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Ronald W. Walker

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## Heber J. Grant and the Utah Loan and Trust Company

Before 6:00 A.M. on May 29, 1897, the portly and veteran Apostle Brigham Young Jr., himself ailing due to an attack of dropsy, called at the Heber J. Grant household to pray a blessing upon his associate. He found that “Bro Grant . . . had a poor night but he was going to the hospital with firm faith that all would be well.” The day before, Grant awoke with severe lumbar and abdominal pain. The doctors diagnosed a ruptured appendix and advanced peritonitis and advised immediate surgery. As the hour-and-a-half operation progressed, the nine attending surgeons found “extraordinary sup-puration and commenced mortification.” After rotting the appendix and part of the colon, the infection had discharged a quart of pus throughout the stomach cavity. The chief surgeon turned to Joseph F. Smith, who was present at his friend’s critical hour, and said, “My [Dear] Smith, you do not need to think of the possibility or probability of this man recovering.” Only the doctor who monitored Grant’s remarkably vigorous pulse disagreed.<sup>1</sup>

A fortnight later Elder Grant was propped on his pillows at the Catholic St. Mary’s Hospital, celebrating the miracle of extended life. His recovery had been extraordinarily rapid, and his personal crisis had brought him an unexpected tide of sympathy and well-wishing. There was an added reason for rejoicing. His two visitors had a proposition that might mean the beginning of the end of his almost ninety thousand dollar indebtedness. The one with the dark mustache and slight Bristol accent began directly and hopefully, “Heber,”



Courtesy Church Archives, The Church of Jesus Christ of Latter-day Saints

Illus. 7-1. Elder Abraham H. Cannon attempted to save the Utah Loan and Trust Company in June 1896.

Thomas J. Stevens said, “would you like to make \$15,600?”<sup>2</sup>

Stevens was bishop of Ogden City’s Fifth Ward and Grant’s long-time friend and brother-in-law (both had married daughters of Briant Stringham). Stevens and his companion, Matthew Browning, were respected Ogden citizens, but more to the point, they were directors and members of the executive committee of Ogden’s Utah Loan and Trust Company (UL&T). In addition, two days before Stevens had been appointed the bank’s cashier or general manager. The UL&T was on the verge of failure, and

the two men had come to Grant hoping that a mutually advantageous deal might be struck.

The bank had proven an albatross to its owners almost from its founding in 1888. Charles Comstock Richards and Franklin S. Richards, sons of Ogden’s Apostle and leading Latter-day Saint citizen, Franklin D. Richards, had taken the lead in establishing the firm. Utah was then booming and a spate of new banks was organized throughout the territory. But a banking panic in 1891 burst the speculative bubble, and the UL&T paid its last dividend in 1892. The following spring a fire gutted the interior of its handsome, five-story building.<sup>3</sup> Several months later, the severe Panic of 1893 almost delivered the *coup de grace*. Nevertheless, despite the bank’s shrinking deposits and the decreasing values of its investment portfolio, the Richards brothers and their fellow investors managed to hold on for the next several years.<sup>4</sup>

When Elder Abraham H. Cannon (illus. 7-1) offered to buy controlling interest in the bank in June 1896, the Richards family relinquished their controlling interest at sixty cents on the dollar of their original investment. The depressed ’90s had not been any

more kind to Elder Cannon than to the Richardses, and he hoped to recoup his fortune by promoting a Salt Lake City to Los Angeles railroad, which, by using the UL&T as its financial agent, would revive the ailing bank. The details of the transactions reflected mutual desperation of both the buyer and the seller. To secure money to pay off the Richardses, the UL&T loaned Cannon \$40,000 from its scanty reserves, with the Church leader offering as collateral his newly acquired UL&T stock along with some previously owned shares. As both partners in the transaction must have known, unless Cannon could quickly come up with money to pay off his debt, the deal seriously jeopardized the bank's liquidity.<sup>5</sup>

Six weeks later Abraham Cannon was dead, the result of a general inflammation to his head due to complications from ear surgery. Despite a \$50,000 life insurance policy, his estate could not begin to pay his many debts, including the UL&T note, the most substantial debt. Since the default on Cannon's UL&T loan promised eventual bankruptcy to the financial institution, the UL&T stock that supposedly secured the loan was itself worthless.

At least for the moment, Elder Cannon's posthumous insolvency was concealed from public view. However there was another, more immediate factor working to undermine the bank. Two employees, Leon Graves and Clarence Barton, removed \$5,200 from its vaults and fled east. Although Joseph A. West, then serving as cashier, mortgaged his home and quietly replaced the money, Utah newspapers discovered the truth and made the theft banner news. As a result, rumors began to circulate that the UL&T was in distress, and a slow but accelerating run on the bank commenced.<sup>6</sup>

Stevens and Browning believed they had an instant solution. If Grant would assume Cannon's note, the bank could then borrow on the strength of his signature and relieve its difficulties. In return, Grant could have all Cannon's forfeited collateral that, if the bank could be made sound, might be worth \$15,600 more than the assumed loan. Grant expressed great interest. Despite his recent illness and short recuperation, he promised that he would soon go to Ogden to examine the matter more fully.

Grant seemed a logical candidate to help (illus. 7-2). Only his two families and a handful of intimate advisers knew the desperation of his own finances. As president or director of at least a dozen



George Church, *Address: The Church of Jesus Christ of Latter-day Saints*

Illus. 7-2. Elder Heber J. Grant rescued the UL&T from financial ruin, which also secured both the state's and the Church's financial standings.

Salt Lake City-based businesses, he appeared to the public to epitomize success. Besides, he had built a reputation for being a Mormon financial Horatius-at-the-bridge, successively saving ZCMI, the *Salt Lake Herald*, and the Utah Sugar Company from their respective problems. He had also compiled a successful record of special fundraising. In the late 1880s, he was one of five Saints who raised the legal and lobbying fees for Utah's statehood drive. Following the 1893 panic, when Salt Lake City's tax collector, who served as a bishop, mismanaged \$32,000 in public funds, Grant led the campaign to pay off his debts quickly without embar-

rassing the Church. Indeed, when Church leaders saw a special need for money, Brother Heber increasingly received their call.

