PO_361, Box 4, Fd 3.
inability of the company to pay its bills and wrote to Gustav about its frustration, warning him that “the water tax on your premises is now long past due and unless the same is paid on or before the 23 inst., the water supply will be shut off.”

While some of the fiscal and operational difficulties resulted from the erratic quality of the brewery’s beer and its sizable debt payments, many of the company’s financial problems derived from a public mistrust in Ogden of locally produced beers and specifically the beer produced by the new Becker Co. At the time of the companies founding many Utah citizens preferred the beer of eastern breweries, such as Anheuser-Busch or Budweiser, which came to the west on the transcontinental railroads, to the beers produced in Utah. Consequently, the Becker Brewing and Malting Company suffered from the taste preferences of locals. Owens & Reese, a liquor company in Malad, Idaho, noted in a letter to Gustav that they “had sutch [sic] bad luck with your last two shipments of beer we were compelled to make a change, we lost about 1/2 of our beer trade…the last shipment of your beer we had to through [sic] out fully 1/2 of it.”

In response to the public demand for eastern beers in Utah, Gustav became an outspoken advocate of buying locally produced goods and beer, claiming that the purchase of commodities from outside of Utah weakened the local economy and prevented local job growth. He, along with his brother Albert, traveled throughout Utah to espouse the superiority of Becker beers to eastern beers and detail the contributions of the brewery to the Utah economy. Ironically, due to the slow sales growth of Becker beers in the 1890s, the Becker Brewing and Malting Company

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4 William Adamson, Bear River Irrigation and Ogden Water Works Co., Ogden, Utah to the Becker Brewing and Malting Company, Ogden, Utah, September 20, 1898, Caine Coll 31, Series IV, Box 1.
6 Owens & Reese, Dealers in Fine Liquor & Cigars, Malad, Idaho to the Becker Brewing Company, Ogden, UT, August 4, 1899, Caine Coll 31, Miscellaneous.
became the lead agent in Utah for the Anheuser-Busch Company in 1896, an eastern brewing company based out of St. Louis, Missouri.\(^8\)

After several years of difficulty in Utah, the Becker Brewing and Malting Company overcame its sales setbacks and rose to prominence as one of the largest breweries in the region. The company achieved this prominence through several means, which included an intensive marketing campaign in the region, a focus on improving the quality of Becker beers, and through the expansion of its sales territory. The account ledgers of the 1890s show that Gustav, Albert, and the company sales agents frequently traveled throughout Utah and surrounding states to market their beer. The company also improved the quality of beer while solidifying family ownership of the company by appointing Albert as its brewmaster. In 1903 the Becker Brewing and Malting Company centralized its operations and reformed its finances by re-incorporating itself under the same name.

By 1905, the relentless efforts of the Becker Co.to enlarge its presence in Utah resulted in a dramatic increase in profits as well as the expansion of its sales territory to include Utah, Idaho, Montana, Wyoming, Nevada, California, Colorado and Washington. In that same year the company completely demolished its Ogden brewery and built a modernized two story brewery in its place to increase production capacity, begin ice manufacture, and ensure the highest quality of Becker beers.\(^9\) It also increased its operational efficiency and enlarged its profits by using warehouses throughout the western United States as distribution centers as well as investing in Utah mining, hotel, and railroad companies.

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The meteoric growth of the company continued unabated until 1917, when the state of Utah passed prohibition legislation forbidding the sale and consumption of alcohol within the states borders. National Prohibition in 1920 furthered the company’s problems, requiring a dramatic change of its operations in order to exist. An analysis of the Becker Brewing and Malting Company’s experience with prohibition will be discussed in greater detail later, but it is important to note that the company survived the Prohibition Era of the twentieth century through its production of flavored sodas, non-alcoholic malted beverages, and ice. It is also important to note that the Becker Brewing and Malting Company built a brewery in Evanston, Wyoming after Utah passed state prohibition, and that the Ogden brewery changed its named to the Becker Manufacturing Company, and later the Becker Products Company.

The Great Depression and the rising crime levels which accompanied prohibition eventually led to the repeal of national prohibition in 1933, but Gustav and Albert recognized even before the final repeal vote that national prohibition neared defeat and formed a new company, the Becker Brewing and Malting Company, under Delaware incorporation laws. Though the new company existed under Delaware incorporation laws, it hosted its offices and production from the previously closed brewery in Evanston, Wyoming. The Becker’s incorporated the new company in Delaware, rather than just renaming the Ogden based Becker Products Company and centering all operations in Utah, for two reasons. First, Delaware provided fewer business regulations, low corporate taxes, and easier incorporation policies than most other states. Second, Utah maintained prohibition on the consumption of alcohol within the state after the repeal of national prohibition, and ended state prohibition only after a heated debate. After Utah officially ended state prohibition in 1934, it only allowed beers with 3.2

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percent alcohol content. Gustav and Albert designated the Evanston brewery to produce stronger beers with higher alcohol content for clients outside Utah, while the Ogden brewery produced the 3.2 percent beers and continued to turn out the non-alcoholic beverages it previously manufactured during prohibition for Utah. Though each company legally existed as a separate entity, they both operated under the same leadership and regularly transferred funds to each other. They were known collectively by the public as the Becker Brewing and Malting Company and any reference to them in this paper after 1933 will consider both as one.

