

Peninsula Diary Mayo Hayes O'Donnell

December 13, 1954

The 'Sugar War'

E.H. Dyer, the father of the beet sugar manufacturing industry in the United States, wrote to his nephew in March of 1898, of the history of the first factory of Alvarado, Alameda County, stating: "This first factory (1879) was a small affair compared with the factories of the present day."

"Our stockholders were all new men. We had a limited capital and had to practice the utmost economy in everything in order to erect our small works. We bought the machinery from the defunct Sacramento factory which we found to be in very bad condition, removed it to Alvarado at a heavy expense and installed it in the old building that formerly belong to California Beet Sugar Co. This machinery was supposed to have a capacity of 80 tons in 24 hours, but the machinery being old and nearly ruined when we got it, much valuable time was lost, nearly every day, by breakdowns and repairs. Notwithstanding all our setbacks from various causes, we cleared in the first four years of our operation, the snug sum of \$104,000."

About this time the "Sugar War" commenced between Spreckels and the American Sugar Refinery. For four years from this time sugar sold for an average of five cents per pound. The Alvarado factory, however, continued to run with a profit until it was destroyed by fire as the result of a boiler explosion in 1887. The owners had improved their knowledge of the manufacture of sugar by this time, so they decided to rebuild.

Mr. Dyer reports: "The difficulties that I encountered in building the Standard Sugar Co.'s works and getting technical skill to operate the factory made me realize that to make a success, we must educate our young men in the business. The first man that I employed to superintend the construction was Thomas H. Gennert, the man who built the factory at Chatsworth, Ill., which was a failure. Then I was fortunate in securing the services of an Austrian, W. Kullburg, who proved to be a very good man."

Edward P. Dyer, the son of E.H. Dyer, then entered the business, to learn the manufacture of sugar from the ground up and Kullburg remained in the laboratory and kept a watchful eye on the factory. A year later

Townsend, the well-known candy manufacturer of San Francisco, hired Kullburg at the recommendation of Dyer, at a good salary.

The Dyers, Edward and his father, and later Edward and his cousin, Harold P. Dyer, went to Europe to study the sugar business. In 1888 Edward and Harold erected the present factory at Alvarado, since that time, however, it has been enlarged by the present owners. In the fall of 1890 the E.H. Dyer & Co. entered into a contract to build a complete beet sugar factory at Lehi, Utah, with a daily capacity of 300 tons of beets. The first sugar was made there on Oct. 17, 1891. This was the first factory ever built of all American made machinery. The building was designed and all the machinery made from drawings by Edward F. and Harold P. Dyer.

In 1896 the Dyer company contracted to build a factory of 250 tons at Los Alamitos, Orange County, Calif., for the Clarks. It was later enlarged for a capacity of 700 tons. In 1898 they built factories in Ogden, Utah and La Grange, Ore.

Herrick and Ephraim Dyer, uncles of E.H. Dyer, came to California in the early 1850s. Account books are usually dry reading, but Ephraim's day book takes on an air of domesticity upon the arrival of Herrick Dyer and family. Noted on May 1, 1858, are these notations: Pd. Furniture & extras per Pedwell deduction E.H. Dyer \$150.00. Chamber set, \$150.00; Carpet (parlor) \$39.00; Carpet (bed room) \$12.37; Sundries, per Pedwell Bill, \$62.00; oil cloth carpet, \$17.35; matting, \$43.42; Provisions, etc., \$15.68. Then he rented the hotel from Joseph Ralph on account of E.H. Dyer for \$10, then he had it cleaned as, Washing House, \$15.