Elder Grant described what he found in Ogden as "a paralyzer." After he and Stevens scrutinized the bank's accounts, they concluded that many of them, to the amount of \$75,000, were uncollectible. The prevailing hard times made it difficult for even honorable men to meet their obligations, and the UL&T clearly had been less than tough-minded in demanding payments on its outstanding loans. Worse, Grant found that the Ogden bank's financial statement was grossly inaccurate. Directors had spent most of the institution's assets in erecting the Utah Loan and Trust Building, but during the depression, along with most other Utah real estate, the imposing landmark suffered a calamitous deflation in value. Nevertheless, the bank carried the building on its books at the original construction cost of \$275,000, although its actual market value scarcely exceeded the \$75,000 lien that David Eccles had carried on it since its construction.

"If I were as sure of getting to heaven as Dave Eccles . . . will get that [bank] corner," Elder Grant told his fellow General Authorities several weeks later in one of their Thursday meetings, "I would think I had a ticket paid for." The UL&T's reconstructed balance sheet bore out the likelihood of a foreclosure. Liabilities were listed at \$162,000 and assets at \$107,000, but half of the latter were judged to be of questionable quality. Grant reported that the bank's capital was "wiped off the earth" and that depositors were sure to lose most of their money.<sup>7</sup>

The Twelve did not immediately grasp how chilling this news actually was. Driven by his passion for building and protecting the material things of the kingdom, Grant had spent several days investigating before he himself had understood. He now shared his grim findings. A UL&T failure would bring great personal loss to its owners and depositors, and as these effects rippled outward, the result would be a sharp blow to Utah's already faltering economy. Moreover, while the Church itself owned no stock in the institution, its interests and those of its leaders were very much at stake. Since its founding, the UL&T had been regarded as "a Mormon institution," one of Utah's private businesses that functioned in behalf of the Church. Its officers, directors, and leading stockholders were a "Who's Who" of Ogden's Church officials. In addition, General Authorities Joseph F. Smith and Francis M. Lyman owned stock and served as directors—Elder Smith in fact had briefly succeeded Abraham Cannon as president of the banking firm. The times were so precarious that a UL&T failure, to the great embarrassment of the Church, would bring bankruptcy upon most of its Mormon shareholders as well as reveal the posthumous insolvency of Abraham Cannon.<sup>8</sup>

Unfortunately, difficulties did not stop here. Since the early 1890s, the Church's finances had rested precariously, partly because of the earlier Edmunds-Tucker confiscations of Church property, but more significantly because the First Presidency had responded to the depression with a series of deficit-financed public works. Every several months and sometimes more often, Mormon debt managers performed extraordinary feats just to meet payments and preserve credit. Now came the warning from the Church's loan agent in the East that because of the Ogden bank's links with ecclesiastical officials, its failure would "almost sure[ly]" cause eastern bankers to

demand payment on existing Mormon loans—a development tantamount to forcing the Church into receivership. Grant would later learn something just as explosive. Utah law made bank officers criminally culpable for receiving deposits after an institution's liabilities exceeded its assets. While such a question lent itself to endless litigation, the statute exposed Smith, Lyman, and virtually the entire Church hierarchy in Ogden to criminal prosecution. Given the reigning Mormon-Gentile hostility in the "Junction City," with Church opponents firmly in control of the levers of local power, the possibility could not be idly waved aside.<sup>9</sup>

Grant's grim and forceful report to the Twelve was convincing. On July 2, 1897, a committee of George Q. Cannon, Joseph F. Smith, Lorenzo Snow, Francis M. Lyman, John Henry Smith, and Grant met for three hours to consider the problem again. The men finally agreed that "it would be a great misfortune if disaster should overtake the Bank" and if necessary Church influence should be exerted to strengthen the institution. Four days later, the General Authorities further embroiled the Church in the UL&T affair. The two Mormon banks in Salt Lake City, Zion's Savings Bank and the State Bank of Utah, were asked if they would assume respectively the UL&T's savings and commercial banking business. In case of failure, Stevens reported, "they promised to stand behind us . . . so that the depositors will be paid in full." What had begun as a possible private investment for Grant had become a project embraced by the Church.<sup>10</sup>

Grant had discovered the UL&T problem and sounded the tocsin, but having done so, he temporarily, although involuntarily, retired from the field. About six weeks after his appendectomy, he contracted "pleuro-pneumonia." Again his friends feared for his life, and for three months the convalescing leader retired from public affairs.

The UL&T crisis did not ease in his absence. Encouraged by promises from Church headquarters, Thomas Stevens briefly stemmed the run on the bank's reserves by looking depositors in the eye and pledging the safety of their money. Still, his behavior did nothing to change the huge imbalance between the bank's assets and liabilities. Nor did Zion's Savings and the State Bank, the two Salt Lake City banks affiliated with the Church, alter the situation. Neither Zion's Savings nor the State Bank, themselves little more robust than their

sister institution, desired to sink under the heavy and perhaps fatal weight of the UL&T accounts. By August, President Wilford Woodruff admitted that the UL&T case was “not very encouraging,” and offered as a hand-wringing expedient the formation of a two-man committee to study possible solutions.<sup>11</sup>

Former cashier Joseph West was the first to show how weak the bank really was. For several weeks he had badgered the hard-pressed directors to reimburse him for the \$5,200 he had paid to cover the Graves-Barton theft. Frustrated by their lack of action and by his dismissal from the firm only hours before, he took the amount from the safe and was leaving town when his son Walker West compelled the return of the money. If he had left, the act could have brought an immediate closing.<sup>12</sup>