As a result of the many financial and commercial challenges of prohibition, only two Utah breweries managed to remain in operation to see its end, the Becker Brewing and Malting Company and the Fisher Brewing Company. In the absence of other regional competitors both companies achieved unprecedented profits and dominated the area beer production for over a decade. This advantage disappeared in the 1950s when large corporate breweries, such as Coors, Anheuser-Busch, and Miller, vigorously expanded their marketed territory to dominate brewing throughout the United States. These national companies utilized the growing popularity of standardized, purportedly trustworthy national products as their ability to provide beer at cheaper prices, to undercut the Becker and Fisher brands as the beers of choice and replace them with their own products. The competition presented by the rapidly growing national brands worried the Becker Co. Board of Directors, who complained that the “intermountain territory was being made a dumping ground for breweries east and west who obtain higher prices in their home territory than for their beer is sold in our territory.”

The Becker Co. struggled to keep up with the massive televised marketing campaigns of the national breweries and the changed nature of alcohol consumption from bottled beer in bars

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11 Minutes of Special Meeting of Board of Directors of Becker Brewing & Malting Company, December 29, 1936, Caine Coll 31, Series III, Box 8, Bound Ledger.
and hotels to canned beer bought from grocery stores and wholesale retailers. The Becker Co.
tried to adapt to the changed beer market by installing a canned beer line, marketing to local
grocers, and through the use of television advertising.\textsuperscript{12} Despite these efforts, the company could
not compete with the resources of the national breweries and suffered crippling sales losses.
After the death of Gustav Becker in 1947 and his brother Albert in 1961, the remaining corporate
officers and Becker family shareholders concluded that the Becker Brewing and Malting
Company should be dissolved.

Throughout its history, the Becker Co. retained many elements of the traditional cross-
generational family brewery. Gustav and Albert’s father, John Becker, emigrated to the United
States from Germany as a teenager and entered the brewing trade at an early age. He later formed
the Becker & Schellhas Brewing Company and employed his children in order to learn the
brewing trade. His sons Gustav and Albert both traveled to different places in the eastern United
States to learn more about brewing. Albert continued his training at the American Brewing
Academy in Chicago, Illinois and worked at the Seipp Brewing Company in Chicago for four
years.\textsuperscript{13} When Gustav and his father John incorporated the Becker Brewing and Malting
Company in 1892, they intended the company to remain as the exclusive domain of the Becker
family and carefully controlled outsider entrance into administrative positions. Gustav, Albert,
and several of their children held the majority of administrative positions in the company. The
company also hired in-laws into key managerial positions, including C.E. Bohn, brother of
Gustav’s wife Thekla, and Dr. Arthur Perkins, husband of Katherine Becker. The historian Peter
Mathias, in his work \textit{The Brewing Industry in England, 1700-1830}, revealed that this dynastic

\textsuperscript{12} Minutes of Special Meeting of Board of Directors of the Becker Brewing & Malting Company, October 21, 1949,
Caine Coll 31, Series III, Box 8, Bound Ledger.
\textsuperscript{13} “The Becker Brewing and Malting Company,” \textit{Ogden Standard Examiner}, December 21, 1901, Utah Digital
structure commonly occurred throughout brewing history and noted that “in no industry was this
family continuity in ownership and control more marked than in brewing; and in none has it been
more tenacious, whether one looks at Great Britain, the continent of Europe, or North
America.”14

With the emergence of dynastic breweries, the brewing family’s importance in the
community grew as a result of family wealth and the breweries’ contributions to the local
economy. By 1905, the Becker family held substantial social and political power in Utah.
Gustav, Albert, and other family members regularly corresponded with United States senators,
state representatives, nationally prominent businessmen, and religious leaders. The Becker
family regularly donated to charities such as the War Orphans Fund following World War I.
They also hosted many social and charity events either at their homes or at the Becker brewery
and became one of the most influential social influences in the Ogden area. The Becker family
also served in important political and business leadership capacities. Albert represented the
Weber District in the Utah Legislature from 1928 to 1930. He later served on the Ogden
Chamber of Commerce and became a prominent figure in Utah mining development.15 Gustav
served in many business leadership capacities, including President of the United States Brewers
Association, Director of the Amalgamated Sugar Company, and as a Director of the Ogden State
Bank.

Gustav and the Becker family developed close friendships with the leadership of the
Church of Jesus Christ of Latter-day Saints, though they were active members of the
Congregationalist Church. Gustav hosted the seventy-third birthday for the First Counselor of the
Church of Jesus Christ of Latter-day Saints, Anthony W. Ivins, at his home. He frequently sent

15 “Yearly Publication, Supplement,” Utah Press Association, Gustav Lorenz Becker Photo Collection, PO_361,
Box 7, Scrapbook.
gifts to LDS leaders and the church, including an arrangement of roses for display at the faiths General Conference as a sign of friendship. At Gustav’s funeral in 1947, David O. McKay, the acting President of the church at the time, gave one of the main speeches and highlighted the friendship that existed for many years between his church, its leaders, and the Becker family.

With this contextual information on both the company and the Becker family, it is now important to address the history of labor of the Becker Brewing and Malting Company. During the first half of the twentieth century, the company became one of the largest employers in Utah and the Great Basin region, boasting a worker population over a hundred and fifty wage laborers in its breweries and a sizable number of corporate administrators, managers, and sales agents. While the company did not retain detailed records on each individual, the existing industrial commission reports, census forms, correspondence, payroll records, and minutes of the Board of Directors meetings offer remarkable clarity into the labor structure, worker demographics, and the division of labor within the Becker Brewing and Malting Company.

