

Sugar Beet presentation Oct 17 09 -rych mills

This has been edited to suit possible publication

In **1982**, there was a hit song by the Go-Go's titled *We Got the Beat!*

80 years earlier, *We Got the Beet* was metaphorically being sung by *another* group of go-go's in Berlin, Ontario.

The stage these go-go's were dancing on was an *Industrial/Political/Economic* one in a theater called *Busy Berlin*.

Steady and diversified industrial growth was Busy Berlin's way of life...nurturing that growth was the relationship between Berlin's municipal council and its Board of Trade. Berlin's Sugar Beet factory symbolizes that bond and provides the narrative of how "We Got the Beet!!"

That 1901 go-go's' lineup featured:

Samuel J Williams, a Berlin manufacturer, president of the Board of Trade, worked tirelessly to persuade the sugar company to build in Berlin.

Berlin town council, otherwise full of significant businessmen, was led by Dr G H Bowlby who put all the prestige of his office into convincing Toronto capitalists to head west to Berlin.

The MPP for North Waterloo, L J Breithaupt, was eldest son in the prominent Breithaupt tanning family which owned large tracts of land in Berlin and ran numerous businesses. He was a past-president of the Board of Trade and an ex-mayor of Berlin.

Tilman Shantz was one of Waterloo Township's prominent farmers and helped convince others to board the sugar express. He had been a reeve of Waterloo Township and in 1902 would become warden of Waterloo County.

Those were the 1901 Berlin go-go's...and THEY got the beet!

Industry and the Environment is the theme of History on the Grand and I know the organizers meant the word 'environment' literally. I want to use it in a different sense by examining the **political and economic** environment in which the sugar beet movement occurred. I will later, I promise, pay attention to the other aspect.

First: a little confusion-eraser for those unfamiliar with Waterloo Region's history: until September 1916 Kitchener was named Berlin. For two decades before that, the town's promoters had adopted the moniker, Busy Berlin.

Berlin had been growing steadily since the 1860s, flourishing within the framework of Anglo-Ontario, but quite content in its own little Germanic world. During the 1890s-Canada-wide-Depression, Berlin's factories, in an economic breath of fresh air, kept the downtown smothered in smoke, turning out leathers, furniture, shoes, buttons, glue, felt, meats, rubbers, iron products and clothing. The predominant language was German, so immigrants tended to be German; workers and industrialists shared neighborhoods; and labor strife seldom ruffled the town's serenity.

Most of Berlin's industries were homegrown and bore German family names which still resonate: Breithaupt, Kaufman, Ahrens, Krug, Hibner, Lang...Rumpel.

The almost interchangeable rosters of town council and the Board of Trade ensured that two powerful weapons guaranteeing industrial growth never waned:

-----Local companies, wishing to expand, benefited from council's easy-to-get **tax** exemptions and easy-to-convince local bank managers.

-----Following rigorous examination by the board of trade, out-of-town firms considering relocation often had the signing-bonus incentive dangled in front of them.

And, as noted in *English-and-McLaughlin's Kitchener: An Illustrated History*, Berlin's tax assessor, with council's tacit approval, regularly performed a wink-and-nod tax reduction on the homes of prominent industrialists.¹

Busy Berlin's industrial welcome mat was wide.....and it was soft.

This was no new development: in the 1880s, Toronto's Williams, Greene and Rome shirt-and-collar factory was lured to Berlin with just such bait. The *Williams* was our Samuel J Williams who, 15 years later, was president of the Board of Trade.

Sugar Beet – *beta vulgaris*.

Each Canadian consumed 60 pounds of sugar a year; Canada produced zero pounds of sugar.

\$6 million dollars left Canada in 1899 to buy sugar: \$2 million to Germany, \$3/4 million each to Belgium and the USA. This was all *beet* sugar. Less than \$1 million went to the Caribbean for *cane* sugar. Here was a market just begging to be exploited.

In 1900, tests by the Ontario Agricultural College in Guelph had proven Ontario's climate and soil were ideal:

—11-to-17 percent of saccharine per beet was achieved---similar to European and American beets.