West's desperation was an indication of how difficult the times were becoming. The worst of the depression occurred in winter 1893–94, when Utah's urban unemployment exceeded 25 percent and some laborers in Salt Lake City marched to demand “bread or blood.” At the same time fourteen hundred unruly “Commonwealers”—out-of-work Californians traveling East to protest the prevailing scarcity—were camped in Ogden City. However, for many Mormon institutions and men the years 1897–98 were almost as severe. Earlier these men had been able to parry their debts, but as real estate and stock values continued to fall, the men no longer had collateral to renew their loans. By late 1897 the Church itself owed over two million dollars and was looking for another loan of like amount.<sup>13</sup>

Thus, the UL&T crisis peaked at the very time when the Church and its leading men were least prepared to deal with it. During the last week of January 1898, Stevens repeatedly importuned the First Presidency for something more than moral or makeshift help, but he was turned away. A week later there could be no more temporizing. Stevens flatly told the General Authorities that the bank could not open the next day without assistance.<sup>14</sup> After protracted and agonizing discussion, aid was forthcoming. Zion's Savings loaned \$5,000, and the Church itself eventually took a \$15,000 second mortgage on the UL&T building and apparently advanced the bank about \$7,500 besides.<sup>15</sup>

Everyone realized that such aid was a stopgap, which ran the risk of throwing good after bad money. Grant, whose regained health and consuming interest won him his church's commission to





Courtesy Church Archives, The Church of Jesus Christ of Latter-day Saints

Illus. 7-3. David Eccles, president of the Ogden First National Bank, a competitor of UL&T.

resolve the UL&T problem, saw two possible long-range solutions. First, he hoped to interest enough public-spirited Latter-day Saint capitalists to buy the UL&T building at \$150,000 or twice its existing value. While such a proposal made little sense to men used to maximizing personal profits, Grant reasoned that as the depression eased and property values rebounded, investors eventually would be out little and might receive a small return for their philanthropy. Meanwhile, the bank could use the money to cover its two mortgages (the first to Eccles for \$75,000 and the second to the Church for

\$15,000), pay off its other loans, and perhaps have enough working capital to ride out the rest of the hard times.<sup>16</sup>

Grant's alternative idea involved David Eccles, Utah's first bona fide tycoon. Son of a nearly blind and impoverished wood turner, the handsome Eccles had his fingers in most financial pies in Ogden (illus. 7-3). Since 1894 he had served as president of the Ogden First National Bank, situated across the street from the UL&T building on 24th Street and Washington Avenue. Grant proposed that Eccles be allowed to foreclose on his mortgage and secure the UL&T building at a bargain basement price. In return, the First National Bank would assume its neighbor's accounts and allow it to retire honorably from business. For some time Eccles's bank had apparently thought of splitting off its savings business and starting a new institution. The splendid UL&T building would provide excellent quarters.<sup>17</sup>

Elder Grant vigorously pursued both options during late winter and early spring 1898. He repeatedly approached his friends to invest in the UL&T building, and in an attempt to provide financing for such a sale, he traveled to San Francisco and wrote letters to prospective lenders throughout the Intermountain West. In addition, he

personally propositioned Eccles at his Baker City, Oregon, lumber headquarters. Unfortunately his work yielded little fruit. His drive to get \$150,000 to purchase the bank building stalled one-third short of the goal, though Grant himself promised \$10,000 and the Church another \$25,000. On the other hand, the canny Eccles, whose considerable charities rarely trespassed upon the bounds of “sound business,” listened impassively to Grant’s appeals. Barring something unforeseen, he knew he had the building already—without making further commitments. By April, Grant was having trouble keeping the flame of his enthusiasm lit. “Looking at it naturally,” he admitted, “there is little prospect of success crowning my efforts.”<sup>18</sup>

Finally, another of the Ogden bank’s intermittent crises broke the logjam. Anders Larsen, a disgruntled depositor who believed that his money had been negligently loaned, filed a lawsuit that declared the bank to be “utterly insolvent,” with “no property with which to pay its debts.”<sup>19</sup> With confidence in the bank already fragile, Larsen’s suit precipitated another run on reserves. By the first of August, Stevens was again before the General Authorities, hat in hand, pleading that without help he would be unable to open the next day.<sup>20</sup>

On August 8, with three UL&T directors present, Church officials now began their most decisive discussion of the question. “The object of the interview,” the Journal History of the Church recorded, “was to make a last representation of the bank’s condition, in the hope—almost forlorn with these [UL&T] brethren—that the Presidency might be able to see their way clear to do something to save it.” Joseph F. Smith began with an eloquent appeal for further Church aid, but when President Woodruff refused to countenance the idea, Smith moved that the bank be allowed to fail. Not wishing to appear self-serving or disloyal, he plaintively admitted: “We honestly put up our money, and let us [now] take our medicine.”<sup>21</sup>

Grant’s was the only voice that spoke against the overwhelming consensus. “I hope that no one will second that motion,” he asked as he pled that the earlier comments of Smith and Woodruff be stricken from the record. His previous loan brokering in the East gave him a sense of the crisis that his colleagues did not have. Besides, he was typically loath to abandon any fixed idea or determined project. Confronted by his strong opposition, the General Authorities moved to a middle ground. Rather than have the financially strapped church give aid to the bank, Smith proposed that Grant be deputized to

solicit money from its most prosperous members. Grant willingly consented but believed he required help. He asked the First Presidency to call Elder Matthias Cowley to assist him and to sign a strongly worded letter endorsing the project. Grant remained outspoken. "You can either sign," he said to the First Presidency, "or let the bank go to pot." Accordingly they not only signed the letter Grant had written but also appended a paragraph that blessed those complying with its request.<sup>22</sup>

Grant's demands were reasonable given the magnitude of his assignment. Earlier he had attempted to organize a UL&T syndicate, which promised investors the hope of a small gain. Now hard-nosed businessmen, who were not disposed to cover the mistakes of others, were to be asked for gratuitous donations that would have to exceed \$75,000. Furthermore, he was handcuffed by the demands of sensitivity and confidentiality. To reveal the actual condition of the bank invited additional pressure upon its deposits. Nor could he, without defeating his purposes, fully explain how the UL&T's health directly related to the reputation of some of the leading brethren and indirectly to the credit of the Church. At best he could ambiguously appeal to patriotic Saints to maintain "an institution of Zion" and to sustain "the brethren."