At the top of the organizational structure the executives of the Becker Co. included Gustav, Albert, and several other officers, guided the strategic operations of the company, lobbied legislators, corresponded with suppliers and noteworthy clients, and determined corporate policies. For the majority of the company’s history, Gustav acted as the President, General Manager, and majority shareholder, with Albert as his Vice-President and the company brewmaster. Gustav acted as the public face of the company, traveling frequently throughout the United States to participate in business conventions, participate in shooting competitions and participate in shooting competitions and

16 G.L. Becker to Heber J. Grant, Anthony J. Ivins, Charles W. Nibley, First Presidency, Church of Jesus Christ of Latter-day Saints, Salt Lake City, Utah, April 6, 1930, Gustav Lorenz Becker Photo Collection, PO_361, Box 2, Scrapbook.
17 Newspaper Article, Ogden Standard Examiner, Gustav Lorenz Becker Photo Collection, PO_361, Box 2, Scrapbook.
host charity events. Since Gustav frequently traveled on goodwill tours and business circuits, much of the day-to-day operations rested on Albert. When Gustav died in 1947, his son-in-law, Dr. Arthur Perkins, served as President and General Manager with Albert remaining as the Vice-President and brewmaster. After several years under these leadership conditions, Albert and his children acquired the ownership rights held by Dr. Arthur Perkins and Gustav’s surviving children and took over the key leadership positions in the company. Albert replaced Perkins as the President and General Manager, where he served until his own death in 1961.19

The Becker Co. compensated its corporate officers and managers through annual salaries and the distribution of company and external stock benefits. According to the company’s accounting ledgers, in the 1890s Gustav received an average base salary of $140 a month, Albert $100 a month and the local managers between $50 and $60 a month.20 When the Becker Brewing and Malting Company expanded and its profits increased after 1900, the company regularly increased their salaries. By 1914, the Census of Manufactures for the Department of Commerce reported that the Becker Brewing and Malting Company paid an annual salary of $14,200 to its three corporate officers (about $400 a month) and $8940 to the four managers (about $190 a month).21 In addition to their base salaries, Gustav, Albert, and the company officers received substantial dividends from their shares of company stock as well as outside investments in the Amalgamated Sugar Company, the Hotel Bigelow Company, and various mining enterprises. This investment income often surpassed their regular salaries and provided the basis for much of the Becker family wealth.

19 “Minutes of Special Meeting of Board of Directors of the Becker Brewing & Malting Company,” December 13, 1962, Caine Coll 31, Series III, Box 8, Bound Ledger.
20 “Yearly Statement,” Becker Brewing and Malting Company, Ogden, Utah, June 1894, Caine Coll 31, Series III, Box 6, Fd 8.
Wage laborers served an equally important role in the operations of the company. During the first decade of operations the company required few workers, employing only between ten and twenty regular wage laborers. These laborers worked in a variety of capacities including bottlers, drivers, ice house laborers, and brewing assistants. When the company needed additional labor performed during periods of increased production in the summer, managers hired temporary workers to meet their needs. The historian Peter Mathias concluded that this tendency to employ few laborers commonly occurred throughout the history of brewing, and though the brewing played an important role in the economic structure of countries, it “was no great employer of labour” as it required considerably fewer workers than industries such as agriculture or textile factories.\textsuperscript{22} Since the company only infrequently needed skilled laborers, it outsourced much of its specialized work, such as carpentry, masonry, cooperage, and equipment repairs on a piecework basis.

As the company expanded in the early twentieth century, it began mass-distributing beer throughout the western United States through railroads. This mass-distribution process required greater numbers of workers than needed previously and altered the brewing labor pattern described by Mathias. While breweries continued to employ far fewer employees than agricultural or other labor intensive industries, they served an important role in providing employment in the various communities. The importance of brewery employment especially affected smaller communities such as Ogden, where the centralization of the main distribution center for the Becker Brewing and Malting Company in the city resulted in the direct employment of over one hundred and fifty workers for many years. The construction of an ice house, a malt house, and storage facilities along with the supporting specialized workers brought

\textsuperscript{22} Mathias, 37.
significant employment and investment capital into Ogden and other areas in which the company operated.

The Industrial Commission Reports of the Becker Co. offer substantial information on the constitution of wage laborers in the company. These reports indicate that all of the workers were male and averaged thirty-four years of age. They also show that the company workers were evenly divided between married and single men as well as foreign and American born laborers. These workers received an average base hourly wage, which increased based on length of employment, skill level, and the type of work done. In addition to the hourly wage, the company paid its employees regular bonuses. These benefits usually consisted of cash, such as the five dollar gold piece the company gave at Christmas in 1917, though they sometimes involved alternate forms of compensation such as the $50 company bond it gave to employees in 1943. In addition to these bonuses, the company often paid for the medical care of its employees and extended personal loans. In 1943 the company formalized its benefits program and provided free nursing services and life insurance to all employees. These bonuses and benefits reinforced worker loyalty to the company and supplemented regular wages.

As the number of brewery workers increased in the twentieth century, the workers concluded that the best way to increase their bargaining power with the Becker Co. was through the formation of a local labor union. The United Brewery Workers accepted the Becker employees application to unionize and they formed Local Union 325. The Becker Brewing and Malting Company generally maintained cordial relations with the labor union and often paid for the union’s annual outing. When the labor union went on strike, the negotiators usually came to an agreement within a few days and operations at the brewery resumed. In one instance, the labor

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23 “Minutes of Special Meeting of Board of Directors of the Becker Brewing & Malting Company,” April 7, 1943, Caine Coll 31, Series III, Box 8, Bound Ledger.
union struck in protest of the firing of two union employees for their poor work performance. The company managers concluded that the monetary losses of the strike surpassed those of retaining the two fired employees and agreed to reinstate them in exchange for the cancellation of the strike.25