—15 to 20 tons of beets per acre were grown at a cost to the farmer of about 2 dollars.

—At \$4 per ton, a farmer could expect up to \$60 in return.

But, would enough area farmers grow enough acres of beets, year-after-year, to warrant a huge processing plant at Berlin?

April 20, 1901: the first sugar beet meeting with farmers from Waterloo County, many bearing names going back to the earliest pioneers. Some had planted sugar beets previously as a forage crop: others didn't know a sugar beet from a carrot. But they had all read reports in the Berlin newspapers on the money-making possibilities.

John Eden, an ex-Berlin mayor, spoke optimistically of his trip to Bay City, Michigan where the industry was prospering. Many of those attending agreed to plant a half-acre test plot.

MPP L J Breithaupt had already tried to get this area named the province's seventh beet test site but had been turned down. This meeting sent him back to Toronto with a firm mandate to try again. Within a week, Breithaupt reported back that under Professor A E Shuttleworth of OAC, 25 Waterloo County farmers *would* be part of the 1901 Beet Sugar Cultivation Tests. A further meeting of farmers listened to Shuttleworth detail the best methods...and details were important. The same plot of land, cultivated differently, could produce beets of 15 per cent sugar or 9 per cent. Correct cultivation assured the beet's starch

ripened into sugar: cultivation entailed proper plowing, seeding, thinning, hoeing and topping.

Shuttleworth noted how 100 pounds of beets made 95 pounds of juice.

Fifteen pounds of this was solid...and of that fifteen, 12 was sugar...thus a Purity of 80 per cent, the minimum a factory would accept. That was *farmer* information.

For the *politicians and businessmen*, Shuttleworth talked of \$200,000 a year into the local economy in beet payments alone.

The onus was now on farmers to prove Waterloo County soil, toil and sweat could produce Purity 80-plus beets.

To skip ahead to November when Ontario results were released, Berlin area beets were near the bottom in Purity at 85 per cent but the pounds-of-beets-per-acre was near the top of the 12 test sites. Berlin was in a good position.

Back again to May 1901: the challenge was still to get enough acreage signed up. It was no sure thing that Berlin would be selected as a factory site: several other nearby communities were in running. Galt was extremely active contacting Michigan capitalists and sending a delegation to inspect the Bay City industry. Guelph was boasting to entrepreneurs of its inexhaustible supply of limestone. Lime was important in the sugar-making process. Baden perhaps came closest to acquiring a factory and by November it seemed a sure thing. In the end, all these efforts failed.

Berlin politicians, businessmen and area farmers hustled through the summer of 1901, traveling around the county talking up sugar beets. Newspapers carried daily articles

extolling beet benefits. Once a week, it seemed, some gaggle of capitalists from Pennsylvania, or Michigan, or even England, visited the area and toured beet-growing plots and potential factory sites.

Among requirements for a factory were: 50 acres of land with easy drainage into a stream, and, oh, the stream should preferably be fish free as the effluent would corrupt the waterway....good railway connections...50 tons of limestone...3,000,000 gallons of water *per day* during refining season.200 men willing to work around-the-clock-shifts during the four-month refining season.

So in the summer of 1901 two sets of go-go's are at work around Berlin: prominent agriculturalists are visiting area farmers signing up acreage; prominent businessmen are buttonholing other businessmen to become involved... AND they're hustling visiting industrialists and investors.

In mid-September 1901 the dance-partner showed up.

Based in Toronto, the Ontario Sugar Company was newly-formed and fully-funded. Big money saw sugar beets as a growth industry and acted. Its president, Hugh Blain ran the huge wholesale grocery firm Eby, Blain and Company. S H Janes, a prominent Toronto developer, was another member.

September 16, 1901 brought the OSC to Berlin. Blain and Janes did a good cop/bad cop routine: Blain praised the agricultural assets of the area plus the town-and-country enthusiasm. Janes noted that 5,000 acres of beets would be needed each year and since beets required a four-year rotation, 20,000 acres were required to keep the proposed \$500,000

factory busy. He criticized Berlin's poor railway connections and poor water supply. "Berlin is a good town, but we want the very best!"