Before the meeting of the General Authorities adjourned, Elder Grant began his fundraising. Hoping to realize a profit on the sale of his last remaining, under-mortgaged real estate, he personally pledged \$2,500 and challenged his brethren to follow suit. President George Q. Cannon, whose Bullion-Beck and Champion Mine dividends made him more prosperous than the rest, promised another \$5,000 and drafted a \$2,000 check as first installment. Grant's donation came at genuine financial peril to himself and his creditors. "I donated \$2,500," he recalled, "when all I had on earth . . . would not pay my debts within \$88,800 and this donation made me over ninety thousand dollars worse off than nothing." He spent the rest of the day gaining the approval of the men who had countersigned his many notes. Because of his donation, his creditors stood one step closer to having to cover his debts.<sup>23</sup>

Within the week Grant was stalking his quarry. First he asked \$2,500 from Alfred W. McCune, a successful mining speculator and soon to be a candidate for the U.S. Senate. McCune's family of origin

and his wife were Church members, but his moods and behavior were those of a sourdough miner who had found the proverbial rich strike. "Not one damned dollar," was the rough-hewn miner's first response. It was not that McCune was parsimonious; his lavish spending and occasional philanthropy fit into the Gilded Age's high style. But he was deeply prejudiced against banks. He had never placed money in one and never expected to do so. Rebuffed, Grant tried to shift the question to high moral ground. He pulled the First Presidency's UL&T letter from his pocket and in the name of McCune's believing wife asked if he wished to deny the request of the Lord's representatives?<sup>24</sup>

"O hell, you cannot scare me with a thing like that," the mining man answered. He acknowledged his desire to be liberal but not to conceal the incompetency of a parasitic banker.

"Alf, I defy you to look me in the eye as man to man and tell me that you do not know the Gospel is true," Grant replied. "You do know it. You gamble and swear when you get mad, and you drink whiskey and raise hell generally, . . . and you say there is nothing in religion. But I defy you to tell me that you do not know the Gospel that your father embraced is true."

"I do not," McCune began strongly, then mellowing, he said, "I will make a confession to you. I will be honest with you. Damned if I am not afraid it is."

Unfortunately, McCune's tepid confession failed to loosen his purse strings, and Grant resolved on stronger measures. Like Nephi before the drunken Laban, he felt inspired to descend to a lower standard. "Abuse him," his inner voice seemed to direct, "tell him he is not generous, that he is close-fisted, use his own language, go right after him in his own vernacular, and you will get your money."

"You are a hell of a generous cuss," Grant began his assault with an idiom quite beyond his normal use. "The idea of you with all your money refusing to give me two days' income from one mine. . . . What am I doing? I am giving \$2,500. How am I fixed financially? I am a hell of a poor manager financially. I have two wives, and neither one has a home. I have a home for my mother that is mortgaged. . . . I have the children of a dead wife to support and I am over \$50,000 worse off than nothing, yet I am giving the equivalent of two years and a half of my net surplus. I am only earning a

thousand dollars a year above my expenses, . . . and you are so generous that you won't give two days' income from one mine. You are a generous cuss."

"Damn you," McCune responded. "Tell that story over again." When Grant rehearsed his tale, which actually minimized his debts, the incredulous McCune called for his secretary to pay Grant \$5,000. "Damned if I am not going to pay your donation and mine too."

For a moment Grant was elated by McCune's generosity and thanked the Lord for the unexpected aid. But he quickly changed his mind, reasoning that if he let McCune pay his own donation, he would lose the "power to appeal to others . . . and that the Bank must break." Despite feeling "a very great temptation," he refused the offer.

Claiming that Grant was "the strangest man he had ever met," McCune took the check from his secretary, briefly looked at it, and finally extended it. "You have a hell of a job on your hands, damned if I will tear it up. I cannot understand why you won't let me pay your donation. [But] give your bank the \$5,000."

Later when Grant, in one of his few partisan ventures, stoutly campaigned for McCune's senatorial candidacy, there were rumors that he had been bought. But Grant's politics were more than an appreciation for a \$5,000 donation. Despite their polar differences in personality and character, Grant had found in their banter a human tie that, at least for the moment, made them friends.

Having done so well with McCune, Grant approached Jesse Knight. A short man with a walrus mustache and given to wearing Homburg hats, Knight was the son of two of Mormonism's earliest converts, Newel and Lydia Knight. However Jesse had waited until middle age to bud his own faith, which was shortly thereafter followed by good fortune. Friends had cried "humbug" when Knight told of a voice which he interpreted was directing him to stake out a mining claim—a claim he later said would save the Church's credit. But in 1896 the appropriately named "Humbug mine" became a bonanza. Obedient to his presentiment, he began to pay tithes and benefactions, which in their time became legendary.<sup>25</sup>

But if Grant expected an easy touch he was mistaken. After listening to his impassioned recital of the UL&T's problems and his request for \$5,000, Knight was unyielding.

“Brother Grant, I do not think the Lord wants me to give anything to make good the mistakes of people who put their money in a bank and lost it. I am willing to help the poor and to pay an honest tithing, and to help in all things like universities [his donation to Brigham Young Academy in Provo kept the incipient institution alive], but I do not feel that I ought to do this. I won’t give you a dollar.”<sup>26</sup>

“Jesse, I will not take no for an answer. I shall come back again.”

“There is supper, bed and breakfast for you here any time,” the Provo resident responded, “Come along, but you won’t get any money.”

During Grant’s third interview with Knight in as many weeks, Reed Smoot was present. A young businessman-politician who was soon to be called to the Quorum of Twelve Apostles, Smoot was trying to pacify Grant with a \$500 donation. “If you send me a check for \$500, Reed, I shall send it back to you,” was Grant’s reply. “I won’t have it. This mission is a very hard one, and I cannot put you in the \$500 class, you belong in the \$1000 class. . . . Let me give you some parental advice. When you get home tonight get down on your knees and pray to the Lord to give you enlargement of the heart, and send me a check for \$1,000.”