In order to sell their beer, the Becker Co. relied on local sales agents. When the company began operations in 1892, Gustav and Albert traveled throughout Utah to market their Becker beer. They soon found that hiring local residents to act as sales agents proved to be the best way to sell products in the various communities. They divided up their market territory into several sales areas and assigned each agent to their own area who acted as authorized representatives of the company. As a part of their duties the agents solicited orders from individuals and businesses, ensured timely delivery of shipments, and collected payments from customers. They also corresponded with the company about local conditions, the current political atmosphere in the region, and the creditworthiness of customers. In one letter, an agent in Logan, Utah, notified the company that one of their customers, “A.B. Richardson is in jail for bootlegging” and that there were few sales to report in Cache Valley since there was “no work in these towns and not much money.”26 The company paid these agents regular salaries and reimbursed them for expenses incurred during their travels.27

Over its history, no event influenced the Becker Co. and its workers as much as Prohibition. Temperance movements began as early as the seventeenth century with the purpose to oppose the consumption of spirits in the Americas. By the early twentieth century, these temperance movements, guided by Christian women’s organizations and religious leaders,

27 Travel Agent Expense Book, 1914, Caine Coll 31, Series I, Box 27.
gained immense public support and actively campaigned for a national prohibition amendment, banning all alcoholic beverages. These prohibitionists began a crusade to ruin the reputation of breweries and distilleries while endeavoring to build widespread public support in the states for prohibition. These prohibitionists threatened politicians in the states that if they did not support prohibition legislation, they would not be re-elected.28 Breweries throughout the United States sought to counter these developments and vigorously opposed the prohibition movement, spending vast quantities of money in advertising and political lobbying.

This struggle between prohibitionist “drys” and anti-prohibitionist “wets” deeply affected Utah in the twentieth century. Miners, hotel owners, bar workers, and breweries vehemently opposed prohibition in Utah, while powerful religious organizations such as the LDS Church and the Women’s Christian Temperance Union fought for its implementation. The Becker Brewing and Malting Company energetically advocated against prohibition in Utah, pouring substantial amounts of company resources into the fight to prevent it.

One way the company opposed prohibition was through a concerted advertising campaign. This campaign documented the economic benefits of breweries in Utah in an attempt to counter the arguments of prohibitionists who claimed that the end of alcohol consumption would solve many of the economic and social problems of the country. The company advertised its message through a variety of media, including public speeches, rallies, radio broadcasts, pamphlets, and newspaper articles. While the company and other “wets” instigated their advertising campaign, the breweries also attempted to convince politicians that it was in their best interest to oppose prohibition. The Becker Brewing and Malting Company gave frequent tours to politicians, including Governor Bamberger, and provided many of them with free shipments of beer as an incentive for supporting their cause. In one such tour the company

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hosted “nearly all the senators at Salt Lake” to demonstrate the importance of their brewery to
the state economy.29

Gustav testified several times to the Utah legislature about the value of his brewery's
contributions to the state. The company kept close surveillance on the prohibition debate in the
Utah House of Representatives and Senate to monitor developments. In 1915, C.E. Bohn wrote
to Alfred Becker that “there has been considerable scrapping between the drys and wets, and I
heard from Barlow Wilson a little while ago that they were pretty hard at it this afternoon…One
day we think we won’t be in business but a short time, and possibly by the next day conditions
will have changed so that we think there is still a show.”30

Despite the efforts of the Becker Cco. and other “wet” organizations, the prohibitionist
movement gathered substantial public support in Utah and influenced many of the states
politicians to support their cause. Many cities in Utah, such as Salt Lake, Logan, Ephraim, and
Mt. Pleasant, passed prohibition ordinances between 1914 and 1916, forbidding the
advertisement, sale, and consumption of liquor.31 The state government soon followed the
example of its cities and passed prohibition legislation, which Governor Bamberger signed into
law on February 8, 1917, making it illegal to advertise, transport, sell, or consume alcohol in
Utah after July 31, 1917.32 The Becker Brewing and Malting Company prepared itself for the
implementation of state prohibition by building a new brewery in Evanston, Wyoming, and
retooling its Ogden brewery for other products.

29 CEB H. to A.E. Becker, Los Angeles, California, March 5, 1915, Caine Coll 31, Series III, Box 1, Fd 2.
30 Ibid.
31 Hubbard Publicity Company, Salt Lake City, Utah to Becker Brewing and Malting Company, March 1914, Caine
Coll 31, Series I, Box 1, Fd 50.
32 Helen Summer Papanikolas, “Bootlegging in Zion: Making and Selling the ‘Good Stuff,’” Utah Historical
Rather than let the Ogden brewery sit unused, the company undertook a major retooling of the Ogden brewery to shift their production lines to a non-alcoholic malt beverage called “Becco,” flavored sodas, ginger ale, and apple cider. The company started production of “Becco” as early as 1914 to ship to “dry” towns and states, but after the retooling it engaged in a larger scale of production. While most other breweries in Utah failed during Prohibition, the Becker Co. managed to reap sizable profits through its production of non-alcoholic beverages. The lack of competing companies and the demand for alternatives to beer provided a receptive market for its beverages.

The new Evanston brewery needed a new corporate charter to authorize the production of beer in Wyoming. In 1917, Gustav and Albert incorporated a new company in Wyoming, the Becker Brewing and Malting Company, and transferred the ownership of the Evanston brewery and equipment to the new company. Both companies maintained the same organizational structure and leadership, co-existing as a singular entity. Gustav and Albert assured customers that the companies were the same as the original Becker Brewing and Malting Company and that the “Becker Brewing & Malting Co. at Evanston, Wyoming, is really a branch of the Becker Manufacturing Co.”