Then he dangled the carrot that Berlin's boosters expected. "Various financial considerations could certainly overcome the deficiencies." Perhaps a \$40,000 bonus...a free suitable factory site would be good....some tax exemptions.

Busy Berlin had been there / done that so this was no great shock.

Would Berlin become a sugar center or would it be *beet* out?

S J Williams dove head first into the contest. He led a Board of Trade delegation to visit and report on the Michigan Sugar Beet industry at Bay City.

Along with town assessor H L Janzen, county councilor Tilman Shantz and township councilors L Koehler and Wendell Shantz, Williams brought back gung-ho reports about every facet of the business but emphasized that Berlin's tests had shown much better beet production. He noted how there would be plenty of work for the "...poor classes..." and that with the money gained these people could then save and build homes in Berlin.

About the same time, council and the OSC agreed on the wording of a By-Law. If approved by Berlin's ratepayers a 40-year debenture for \$25,000 would be issued: \$5,000 of that would provide the factory site free. There would be no taxes for ten years except the mandatory school-tax limited to 5 mills on \$100,000. OSC hinted that if the By-Law was approved, the factory would be built in Berlin.

Getting the By-Law passed on November 12 became Priority Number One for Busy Berlin's go-go men.

The town was divided into five wards and a Who's Who of Berlin's leading citizens took up door-knocking tasks on every street. In my ward alone, the South Ward, I would have been accosted by J M Schneider, J M Staebler, Conrad Bitzer, Henry Boehmer, Philip Gies, Louis Sattler, Alexander Millar or Oscar Rumpel.

Neighborhood, ward and street meetings took place every night in Berlin.

A second excursion to Michigan was led by Tilman Shantz and Professor Shuttleworth. This one left October 26 and returned with glowing reports. Another member on that trip was W H Collard representing the Berlin Trades and Labor Council: the working man. He claimed that if he had 10 votes in the By-Law, based on what he'd seen in Michigan, each would be a YES vote.

Two rail excursions were just the beginning. The Board of Trade's C K Hagedorn, another Berlin factory owner, worked out a deal with the Grand Trunk railway. For \$5.05, anyone could join a Nov 5 trip to Bay City, Saginaw and Caro Michigan to get a first-hand look at North America's Beet Sugar Capital.

Over 80 township farmers climbed on board, joined by Hagedorn, Williams, Shuttleworth, Breithaupt, Bowlby, plus civic reps from Galt and Guelph....over 100 people filled the special cars. Here they are in front of the Caro, Michigan beet factory.

Returning, they said they could find no fault with what they saw: in Bay City during September, over \$400,000 was paid out by three factories. A proportionate amount emanating from a Berlin sugar factory would be spent throughout the town, township and county.

On the eve of the By-Law vote, November 11, the *Berlin Daily Telegraph* claimed it was “.....the duty of every loyal citizen to record his vote in favor of the By-Law.”

The By-Law was approved! But there was another part to the equation: *Where* exactly to build? At this point, the OSC was focused on the Kolb farm along the Grand River near Breslau. This was in Waterloo Township so that council had to be won over.

This time, a \$20,000 bonus was requested and the only tax would be the obligatory school rate on just \$30,000. Oh, one more request: permission to discharge the plant’s effluent into the Grand River. Following numerous public meetings around the township, an agreement was reached which removed the necessity to vote on a By-Law. No bonus would be given to OSC but township farmers agreed to rebate 33 cents per ton on delivered beets. This was the equivalent of \$20,000 and both sides agreed.

It was smooth sailing ahead as the *Berlin News Record* announced.

Uhhhh, No.

Among the OSC’s investors were two men from Dunnville, near the mouth of the Grand. That site was also offering OSC good terms and this pair held out, refusing to approve Berlin. Finally, they pulled their \$100,000 investment and quit the company in mid-December.

Cue S J Williams.

From Toronto he telegraphed a number of his Board of Trade compatriots and half of the slack was taken up.