Knight could not suppress his delight and laughed. It was a relief to have someone else on Grant’s skewer for a moment. Knight and Smoot were long-standing political opponents, and Knight felt a devilish relish in having his friendly foe under attack. But Grant’s challenge to Smoot bothered the devout Knight. “Why didn’t you ask me to pray?” he asked the Apostle.

“I would if you had offered me \$2,500, but what is the good of asking a man to pray who won’t give you anything?”

Knight turned defensive. “Well, Heber Grant. I pray to the Lord, and I think the Lord has given me all that I have. I will pray, and I won’t pray with my lips, I will pray with my heart to the Lord, and if he impresses me to give you \$5,000 you shall have it as free as the air.”

“Jesse, I am just as sure of getting that \$5,000 as that guns are made of iron, if you will honestly pray to the Lord about it.”

Two days later, Grant received in the mail a check for \$11,000; \$10,000 from Jesse Knight and another \$1,000 from Reed Smoot. Knight explained:

Heber, if you ever come to me again with a letter from the Presidency of the Church, calling you on a mission to raise funds, whatever you ask me for I am going to give it to you; I am not going to pray about it. When I got through praying, it rang in my head just like a tune, over and over again, "give Heber ten thousand dollars; give Heber ten thousand dollars; give Heber ten thousand dollars." I got out of bed and told the Lord that I was not praying about any \$10,000. Heber hadn't asked me for \$10,000. I went to bed again. "Give Heber ten thousand dollars; give Heber ten thousand dollars; give Heber ten thousand dollars."

With the refrain continuing to reverberate through his mind, Knight withdrew the bulk of his savings the next morning and successfully pressed Smoot for his \$1,000. More than aiding the UL&T, their contributions came as a soothing balm to the "tired and nervous" Grant, who for the past week could sleep no later than 5 A.M. and was often up two hours earlier. "When I got your letter [and check] I could have shouted for joy," he wrote Smoot and Knight. "I have never doubted my ability to succeed in connection with Brother Cowley in making this mission a success. I have, however, looked forward with anxiety and dread to the labor ahead of us."<sup>27</sup>

Having employed his persuasive powers to their fullest upon McCune, Knight, and Smoot, Elder Grant must have viewed William H. Smart's donation as latter-day manna. Smart was a thirty-six-year-old Idaho livestock dealer who had been called to preside over the Brooklyn Conference in the Eastern States Mission. When his niece Luella Cowley had written that her husband, Matthias Cowley, had been assigned to help save the UL&T, Smart offered between the wide range of \$1,000 and \$20,000. "I thank God He has made it possible for us to make this donation," he wrote in his diary, "but more especially do I thank Him for the faith He has given to prompt it." Smart eventually settled on \$5,000 for his gift, half of which his business partner James W. Webster volunteered to pay.<sup>28</sup>

At last, the tide seemed to be turning in the Ogden bank's favor. While the Smart-Webster contribution remained confidential at Smart's request, Grant used the gifts of McCune and Knight, as well as his own, to build momentum and to rally the Saints. He and his wife Augusta personally typed hundreds of letters, often working late into the evenings, asking prominent Mormons to follow their

example. Even more effective were the entreaties of Grant and Cowley as they visited the stakes of Zion. After presiding over the meetings of a stake conference, Grant typically would invite Church leaders and prosperous members to a special meeting. After reading the First Presidency's letter and touching upon UL&T matters (the comprehensiveness of his explanation seemed to vary with the occasion), he would then solicit an immediate and public response. "When my name was called," complained one participant who believed that he pledged beyond his means, "I did not feel like saying that I could not or would not do anything. Others had proffered to give one hundred dollars and I told Brother Grant that he might put \$100 opposite my name." The hard-sell formula worked. "I am meeting with splendid success in getting the funds needed to save that Ogden business," Grant reported.<sup>29</sup>

Many Saints didn't need any more persuasion than the news that the Church was in need. "Brother Grant, don't you ever waste your time," Ephraim Ellison replied after the Church leader personally requested his donation in Layton, Utah: "It takes you all day to ride up here and back again—two days. If you are ever called on a[nother] mission by the Presidency of the Church, if you feel that I ought to give you \$200 or \$300 or some other amount just write me a letter and I will give it to you. Do not take the time to come up." Another Church member, John Scowcroft of Ogden, gave \$500 and promised to double the amount if his new business prospered. Later the additional \$500 was forthcoming without Grant's reminder.<sup>30</sup>

As usual, Grant was a forceful and determined campaigner. When the financially strapped George F. Richards offered \$100 (to do so he was forced to sell three hundred bushels of his stored grain), Grant complained to Richards's ecclesiastical superiors that he was not doing his share to save the institution his family had founded. Grant later apologized to Richards for presuming to prescribe the bounds of another's generosity. He was particularly scathing with UL&T stockholders who, despite their liability for part of the firm's debts, refused to give anything until Grant strongly implored them. And Grant was apoplectic when his old-time friend, George Romney, announced second thoughts about donating. After Grant's paroxysm of temper, Romney's business firm made good its \$1,000 pledge.<sup>31</sup>



After five months of such fundraising, Grant triumphantly paid off Abraham Cannon's note. Executors of his estate had scraped together \$15,000, but the bulk of the money came from Grant's campaigning. "I have labored earnestly in this matter," Grant wrote Stevens, "and one of the main reasons for doing so has been my desire to maintain Abraham's good name. I feel confident that had I passed away from life, and he been permitted to live, that he would have labored with equal zeal to try and preserve my honor and good name in the community." Indeed, Grant's zeal in behalf of the UL&T owed at least some of its intensity to the realization that his own poor health and debts had almost decreed for him a similar fate.<sup>32</sup>