The debate in Utah over state prohibition existed as a microcosm of a larger narrative about the passage of a national Prohibition amendment. Prohibitionists lobbied members of the federal government unceasingly. In December of 1913, five thousand “drys” paraded through Washington D.C. and called for a national Prohibition amendment by 1920. When the United States entered World War I, prohibitionists took advantage of the national patriotic zeal to

33 “Shipping Order,” Becker Products Company, Caine Coll 31, Series III, Box 1, Fd 2.
35 Cohen, 34.
further their cause, arguing that the production of beer and other liquors took away grains and other resources needed for the war effort. In a letter to President Woodrow Wilson in 1917, Irving Fisher, an economist from Yale University, argued that since “it will be many months before we can train, equip and send troops to the fighting line to which we owe our present safety” that the United States could “be of greatest help to our Allies in the matter of food-supply…It is not common sense that grain should be made into liquor when the world is hungry for bread.”

The arguments of Fisher and others convinced President Wilson to place limitations on the amount of raw materials breweries could use and raise taxes on alcoholic beverages. Wilson issued a Presidential Proclamation in 1917, which declared that “the total amount of material used in the production of malt liquor beginning January 1st, 1918 must not exceed 70% of the amount used for the year beginning January 1st, 1917 and ending December 31, 1917” and that “the alcoholic contents of malt liquor must not exceed 2 3/4 % of alcohol by weight.”

Prohibitionists harnessed the residual patriotic fervor which followed the war and its accompanying anti-German sentiment and combined it with existing public support for Prohibition to pass the Eighteenth Amendment, implementing national prohibition, in 1919. The Eighteenth Amendment, empowered by the regulatory provisions of the Volstead Act, went into full effect on January 1, 1920.

In response to passage of the national Prohibition amendment, the Becker Brewing and Malting Company ceased all brewing operations at its Evanston plant in 1919. Since the Becker family no longer needed a separate corporation to continue its brewing operations, they dissolved

36 Irving Fisher, Professor of Economics, Yale University, President of the Committee of Sixty for Wartime Prohibition to the President of the United States, May 2, 1917, Caine Coll 31, Series III, Box 1, Fd 40.
37 G.L. Becker to Mr. C.E. Bohn, Evanston, Wyoming, December 18, 1917, Caine 31, Series I, Box I, Fd 57.
38 Cohen, 7.
the Becker Brewing and Malting Company in April 1919. Gustav acquired all the company’s assets and held them in trust until such a time as prohibition ended.\textsuperscript{39} The Becker Manufacturing Company also dissolved and re-incorporated as the Becker Products Company in 1924 in order to increase stock capitalization and represent the company as a new prohibition-mindful business.\textsuperscript{40} To compensate for the loss of the beer sales with the closure of the Evanston brewery, the Becker Products Company increased its production of “Becco” and flavored sodas. The company soon reached “a capacity of 75,000 barrels per annum” of “Becco” or “a bottle of Becco every second.”\textsuperscript{41}

Gustav, Albert, and others of the Becker Products Company maintained their fight against prohibition even after the passage of the Eighteenth Amendment. The Ogden brewing labor union sent multiple petitions to the government and Gustav frequently spoke at American Legion gatherings throughout the United States, asserting that the government betrayed the soldiers of World War I by moving prohibition laws forward while American troops fought in Europe. He also corresponded with the different presidents of the United States, appealing “for the restoration of rights (personal and property) unjustly confiscated thru the arbitrary classification of beer in the Volstead Act as an ‘intoxicating liquor.’”\textsuperscript{42}

In public gatherings and legislative hearings the Becker Products Company presented statistics on the effect of prohibition on crime to demonstrate that Prohibition put a financial strain on government resources and increased public drunkenness and drunken driving rather than reduce it. For example, the gathered statistics showed that in 1923 the Secretary of the

\textsuperscript{41} Becker Products Company, “A Little Journey Through the Home of Becco,” Caine Coll 31, Miscellaneous.
\textsuperscript{42} G.L. Becker to President Calvin Coolidge, President of the United States, Washington, D.C., November 1925, Gustav Lorenz Becker Photo Collection, PO_361, Box 2, Scrapbook.
Treasury requested $28.5 million to enforce prohibition.⁴³ A few years later, the Treasury Department estimated that it would cost the federal government over $300 million to enforce Prohibition, which did not account for the funds and resources states would have to contribute.⁴⁴

Gustav and his anti-prohibition allies also presented statistics which showed that prohibition increased criminal activity in Utah and throughout the United States. Though Utah did not have the organized gangs that emerged in the urban centers in the East and West, Utah housewives and businessmen secretly brewed vast quantities of illegal liquors in their homes and in warehouses. Between 1923 and 1932, federal agents uncovered 448 distilleries, 702 stills, 47,000 gallons of alcoholic drinks, and over 332,000 gallons of mash in Utah.⁴⁵ Even Utah politicians who outwardly supported Prohibition engaged in the illegal liquor trade. Harry Josesby wrote to Gustav Becker that during the annual Republican Utah State Convention that “some of those dry fellows adjourned to a beer bootlegging joint like in town immediately after the convention.”⁴⁶

When the Great Depression hit its full stride in the 1930s, the high cost of enforcing Prohibition and the public weariness with strict liquor laws resulted in a widespread public call to nullify the Eighteenth Amendment. In 1933, President Franklin Roosevelt and the United States Congress modified the Volstead Act to permit the sale of 3.2 percent beer while the citizens in the various states debated the repeal of national Prohibition. After its passage in Congress and state ratification conventions, on December 5, 1933, President Franklin Roosevelt signed into law the Twenty-First Amendment, officially ending national Prohibition.