Then came SJ's best trick: he booked a through trip to Bay City and arrived next day on his Michigan-friend-and-sugar-beet-capitalist-WB-Penoyer's doorstep. By December 23, Penoyer had picked up the remainder of the missing stock investments.

It was mere formality now, but what an anxious Xmas Eve and Day for Berlin's go-go's. Could anything else prevent a sugar factory coming to Berlin?

Boxing Day morning 1901, the Ontario Sugar Company directors met and a relieved S J Williams telegraphed: "The provisional directors have decided unanimously in favor of locating the company's sugar factory at Berlin."

In effect: "We Got The Beet"

The provisional directors also voted in an executive board. Blain remained president, Janes was vice-president; and look who has become managing director! Samuel J Williams of Berlin. One of the other directors was C K Hagedorn of Berlin.

This January 1902 prospectus appeared in the *News Record* and offered \$250,000 of par stock (no preferred shares) for sale at \$100 each.

There's another notable name on the OSC directors' list: Lt Col H M Pellatt of Toronto.

A number of you have probably been in the modest little cottage which he later built, Casa Loma. Also serving was the well-known publisher W J Gage.

The stock sale was not a huge success. Tilman Shantz, however, bought at least three shares as his surviving stock certificate shows. It rests in the collection of Doon Heritage Crossroads.

1901 had been a very good year: Berlin *would* become Ontario's Sugar Beet Capital.

Professor Shuttleworth had signed up some 5,000 1902 Waterloo County acres and there was a lot of work to do if the sugar beets were to have a processing plant ready to receive them.

Surprisingly, it wasn't until March 1902 that a site for the factory was announced. In the interval S J Williams was going non-stop. It took a personal visit to Cleveland to obtain a contract with the leading sugar-beet-factory-contractor in the USA, E H Dyer and Company.

Dyer had built a 400-ton capacity plant at Benton Harbor, Michigan which had been used for one year only. Lack of support from area farmers doomed the factory.

Dyer proposed moving the steel framework and machinery to Berlin, contracting for three-million Berlin-made bricks and rebuilding it as a 600-ton plant. The OSC said *Yes* to everything: it was far too late to build from scratch and be operating by early October. On March 6, the final location was revealed to the public.

The Kolb farm was out. But sitting between Lancaster Street, the Grand River, Berlin and Bridgeport was the 49-acre Fries farm. It was purchased, along with 20 acres from the adjoining Louis Breithaupt estate.

The Grand Trunk agreed to run a spur from the main line to the factory. This paralleled an already-planned electric railroad out to Bridgeport. The new factory would be a series of connected buildings totaling some 1,500 feet: sugar storage sheds, seed sheds, beet storage sheds, processing plant, cooperage, main factory, offices....a third of a mile long!

The first sugar poured from the plant's machines on November 2, 1902.²

One wishes the story continued happily and sugar had become a key component of Berlin/Kitchener's growth. For a number of reasons outside the scope of this presentation, sugar proved illusory.

Within seven years the Ontario Sugar Company was bankrupt. In the interim, Blain, Janes and Williams had all departed.

John C Breithaupt and C K Hagedorn headed OSC briefly in 1907.

1908 was a messy year with what seems to be rival groups, including a Wallaceburg sugar company, battling for control. Briefly the plant became the Berlin Sugar Refinery with William H Breithaupt as president.

In January 1909, a Judicial Sale disposed of the Ontario Sugar Company's assets. All capital stock was thus wiped out: shareholders received nothing and many farmers went unpaid. Berlin's debenture issue charges however would still return in every budget until 1932!

The prime creditor of OSC, Lake Erie Coal, bought the bankrupt firm and in turn sold it to the Wallaceburg Sugar Refinery aka Dominion Sugar. For a while Dominion imported beets from all over Ontario by rail but this proved uneconomical.

A rare 1910 post card shows another part of the refinery complex. A quarter-mile away and down a steep embankment, a steam-powered pump house moved Grand River Water – up to 3,000,000 gallons a day – to the main factory. The foundation of that pumphouse remains to this day, a surprising piece of surviving industrial archaeology

along the Grand River.