However, after his success with the Cannon note, the remainder of Elder Grant's crusade was entirely uphill. Earlier fundraising had skimmed off most of the ready donations, while tight-fisted businessmen now used rumors of the bank's mismanagement to excuse themselves from making or fulfilling pledges. For instance, when one member of a stake presidency grandiloquently promised "his time, his talent, [and] his substance" to the Kingdom in a public prayer, Grant immediately closed in for a donation. But he soon learned that the man's dedication of means "was done believing that the Lord would not come to ask for any part of it." Such categorical refusals became common. Instead of money, Grant complained he now received "insults and slurs," with some of his fellow church leaders speaking at cross-purposes behind his back. As a result, he frankly and dejectedly labeled his assignment as "one of the most unpleasant tasks of my life."<sup>33</sup>

With the bank losing customers and cash daily, Grant reexamined his options. Eccles again refused any tangible help, citing the need to maintain proper and conservative business dealing, but he did promise any buyer of the UL&T building a \$5,000 discount on his \$75,000 mortgage. As a year earlier, Grant could find no one with the money to purchase the structure or refinance it. In October 1899, there seemed but one remaining possibility. At great risk to himself financially, Grant offered to take over the business. The plan had nothing to recommend it save audacity, and like his Utah Sugar Company financing a half decade earlier, he was in effect laying everything he possessed upon the altar. "You and I are engaged in the work of the Lord," he would explain later to a correspondent. "We are called upon

from time to time to make sacrifices, and in no case where we do our duty will we fail in being rewarded." However, he put the scheme aside upon realizing that if he should revive the business and make it profitable, some UL&T donors would suspect that he had used their money to enrich himself.<sup>34</sup>

In early 1900, Grant returned from an extensive tour of the Mormon settlements in Arizona and Mexico to learn the reality of his worst fears. The UL&T was once more on the edge of collapse, threatening this time to take with it the money Grant had so arduously raised. With his efforts appearing futile and misspent, he retired to the Apostles' Room of the Salt Lake Temple to supplicate the Lord to save the bank. The bank examiner's report showed good reason for prayer. For over a month the bank's cash reserves had fallen well under the legal limit. "This bank ought to fix up its affairs," the examiner wrote, "or go out of the business entirely." Only the examiner's leniency forestalled immediate legal action.<sup>35</sup>

At the UL&T's moment of final peril, the Church's new president, Lorenzo Snow, moved to rescue it. Snow believed that it was unthinkable to allow a failure, especially since the Church had committed itself and its members in the semipublic efforts of Elders Grant and Cowley to assist it. Fortunately, he had the resources available to cauterize the long-festering wound. During his brief leadership, he had reduced ordinary expenditures, slashed at deficit-financed programs, and preached tithing with a fury. With his efforts happily coinciding with a general economic upturn, the Church assumed a financial stability it had not known for a decade.

As a preliminary step, President Snow requested Elders Grant and Smoot to audit the Ogden bank's books again. Their report was an oriental dish of sweet and sour. Despite Utah's worst to-date depression and the unpopularity of the cause among many businessmen, Grant and Cowley had raised over \$50,000 in hard cash and estimated that at least \$15,000 of the remaining pledges were good. However, after adding these figures to the bank's \$30,000 assets, the institution still lacked \$30,000 to cover its deposits. President Snow promised to provide most of this figure if the pledges were vigorously prosecuted.<sup>36</sup>

"I will not know how to express my feelings of relief and gratitude if I am ever successful, in connection with my assistants, in

honorably winding up this business," Grant lamented as he took again to the circuit. During spring and summer 1900, in the absence of Cowley who was elsewhere on assignment, Elders Grant and Smoot repeatedly traveled to Ogden to persuade the recalcitrant to donate and to manage the UL&T's final act. The outstanding commitments to support the bank were generally paid. The Browning family fulfilled its \$5,000 pledge and Eccles, after three years temporizing, promised to do likewise, contingent upon the bank's final closing. Ironically, the UL&T directors closed up the business and requested depositors to call for their money on the same day, August 31, 1900, that Thomas Stevens, whose probity and reputation had done so much to keep the bank afloat, died.<sup>37</sup>

With the exception of the UL&T shareholders who lost their investments, most of the participants in the crisis did remarkably well. Joseph West, who as cashier approved Abraham Cannon's loan and began the crisis, recovered the \$5,200 he had lent the bank, and after a lawsuit he apparently secured interest on the amount as well. David Eccles proved anew his Midas touch. Six months after receiving the UL&T property for his \$75,000 mortgage, he had the opportunity of selling the building for a 20 percent premium. Within a few years, it was worth twice that amount. Grant also prospered, despite his three-and-a-half-year preoccupation with the UL&T. By purchasing every option, future, and share of the rapidly appreciating Utah Sugar Company that he could get his hands on, Grant was solvent with a slight margin to spare when he sailed for his Japanese mission in 1901. Finally, the Church, which spent \$50,000 in subsidies and lost loans on the UL&T, paid a small price for rescuing its depositors, shoring up Ogden City's economy, saving the financial reputations of some of its leaders, and maintaining its own credit.

Fifteen years later, Francis M. Lyman called Elder Grant into his office. Lyman was dying and wished to say good-bye to the man whom he believed would soon be Church President. "Heber," he said,

I have been reviewing your life and your accomplishments, and I want you to know that I owe my honor and my good name, and so does the prophet of God, Joseph F. Smith to you. . . . No matter whatever comes to you of importance, no matter what great labor you may perform, in my judgment you will never do anything greater than the saving of that bank, and having men put their money in a rat hole.

Even though public subscriptions by themselves were inadequate, Grant's efforts had gained the UL&T time and certainly the bank would have broken without him.<sup>38</sup>

During his later years as Church President, Grant did not disagree with Lyman's estimate. He realized that he had saved Mormon finances and preserved the reputations of many friends, including three General Authorities whom he deeply respected. Moreover, he seemed to perceive how the episode had changed his own life. "I had faith that the Utah Loan and Trust Co. could be saved when I fear that every member of the Presidency and Apostles were lacking in faith," he concluded. "We are all made different and have different degrees of faith on different matters. It takes all kinds for our quorum."<sup>39</sup> Elder Grant had long felt apprehensive and even at times unworthy of his calling because of his financial and practical orientation. Yet, because of his labors with the UL&T, he learned to accept his talents rather than to apologize or feel frustrated because of them.