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⁴⁴ Cohen, 41.
⁴⁵ Papanikolas, 176.
⁴⁶ Harry S. Josesby, Salt Lake City, Utah to Gus Becker, November 16, 1931, Gustav Lorenz Becker Photo Collection, PO_361, Box 2, Scrapbook.
Although Utah ratified the Twenty-First Amendment in its own ratification convention, state prohibition laws continued to forbid the sale and consumption of alcohol in Utah. Many religious and civic organizations opposed the repeal of state prohibition and worked hard to prevent it. The state government badly needed the tax revenue provided by breweries as well as the jobs which the breweries would bring. On June 26, 1933 the state legislature passed the Huggins beer bill into law, which allowed breweries in Utah to produce beer and export it for consumption outside the state. Following the bill’s passage, the Becker Products Company restarted beer production in Ogden and exported their beer to Wyoming, Nevada, and other wet states. By July 1933, the company exported large amounts of beer and paid more than two hundred dollars a day in state taxes.\footnote{“State Tax Commission Coffers Get $239,985,” \textit{Salt Lake Telegram}, July 15, 1933, Utah Digital Newspapers (accessed August 19, 2012).} Utah eventually ended its own prohibition laws in 1934, but only allowed 3.2 percent liquor to be sold in the state under strict regulatory supervision. Since Utah laws prevented the Becker Ogden brewery from producing stronger beers allowed in other states, the corporate officers incorporated a new company, the Becker Brewing and Malting Company, in Delaware and gave it control over the Evanston, Wyoming brewery.

If this history of prohibition tells us anything, it is that the Becker Co. existed in a complex world of business and state regulation that required flexibility and innovation to survive. This multifaceted world involved political dynamics such as those seen in prohibition, but it also relied on sophisticated systems of finance. Though the basic labors of the brewery workmen remained fairly consistent over the years, the financial prosperity of the company was tied to the ebbs and flows of raw material costs, consumer demand, and financial markets. The ability of the Becker Brewing and Malting Company to successfully compete with other
breweries lay as much in controlling costs, efficiently marketing, and the ability to raise large amounts of investment capital in the financial markets as it did in the quality of beer it produced.

Until the advent of the mass-marketing of beer in the 1940s, the Becker Brewing and Malting Company and other breweries in Utah conducted business through numerous, small transactions. Peter Mathias stressed that it was “in the nature of the brewer’s trade,” in Europe and North America, to participate in trade through these numerous, small transactions. Bars, hotels, drug stores, and other retailers only bought enough beer from the Becker brewery to last a few months, both to prevent their beer stock from going bad and to ensure they held enough cash to maintain operations.

The Becker Brewing and Malting Company frequently extended credit to businesses and individuals to expand sales and ensure capital liquidity both for their customers. Once these creditors received their shipments of beer, they sold the beer to their own customers and paid back their debts to the Becker Brewing and Malting Company with their returns. As the company expanded, it hired credit agencies to investigate the debts, assets and reputation of business owners in order to determine their creditworthiness. For example, in one report the Mercantile Credit Agency notified the Becker Brewing and Malting Company that James Hall of Dempsey, Idaho “has not been engaged in business very long, and not much seems to be known in relation to his finances…His personal standing is understood to be rather unfavorable…authorities are disposed to consider him unreliable, and unworthy of credit.”

The company followed a specific operating procedure when conducting business transactions. A customer first submitted an order either through a sales agent or directly with the brewery, after which the company would either put the cost on the customers credit tab or

48 Mathias, 28.
49 The Mercantile Agency, R.G. Dun & Co. to the Becker Brewing & Malting Company, August 20, 1898, Caine Coll 31, Series III, Box 6, Fd 5.
request cash payment. The company shipped the beer and requested that customers notify them upon its receipt. If the customer returned the used bottles, the company placed a small credit on the customers account to be added onto the next order.

The Becker Brewing and Malting Company required a substantial amount of money in order to pay for brewing grains, taxes, equipment repairs, transportation, advertising, and labor necessary for operations. The company paid a large sum of money each year in federal, state, and local taxes. The federal government considered beer a luxury product and required breweries to pay higher corporate taxes than other consumer goods. In addition to yearly corporate taxes, the federal government required breweries to buy revenue stamps from the Internal Revenue Service and place them on barrels of beer. Breweries bought these revenue stamps based on a tiered fee schedule, where the purchase of a large amount of stamps in one transaction meant a lower cost per stamp to the brewery.

The paradox of this system is that the larger breweries, which sold considerable amounts of beer, paid far less than small regional breweries for each stamp. When the Becker Brewing and Malting Company began operations in the 1890s it struggled to achieve significant sales of its beer in the local community. The cost of revenue stamps, around two hundred dollars a month for its first few years, compounded the already significant financial difficulties of the company. Ironically, as the company grew in the twentieth century, revenue stamps figured as a much smaller cost influence in the company account books and rarely appeared in ledgers after 1900 as the distinct category seen in the 1890s.\(^50\)

\(^{50}\) Statement of Becker Brewing and Malting Co., Ogden, Utah, June 1, 1893, Caine Coll 31, Miscellaneous; Quarterly Statement of Becker Brewing and Malting Co., Ogden, Utah, September 1, 1894, Caine Coll 31, Miscellaneous; Quarterly Statement of Becker Brewing and Malting Co., Ogden, Utah, November 1, 1893, Caine Coll 31, Miscellaneous.
Breweries also paid a variety of state and local taxes and fees in the areas they operated, including liquor licenses to the states and counties in which they sold their beer. The Becker Brewing and Malting Company operated warehouses and saloons in Nevada, Wyoming, Idaho, and Utah, and paid a multitude of taxes to both the cities and the states in which they operated. The company reported that in 1893 it paid approximately $2360 total taxes. By 1914, the Department of Commerce reported that the level of total taxes increased slightly to $3353.07, a surprising statistic since the company rapidly grew and sales increased by more than thirteen times over those twenty years. The Becker Brewing and Malting Company reduced their tax costs even while expanding across the western United States. The cost of taxes greatly increased though during World War I and World War II, as the federal government required considerable money to fund its war effort. In 1944, the Becker Brewing and Malting Company reported net earnings before taxes of $44,594 and taxes of $25,163, resulting in net revenue after taxes of $19,431. Based on these figures, the company paid over fifty-six percent of its revenues in taxes in 1944. After World War II the tax rates for the company gradually decreased, but they continued to deeply affect the financial circumstances of the company.