Between the factory and Lancaster Street were many acres of ex-Fries farmland and the company planted this in sugar beets. I've not even touched on the work involved in getting sugar beets out of the field. A number of natives from the Six Nations reserve near Brantford came to Waterloo County to work on farms helping with the cultivation. Chinese and Irish people were brought in to help with the labor-intensive cultivation and harvest.

A little bit of OCS sugar survives.

I have some of 1902's first batch of sugar from the Berlin refinery in a small orange box. Small samples like this were sent to all MPs and MPPs as a promotional gambit. John Loughrin, MPP, for Nippissing District didn't use his and it has somehow lasted through the years. Recently it has returned to its "hometown."

There is an evocative photograph showing smoke pouring from the plant's chimney. It's on a fragile glass negative in the Waterloo Historical Society collection and reminds me of the other aspect of Environment which I have almost ignored.

What environmental effect did the Ontario Sugar Company have?

It took 50 acres of Fries farmland out of production. The area would probably be a subdivision now. The previously-mentioned "*permission to discharge effluent into the Grand River*" would certainly have destroyed much of the aquatic life. There are later reports showing Dominion Sugar promising to put in discharge filters. The tons of lime used in the process didn't end up in the sugar and would have been a good part of this effluent. Huge drying areas outside the plant for the remaining pulp would have leached millions of gallons

of liquid into the surrounding ground. The factory, being on the north-east edge of Berlin, would at least have sent its smoke eastwards away from the town most of the time.

Today the site of the old factory likely qualifies as a brownfield but a portion of the footprint is now Sereda Road and the remainder is scrubland. The entire area is now a manufacturing and industrial zone.

Dominion Sugar struggled thru the World War One years but import and acreage difficulties hampered the operation. Finally in 1923, Dominion removed most of the useful machinery.

Subsequently, the site was the subject of numerous proposed operations: Guggenheim Distillery from Pennsylvania purchased the vacant plant in 1927 hoping to run a Prohibition-era million-gallons-per-year distillery. Things went well over the summer and fall of 1927: stills arrived and officers moved to Kitchener.

Then ... Guggenheim's main promoter, who was also the firm's president, was convicted of fraud, convicted and sentenced. While on the way to jail, he jumped from a moving train near Guelph and escaped to the Western USA.

During the 1930s several proposals to re-start sugar processing were brought forward but none panned out. A glass-making firm was once interested in the factory. Someone suggested a massive electric/water/gas facility; another pitched a wrought iron industry.

In 1939, new owner Barney Joseph, dean of Kitchener's scrap dealers, started tearing down portions of the complex for the war effort. The main factory was demolished and only

the storage warehouse remained. Two years later he sold that to Max Brown whose family ran Brown Steel Company from the building until the 1990s.

Today that portion has been recreated/reinvented by Ron Doyle into a stunning and magical entertainment center: *Hacienda Sarria*. The original industrial architectural structure has been transformed into a building that wouldn't be out of place in a Spanish city.

What remains at the corner of Union Street and Sereda is the extreme left end of the original factory...approximately one/fifth of the 1901 structure.

A small echo of the **1901** go-go's hit!

My thanks for the images used in the History on the Grand presentation on October 17, 2009, to Waterloo Historical Society, Kitchener Public Library, Bob Vogel, Doon Heritage Crossroads, John Glass, and Dave Moore. An expanded version of this presentation will appear in a future edition of the Waterloo Historical Society's annual volume. Most of the sources used are from the *Berlin News Record* and the *Berlin Daily Telegraph*. Each newspaper followed the events almost day-by-day in 1901 and 1902. Full sourcing will appear in the WHS article. In Elizabeth Bloomfield's book *Waterloo Township through Two Centuries* she gives a detailed overview of the Ontario Sugar Company experience. It is on pages 207 to 209 in the book which was first published by Waterloo Historical Society in 1995 and republished with revisions in 2006.

¹ John English and Kenneth McLaughlin, *Kitchener: An Illustrated History*, (Waterloo: Wilfrid Laurier Press, 1983), p.58.

² "The First Sugar Made in Canada," *Berlin Daily Telegraph*, November 3, 1902.