## Notes

This article was originally published in *Journal of Mormon History* 8 (1981): 21–36.

1. Brigham Young's observation: Brigham Young Jr., Diary, May 29, 1897, Brigham Young Papers, Church Archives, The Church of Jesus Christ of Latter-day Saints, Salt Lake City. Announcement of the operation: "Hon. H. J. Grant III," *Deseret Evening News*, May 29, 1897, 2; "Heber J. Grant Very Ill," *Salt Lake Herald*, May 29, 1897, 8; and Franklin D. Richards, Diary, May 29, 1897, Franklin D. Richards Papers, Church Archives. Prognosis: Penciled Heber J. Grant Memorandum, undated, box 177, fd. 3, Heber J. Grant Papers, Church Archives.

2. Thomas J. Stevens, Diary, typescript, June 12, 1897, Church Archives; Heber J. Grant, "An Interesting Experience as Related by President Grant," March 18, 1941, 1, Grant Papers.

3. Miscellaneous Notes, in Bank Examiner's Report, July 29, 1897, Bank Examiner's Reports, 1891–99, Administrative Reports of the Secretary of State, Utah Archives, Annex, Salt Lake City.

4. Stevens, Diary, March 14, 1893. Trouble in 1893: Heber J. Grant to Heber M. Wells, July 11, 1893, Grant Letterpress Copybook, 17:155, Grant Papers.

5. Charles Comstock Richards, *Autobiography of Charles Comstock Richards* (n.p.: privately printed, n.d.), 178–80; Journal History of The Church of Jesus Christ of Latter-day Saints, February 5, 1901, Church Archives, microfilm

copy in Harold B. Lee Library, Brigham Young University, Provo, Utah; Grant, "Interesting Experience," 1. While Franklin D. Richards, who owned a few UL&T shares himself, described the transaction as giving "a precious relief to a few who have borne the crushing burden in and during the past Financial Panic," the deal left the Richards family with heavy debts. In its aftermath the Apostle sought personal financial relief from the Church. See Richards, Diary, June 1, 1896; Franklin D. Richards to Presidents Wilford Woodruff, George Q. Cannon, and Joseph F. Smith, June 1896, Letterbook 1896-98, Richards Papers; and Stevens, Diary, June 17, 1897.

6. Stevens, Diary, March 27, April 26, 27, and May 1, 1897.

7. Grant, "Interesting Experience," 1-2; Richards, Diary, July 6, 1897.

8. In addition to those already mentioned, Lewis W. Shurtliff, Charles E. Middleton, Nils C. Flygare, John Watson, Henry H. Rolapp, Frank J. Cannon, Ephraim H. Nye, Thomas D. Dee, James H. Moyle, and Daniel Hamer were at various times associated with the bank. The first three constituted the Weber Stake Presidency.

9. For a preliminary study of Utah finances during the nineties, see also Leonard J. Arrington, "Utah and the Depression of the 1890's," *Utah Historical Quarterly* 29 (January 1961): 3-18. The timing of the statement of the Church's loan agent, who must have been Frank J. Cannon, is unclear. See Heber J. Grant and Matthias F. Cowley to George Osmond and Counselors, December 6, 1898, Grant Letterpress Copybook, 28:357. Culpability: Heber J. Grant, Typed Diary, February 24, 1898, Grant Papers.

10. Journal History, July 1, 2, and 6, 1897; Richards, Diary, July 6, 1897; Stevens, Diary, July 6, 1897; Charles Middleton, Diary, July 6, 1897, Church Archives.

11. Steven's conduct: Grant, Typed Diary, September 2, 1900. Woodruff: Wilford Woodruff, Diary, August 10 and 26, 1897, Wilford Woodruff Papers, Church Archives.

12. Stevens, Diary, August 16 and 17, 1897.

13. 1893-94 Depression: Abraham H. Cannon, Diary, typescript, February 14, March 28, and May 29, 1894, Church Archives; Stevens, Diary, April 8 and 11, and July 8, 1894. Church debt: John Henry Smith, Diary, typescript, December 23 and 24, 1897, Church Archives.

14. Stevens's importuning: Stevens, Diary, January 22, 24, and 26, 1898. Joseph F. Smith wanted to extend aid but had "no hope for sympathy or encouragement from bros. C[annon] and W[oodruff]," Joseph F. Smith to Thomas J. Stevens, January 25, 1898, Joseph F. Smith Letterbook, Joseph F. Smith Papers, Church Archives.

15. General Authority meeting: Richards, Diary, February 4, 1898; Grant, Typed Diary, February 4, 1898. Aid to UL&T: Heber J. Grant to John Watson, April 2, 1898, Grant Letterpress Copybook, 26:392-93. Second mortgage: Copy of memorandum on Transfer of Second Mortgage, Grant Letterpress Copybook, 31:512.

16. Heber J. Grant to J. A. Murray, February 26, 1898, Grant Letterpress

Copybook, 26:356, illustrates his UL&T proposals.

17. Leonard J. Arrington, *David Eccles: Pioneer Western Industrialist* (Utah State University: Logan, 1975), 5–6, 257–58; Heber J. Grant to Thomas J. Stevens, April 13, 1898, Grant Letterpress Copybook, 26:410.

18. San Francisco: Stevens, Diary, February 21, 1898. Letters: Heber J. Grant to J. A. Murray, February 26, 1898. Eccles: Heber J. Grant to Utah Loan & Trust Company, May 14, 1898, Grant Letterpress Copybook, 26:496. Little prospect: Heber J. Grant to W. W. Maughan, April 20, 1898, Grant Letterpress Copybook, 26:416.