Federal taxes on products used in the production process also affected breweries and forced breweries to increase prices charged for beer. For example, in October 1917, the Becker Manufacturing Company notified customers that the United States government implemented “a tax of 5¢ per pound on carbonic acid gas” and as a result “we are compelled to raise prices.” Because of this increased tax on carbonic acid gas, the company raised the price of draught beer

51 “Brewers Liquor License, the City of Ogden,” March 1, 1898, Caine Coll 31, Miscellaneous.
53 Minutes of Board of Directors of the Becker Brewing and Malting Company, April 7, 1947, Caine Coll 31, Series III, Box 8, Bound Ledger. These figures only include the Becker Brewing and Malting Company and do not include the tax figures of the Becker Products Company which operated out of Ogden, Utah.
54 Notice from Becker Manufacturing Company, October 8, 1917, Caine Coll 31, Series III, Box 1.
and “Becco” by fifty cents and the price of their bottled beer by twenty cents for six and ten dozen lots.

Another important factor in the financial health of the company was the cost of labor. When the company began operations in 1892, it employed only a few full time brewery workers. Because of the small size of the workforce in the 1890s, the company paid around $500 a month in labor costs.\(^55\) As the company expanded its operations in the early twentieth century, the amount of money it paid for individual wages increased. According to payroll records the company paid over $41,000 in wages in 1912.\(^56\) By 1914 it spent over $7500 a month ($90,000 a year) and employed over a hundred workers. The cost of labor continued to grow over the next forty years, accelerating dramatically with the economic boom following World War II.

In the 1950s proceeds from the company’s sales proceeds could not match the rising cost of labor and the Board of Directors became concerned that increased labor costs would result in the company’s demise. The company renegotiated labor contracts several times in an attempt to reduce the impact of labor costs on profitability. As the company struggled to pay for labor, it could not pay a competitive wage in comparison with national breweries and the military industries of Utah. Consequently, the rising cost of labor and worker desertion contributed to the collapse of the company in the 1960s.\(^57\)

One of the major costs of operations for the company was the capital required for brewing grains and other raw materials to produce its beers. When the company started brewing operations in the 1890s, the company only needed a small amount of brewing grains. In the

\(^{55}\) Statements of Becker Brewing and Malting Co., Ogden, Utah, June 1, 1893 – August 1894, Caine Coll 31, Miscellaneous.

\(^{56}\) Anderson Insurance Agency, Salt Lake City, Utah to Becker Brewing and Malting Company, September 4, 1913, Caine Coll 31, Series III, Box 2, Fd 25.

1890s the company spent on average four hundred dollars a month on grains, fuel, and other raw materials. This amount per month varied based on the time of year, as the company increased production in the summer and brewed smaller amounts of beer in the winter. For example, in September 1893, the company spent over eight hundred and fifty dollars in raw materials that month, while in March 1894, it spent only eighty eight dollars. As the company grew in the twentieth century, it purchased greater amounts of brewing grains and other raw materials. By 1914, the Becker Co. reported using approximately $100,000 worth of raw materials and fuel each year to operate its facilities. As the twentieth century progressed the price of raw materials increased and became a strain on company finances. National breweries and other large-scale industries purchased large amounts of materials at a contracted discount, thus raising the demand and price for brewing materials. The smaller regional breweries, including the Becker Brewing and Malting Company, suffered from this rise in demand and struggled to pay the elevated prices.

In order to finance expansion projects, purchase raw materials, and retain sufficient capital during periods of fiscal crisis, the Becker Brewing and Malting Company borrowed a substantial amount of money in loans and issued company stock to select private investors.

When the company originally began operations as the Schellhas Brewing Company in 1890, it funded construction of its Ogden brewery and acquired the needed start-up capital through a series of loans and stock issues it sold to business associates in Minnesota and the Midwest. When Gustav acquired the controlling interest in the company and renamed it the Becker Brewing and Malting Company, he also acquired the previous debts and stock obligations. Since

58 Yearly Statement of Becker Brewing and Malting Co., Ogden, Utah, September 1, 1894, Caine Coll 31, Miscellaneous.
Gustav wanted to update the company’s equipment and expand the brewery buildings, he convinced many of the company’s original investors to purchase more stock and extend more loans to the company.

By September 1894, the Becker Brewing and Malting Company recorded outstanding capital stock of $31,900 and outside loans equaling $11,150. The company though experienced difficulty selling sufficient amounts of beer in Utah and only recorded $12,686 in sales for 1894, which resulted in a net loss of $454.67 after calculating operating costs. As a result of the sales difficulties the company neglected the payment of dividends on its capital stock and repeatedly delayed paying on debt principals. This action upset many of the outside investors from Minnesota, who pressured Gustav and other company officers to pay the promised dividends on their company stock and repay outstanding debts. During this time Albert notified Gustav that George Crise, one of the major investors of the company, “is very much disappointed and says he cannot see that if the business cannot pay the interest on 12000 [company debt] how it is possible to pay dividend even if out of debt…he does not seem willing to take more stock.”

At the end of the nineteenth century the Becker Brewing and Malting Company gradually increased the quantity of its beer sales in Utah and the surrounding region, swinging the company proceeds from annual losses to annual profits. The company used much of this profit to pay off its loans, ridding itself of most of them by 1900. Around this time, Gustav and Albert decided to reincorporate the Becker Brewing and Malting Company under the same name in 1903 to reorganize the company organizational structure and rid itself of the vexing stockholders. The newly incorporated company solidified ownership in the Becker family and only allowed a few outside shareholders to obtain shares of the company common capital stock. Out of the one

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61 “September 1, 1894, Assets & Liabilities,” Caine Coll 31, Miscellaneous.
63 Albert Becker, Park City, Utah to Gus Becker, April 22, 1896, Caine Coll 31, Series IV, Box 1, Fd 42.
thousand outstanding shares of company capital stock valued at $50,000, the Becker family retained seven hundred and ninety-three of the shares. This ownership of shares gave the Becker family a substantial majority in voting during stockholder meetings and ensured family leadership succession in the company.

Throughout its history, the company never became a publicly traded company. Rather, the Becker family retained the majority of stock ownership until the dissolution of the company in the 1960s. Whenever a revision of the corporate charter authorized an increase in capital stock, the Becker family purchased most of the shares to ensure their majority ownership. In 1962, the year the company dissolved, records show that the Becker family members owned all of the six hundred outstanding shares of the company’s common capital stock. Through the limited liability provisions of formal incorporation, the Becker family could only lose the value of stock and debts they owned in the company if it failed.

When the company paid dividends out of profits, the Becker’s received most of the distributed money. In addition to their company stock dividends, the Becker’s earned substantial revenue through outside investments, and when the company struggled the family would stabilize its finances either through loans or by buying more company stock. For example, in 1940 the company borrowed $80,000 from Gustav L. Becker in order to maintain operations and upgrade equipment. The inherent problem with this approach was that the Becker Brewing and Malting Company could only raise investment capital from the Becker family, a select handful of outside investors, or through commercial loans and debt securities. While the company and the

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64 “Memorandum, Becker Brewing and Malting Company,” Caine Coll 31, Miscellaneous.
67 “Minutes of Meeting of Board of Directors of the Becker Brewing and Malting Company,” April 6, 1940, Caine Coll 31, Series III, Box 8, Bound Report.
Becker family gained considerable profits during the first half of the twentieth century, the enlarged economies of scale following World War II placed Becker Co. at a competitive disadvantage. Since the Becker family wanted to maintain majority common stock ownership, the company could only raise funds equal to that which the family or a few investors had. As a result, the company took out large loans to help pay for the rising costs of labor, raw materials, and equipment upgrades. In the 1940s alone, the company borrowed close to a million dollars from various banks in Utah and Wyoming. The net earnings of the company after taxes, labor costs, and the purchase of brewing raw materials and grains, left little profit to pay off debts, distribute stock dividends, or even invest in brewery equipment modernization. 68

Larger breweries in the East and West meanwhile raised vast amounts of capital through public stock offerings, which provided funds to expand their operations throughout the United States. These companies easily outspent smaller regional breweries, pouring hundreds of thousands, if not millions, of dollars into marketing campaigns, modern facilities, and acquisition of smaller breweries throughout the United States. As a result of these competitive disadvantages, the Becker Co. lost a sizeable portion of its sales and with it the cash the company needed to operate. Over time the company’s brewing equipment became obsolete and seriously needed “either extensive repairs or replacement.” In 1946 alone, the Board of Directors estimated that the company needed more than $70,000 worth of repairs. 69

The lack of investment capital, combined with its substantial debts, meant that the company could not afford to repair or replace the equipment and the quality of their beers declined as a result. 70

68 “Minutes of Meeting of Board of Directors of the Becker Brewing and Malting Company,” July 19, 1945, Caine Coll 31, Series III, Box 8, Bound Report.
69 “Minutes of Meeting of Board of Directors of the Becker Brewing and Malting Company,” April 8, 1946, Caine Coll 31, Series III, Box 8, Bound Report.
70 “Minutes of Meeting of Board of Directors of the Becker Brewing and Malting Company,” December 13, 1962, Caine Coll 31, Series III, Box 8, Bound Report.
advantages of family ownership of the past turned into a curse during the rise of the national breweries of the 1950s, leading to the failure of the company in 1962.

In 1951, declining sales and rising operating costs forced the company to close its Evanston brewery and transport the breweries functioning equipment to Ogden. This downsizing to one brewery reduced overall expenses and enabled the company to continue operations for the immediate future, but it failed to solve the long-term issues of sales losses and the rising costs of labor and raw materials. In 1962, the Becker Co. Board of Directors, all of them Becker family members, concluded that they could no longer afford to continue brewing and decided to dissolve the company and distribute the remaining assets among the stockholders. The company sold off its equipment, buildings, and other materials over the next three years and paid its debts to its various lenders, many of whom were Becker family members.71

The records and narrative of the Becker Brewing and Malting Company provide perspective into the history of brewing. When the Becker Brewing and Malting Company began operations in 1892, it represented one of many previously banned companies and breweries which entered Utah at the end of Mormon isolationism. The company carried on the traditions of the family brewery throughout its existence, proving both the advantages and disadvantages of this organizational structure. For much of its history, it proved itself to be an adaptable company, acclimating itself to the changing economic environment of the brewing world. This versatility allowed the company to survive significant events, including two world wars and Prohibition, for over fifty years, until larger national breweries competitive advantages overwhelmed the family brewing model in the United States. This history of the Becker Brewing and Malting Company reveals that it and other Utah breweries existed in a complex economic world of brewing that involved aspects of labor, prohibition, and finance.

71 Ibid.
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