19. Suit: Anders Larsen v. Utah Loan and Trust, filed May 25, 1898, Case #723, Third Circuit Court, Utah State Archives.

20. Suit: Anders Larsen v. Utah Loan and Trust, filed May 25, 1898, Case #723, Third Circuit Court, Utah State Archives; Middleton, Diary, April 4, 1900. Bank reserves: Stevens, Diary, August 7 and 8, 1898.

21. Journal History, August 8, 1898; Grant "Interesting Experience," 2.

22. Grant, "Interesting Experience," 2; Heber J. Grant, "President Grant's Story about Saving the Ogden Bank," Memorandum, box 177, fd. 7, Grant Papers; Grant, Typed Diary, August 8, 1898. All diaries suggest that the climaxing meeting of the brethren was held on August 8, 1898, although the extract in Grant's Letterpress Copybook, 26:639–40 is dated two days later. The text reads as follows:

This letter will be presented to you by Elders Heber J. Grant and Matthias F. Cowley, and we ask you to treat as confidential all communications which they may make to you.

We have called these brethren on a mission to raise the funds necessary to save one of the institutions of Zion from making an assignment. We feel that it would be a great calamity to have it fail as it would injure the credit of the Latter-day Saints as a community, and to maintain the community credit is something that should appeal to the patriotism of every true Latter-day Saint.

We appeal to you to render to these brethren all the financial aid that your circumstances will admit of, and also to assist them to the full extent of your ability to secure means from any of the saints residing in your Wards whom you feel are able to aid in this matter.

We fully appreciate the fact that the saints have very many calls made upon them, but notwithstanding this, as sacrifice brings forth the blessings of heaven, we do not hesitate to appeal to you for aid in this matter, knowing that every sacrifice made in aiding any of the institutions of Zion will be sure to bring an ample reward from our Father in Heaven.

We assure you that we shall appreciate very much indeed all you shall do to aid the brethren in making their mission

a success.

A subsequent version of the text without detailing its relationship to the Utah Loan and Trust Company is found in James R. Clark, ed., *Messages of the First Presidency* (Salt Lake City: Bookcraft, 1966), 3:305–6.

23. Donations: Stevens, Diary, August 8, 1898; Grant, Typed Diary, August 8, 1898. Statement on debts: Heber J. Grant to John Henry Smith, January 18, 1902, Grant Letterpress Copybook, 34:267, Grant Papers. Clearing with endorsers: Heber J. Grant to Anthony W. Ivins, August 19, 1898, Grant Letterpress Copybook, 26:666.

24. The following episode with its dialogue is preserved in Grant, "Interesting Experience," 3–8; Grant, "Saving the Ogden Bank," 3–6; Grant, Typed Diary, August 13, 1898; and Heber J. Grant to Rudger Clawson, July 1, 1903, Grant Letterpress Copybook, 36:462–63.

25. Andrew Jenson, *Latter-day Saint Biographical Encyclopedia: A Compilation of Biographical Sketches of Prominent Men and Women in The Church of Jesus Christ of Latter-day Saints*, 4 vols. (Salt Lake City: Andrew Jenson History, 1901–36), 2:776–77; Jesse William Knight, *The Jesse Knight Family: Jesse Knight, His Forebears and Family* ([Salt Lake City]: Deseret News Press, 1841), 37–41, 82–87.

26. See Grant, "Interesting Experience," 10–12.

27. No sleep: Heber J. Grant to Spencer Clawson, September 3, 1898, Grant Letterpress Copybook, 28:5; Heber J. Grant to Jesse Knight and Reed Smoot, September 3, 1898, Grant Letterpress Copybook, 28:1–2; Heber J. Grant, Manuscript Diary, December 20, 1898, Grant Papers.

28. W. H. Smart to Matthias F. Cowley, September 7, 1898, Grant Letterpress Copybook, 28:165–66; William H. Smart, Diary, September 30, October 3, 10, 12 and 31, and November 1 and 22, 1898, Church Archives.

29. Heber and Augusta letter writing: Grant, Manuscript Diary, December 9, 1898; and Grant Letterpress Copybooks for the period. Complaint: William E. Bassett to Lorenzo Snow, George Q. Cannon, and Joseph F. Smith, December 7, 1898, Lorenzo Snow Papers, Church Archives. Meeting with success: Heber J. Grant to Anthony W. Ivins, August 27, 1898, Grant Letterpress Copybook, 26:678.

30. Grant, "Saving the Ogden Bank," 6–7.

31. Richards's payment: George F. Richards, Diary, October 10, 1898, Church Archives; Heber J. Grant to George F. Richards, undated, in Grant, Manuscript Diary, October 8, 1898. Romney: Grant, Manuscript Diary, December 15 and 17, 1898.

32. Heber J. Grant to Thomas J. Stevens, January 6, 1899, Grant Letterpress Copybook, 28:524–25.

33. Merchant refusal: Heber J. Grant, "Selfishness and the 'Generous Giver,'" *Improvement Era* 42 (December 1939): 713. Unpleasant task: Heber J. Grant to Brother Cutler, July 28, 1899, Grant Letterpress Copybook, 29:239. Insults and slurs: Heber J. Grant to Rudger Clawson, July 1, 1903, Grant

Letterpress Copybook, 36:459.

34. Heber J. Grant to Joseph Howell, May 4, 1900, Grant Letterpress Copybook, 30:561.

35. Grant, Typed Diary, April 2, 1900; Bank Examiner's Report of the Utah Loan and Trust, April 21, 1900, Bank Examiner's Reports, 1899-1900, Administrative Reports of the Secretary of State, Archives, Utah State University, Logan, Utah.

36. Grant, Typed Diary, April 20 and May 18, 1900.

37. Grant, Typed Diary, April 30, August 31, and September 2, 1900.

38. Grant, "Interesting Experience," 13-15.

39. Heber J. Grant to John Henry Smith, December 31, 1901, George A. Smith Papers, Western Americana, Marriott Library.



